

**CORPORATE GOVERNANCE CHARTER  
TELENET GROUP**

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## **Introduction**

This latest version of the Corporate Governance Charter has been approved by the board of directors of Telenet Group Holding NV on 14 February 2017. This version of the Corporate Governance Charter replaces the previous version of July 24, 2015.

It contains a summary of the rules and principles on which the corporate governance of the Company is organized. It is subject to, and without prejudice to, the articles of association of the Company and the relevant provisions of Belgian law, such as the Belgian Companies Code. Summaries or descriptions, if any, in this Charter of legal and statutory provisions, company structures or contractual relations are for information purposes only and should not be considered as legal or tax advice as to the interpretation or enforceability of such provisions or relations.

The Charter is based on the provisions of the articles of association of the Company and the Belgian Companies Code (as amended from time to time), as well as on the Belgian Corporate Governance Code of March 12, 2009. The main aim of the Belgian Corporate Governance Code is to support long-term value creation by providing Belgian listed companies with a model of good corporate governance.

“*Corporate governance*” is described in the Code as a set of rules and behaviours which determine how companies are managed and controlled. According to the Code, a good corporate governance model will achieve its goal by setting a proper balance between leadership, entrepreneurship and performance on the one hand, and control as well as conformity with these rules on the other hand.

The board of directors of the Company has indicated the Corporate Governance Code 2009 as the applicable corporate governance code for the Company (in accordance with article 96, §2, 1° of the Belgian Companies Code). The Company intends to comply with the provisions of this Code, but the board of directors may deem it justified in some instances to deviate from its provisions, which deviations will then be explained in the Corporate Governance Statement of the Company included in its annual report (in accordance with article 96, §2, 2° of the Belgian Companies Code).

The board of directors of the Company shall review this Corporate Governance Charter from time to time and make such amendments as it deems necessary and appropriate.

The Charter must be read together with the articles of association of the Company, the annual report and the other information which the Company makes available from time to time. This Charter is available in the Dutch and English language. The Dutch version of the Charter is the official version. In case of inconsistencies between the Dutch and English version, the Dutch version will prevail.

Unless the context requires so or unless determined otherwise in this Charter, the defined terms and words shall have the meaning given to it on the last page of this Charter.

The Charter will be made available on the corporate website of the Company (<http://investors.telenet.be>) and can be obtained free of charge at the registered office of the Company (Neerveldstraat 105, 1200 Sint-Lambrechts-Woluwe, Belgium, Attn: Company Secretary).

*Free English translation for information purposes only*

On behalf of the board of directors

14 February, 2017

## **Mission and vision of Telenet**

### **Mission**

*As a leading provider of media and telecommunications services in Belgium, Telenet is always looking for the ideal experience in the digital world for all of its residential and business customers. Our goal is simple: making work and life easier and happier.*

*To realize this ambition, we are committed to becoming the leading provider of converged connected entertainment and business solutions in Belgium by 2020.*

*At Telenet we strive for sustainable growth, with a good balance between operational excellence and social responsibility, taking into account the social, economic and environmental aspects of our business operations. Together with our employees and our partners, we want to make a positive contribution to the Belgian digital economy and build a digital society that is accessible to all.*

### **Vision**

*As a telecommunications company, Telenet finds innovation and development extremely important, including the continuing optimization of existing applications, the continuing expansion of the technological possibilities and the enhancement of the product and service offering. A convincing marketing approach, a creative product mix and efficient customer service ensure that Telenet is always able to appeal to new target groups.*

*Furthermore, Telenet is as a growth company deeply conscious of its increasing responsibility within the community. Telenet is committed to durable growth, with a good balance between financial performance and social responsibility. We make a positive contribution to society, the economy and the environment. We do this through our products and services, job creation, community involvement and responsible use of resources. Our social commitment is reflected mainly in the structural support of social projects that further close the digital divide between different population groups and allowing everyone to develop their skills and talents in the digital knowledge economy.*

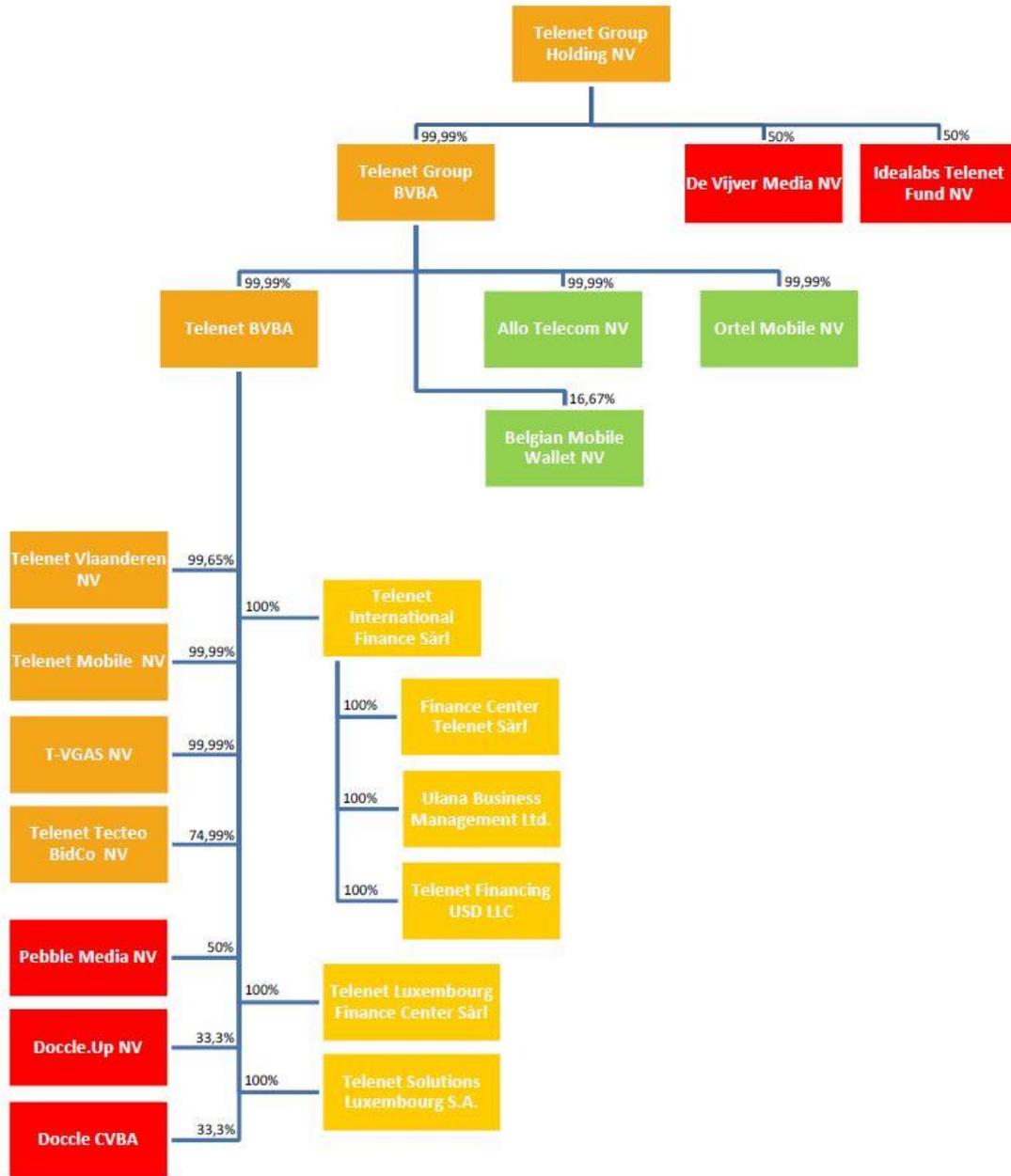
**PART I: Structure and organisation of the Telenet Group**

Telenet Group Holding NV (hereinafter “*the Company*”) is the parent company of the Telenet group and is a company listed on Euronext Brussels, forming part of the “BEL20” index since March 4, 2009. It is a limited liability company under Belgian law incorporated on June 3, 2002 for an unlimited term. The registered office of the Company is located at Neerveldstraat 105, 1200 Sint-Lambrechts-Woluwe, Belgium. The Company is registered with the Crossroad Bank for Enterprises under number 0477.702.333.

The scheme below sets out the Telenet group structure<sup>1</sup>:

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<sup>1</sup> Situation per February 7, 2017.



You can always find an up-to-date scheme on our investors website (<http://investors.telenet.be>).

Telenet Group BVBA is the third largest mobile network operator in Belgium and was acquired from Koninklijke KPN by the Company on 11 February 2016. Telenet Group BVBA offers mobile telephone services in the whole territory of Belgium and had over 2,9 million active customers by end September 2016, of which 2,1 million customers had a post-paid subscription formula.

Telenet Group BVBA further holds a 99% interest in both Allo Telecom NV and Ortel Mobile NV. On 10 February 2017, Telenet Group BVBA announced that it had entered into an

agreement with Lycamobile with respect to the sale of its subsidiary Ortel Mobile NV to Lycamobile, with effect as from 1 March 2017.

Besides Telenet Group BVBA, Telenet BVBA is one of the main operational companies of the Telenet group. This company has entered into a syndicate credit facility in 2007, which has been amended several times and for the last time on 2 November 2015 (the “*Senior Credit Facility*”). In the course of 2010, Telenet International Finance S. à r.l. has become the main borrower under the Senior Credit Facility.

Telenet Vlaanderen NV holds, amongst others, a part of the usage rights on the network of Telenet BVBA and supervises the Public Interest Guarantees (as defined in the articles of association of the Company).

In addition, the Belgian operational companies Telenet Mobile NV, T-VGAS NV and Telenet Tecteo Bidco NV also form part of the group on the date of this Charter, as well as the three financing subsidiaries based in the Grand Duchy of Luxembourg, namely Telenet International Finance S. à r.l., Telenet Luxembourg Finance Center S.à r.l. and Finance Center Telenet S. à r.l. and one operational company (with limited activities), being Telenet Solutions Luxembourg S.A.

Finally, the Company also holds (directly or indirectly) several minority participations in other companies.

Telenet BVBA holds a participation of 50% in Pebble Media NV, a joint-venture with Vlaamse Audiovisuele Regie NV (VAR), a participation of 33% in, respectively, Doccle.Up NV and Doccle CVBA, both joint-ventures with Nationaal Hulpfonds VZW and Acerta CVBA, as well as one share in EuroCableCertification BVBA, a certification company incorporated by the professional organization “EuroCable”.

Furthermore, Telenet Group Holding NV holds a participation of 50% in Idealabs Telenet Fund NV, a joint-venture with Nikeventures BVBA, and a participation of 50% in De Vijver Media NV. Finally, Telenet Group BVBA holds a minority participation of 16,67% in Belgian Mobile Wallet NV.

## **PART II: Shares, share capital and shareholders**

### **2.1. Share capital, shares and other securities**

The share capital of the Company as at 14 February 2017 amounts to EUR 12,757,656.69 and is represented by 117,335,623 shares, without nominal value.

All shares are ordinary shares, except for

- (i) 30 Golden Shares, held by the Financing Intercommunales, the financing vehicles belonging to the Mixed Intercommunales from whom Telenet acquired the cable infrastructure in earlier times;
- (ii) 94,843 Liquidation Dispreference Shares; these are shares held by Interkabel (Pure Intercommunales) and the Liberty Global-group and are subject to a liquidation dispreference treatment in case of liquidation of the Company. However, on simple request, they can be converted into ordinary shares on the basis of 1.04 Liquidation Dispreference Share for 1 ordinary share.

Besides shares, the Company has also the following securities outstanding:

- ESOP 2013 Options: these are options on existing shares, which were granted or still can be granted to the staff and management members of the Company in the framework of the “Stock Option Plan 2013”. Under certain circumstances, these options give the right to acquire existing ordinary shares.
- ESOP 2014 Options: these are options on existing shares, which were granted or still can be granted to the staff and management members of the Company in the framework of the “Stock Option Plan 2014”. Under certain circumstances, these options give the right to acquire existing ordinary shares.
- ESOP 2015 Options: these are options on existing shares, which were granted or still can be granted to the staff and management members of the Company in the framework of the “Stock Option Plan 2015”. Under certain circumstances, these options give the right to acquire existing ordinary shares.
- ESOP 2016 Options: these are options on existing shares, which were granted or still can be granted to the staff and management members of the Company in the framework of the “Stock Option Plan 2016”. Under certain circumstances, these options give the right to acquire existing ordinary shares.
- CEO SOP 2013 Options: these are options on existing shares, which were granted to the CEO of the Company in the framework of the “CEO Stock Option Plan 2013”. Under certain circumstances, these options give the right to acquire existing ordinary shares.
- CEO SOP 2014 Options: these are options on existing shares, which were granted to the CEO of the Company in the framework of the “CEO Stock Option Plan 2014”. Under certain circumstances, these options give the right to acquire existing ordinary shares.

- CEO SOP 2014bis Options: these are options on existing shares, which were granted to the CEO of the Company in the framework of the “CEO Stock Option Plan 2014bis”. Under certain circumstances, these options give the right to acquire existing ordinary shares.
- CEO SOP 2015 Options: these are options on existing shares, which were granted to the CEO of the Company in the framework of the “CEO Stock Option Plan 2015”. Under certain circumstances, these options give the right to acquire existing ordinary shares.
- SSOP 2015bis: these are options on existing shares, which were granted to a member of management in the framework of the “Special Prestation Share Option Plan 2015bis”. Under certain circumstances, these options give the right to acquire existing ordinary shares.

For a detailed overview of the outstanding securities of the Company, reference is made to the information provided on the investors website of Telenet (<http://investors.telenet.be>).

## **2.2. Form of the shares**

The shares of the Company are registered shares or dematerialized shares, at the choice of the shareholder.

Registered shares are registered in the share register of the Company.

Dematerialized shares are recorded into a securities account of the shareholder.

Registered shares can be converted into dematerialized shares, upon simple request and at the expense of the shareholder, respectively, the Company.

Dematerialized shares can also be converted into registered shares, upon simple request and at the expenses of the shareholder.

Certain shares are currently registered shares and cannot be converted into dematerialized shares, unless under specific conditions. In particular, this is the case for the Liquidation Dispreference Shares and the Golden Shares.

## **2.3. Changes in the share capital**

A capital increase or capital decrease is to be decided upon by the general shareholders’ meeting except for, with respect to capital increases, explicit authorization to the board of directors.

In that respect, at least half of the voting shares should be present or represented at the general shareholders’ meeting, which shall resolve on the capital increase or decrease.

In principle, each shareholder is entitled to a preferential subscription right in the event of a capital increase in cash pursuant to which he can subscribe to the capital increase in relation to his shareholding.

## **2.4. Shareholders**

### 2.4.1. Shareholding structure

On the basis of the shareholders register, the transparency declarations received in accordance with the law of May 2, 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, as well as the latest notification of each relevant shareholder as notified to the Financial Services & Markets Authority (FSMA) pursuant to Article 12 of the Royal Decree of April 27, 2007 on public takeover bids, the shareholding structure is composed as indicated in the table you can find on the investors website of the Company (<http://investors.telenet.be>). This table indicates the situation on a certain point in time. All capital movements and transparency declarations received and the amended shareholding structure are disclosed and updated on the investors website of the Company (<http://investors.telenet.be>).

### 2.4.2. Shareholders' agreements

The Company is not aware of any agreements between its shareholders.

### 2.4.3. Relationship with shareholders

The board of directors ensures that the legal rights and the rights mentioned in the articles of association of all shareholders are respected. An equal treatment of all shareholders is material in that respect, among others by means of an equal announcement of occasional and periodical information through the different communication channels.

The board shall foster an effective dialogue with the shareholders and (potential) investors, based on a mutual understanding of objectives and concerns.

The periodic information with respect to the financial results (annual, semi-annual or per quarter) is announced in accordance with the applicable legislation, on predetermined points in time, which can be found on the investors website of Telenet (<http://investors.telenet.be>). This periodic information is announced on the same website and is simultaneously delivered to one or more press agencies, Euronext, the FSMA and to other channels, among which financial analysts, institutional and private investors, who have requested to receive this information.

The Company is subject to the provisions of the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market, as last amended by the Royal Decree of September 11, 2016.

Shareholders and investors can communicate and discuss with Telenet via the Investors Relations Team (see for contact details the website <http://investors.telenet.be>). The Company has individual contacts on a regular basis with important institutional investors during which explanations of a more financial-technical nature are given (without providing in this respect any additional non-publicly available information).

Information with respect to the Company (for instance the articles of association, the corporate governance charter, information with respect to the general shareholders' meeting, etc.) can be consulted on the investors website of the Company or a copy thereof can be obtained at the registered office of the Company (Neerveldstraat 105, 1200 Sint-Lambrechts-Woluwe, Belgium, Attn: Company Secretary).

#### 2.4.4. Transparency declarations

The Belgian Companies Code and the Company's articles of association state that each natural person or corporation acquiring or transferring shares or other voting financial instruments of the Company, whether or not representing the Company's share capital (such as warrants or options, etc.), must, within two business days following the transaction, notify the Company as well as the FSMA of the total number of voting financial instruments held by him or her, each time where as a result of the acquisition or transfer, the total number of voting financial instruments held by him or her after the transaction exceeds or falls below the threshold of 3%, 5%, 10% or 15% (or every subsequent multiple of 5%) of the total number of voting financial instruments of the Company at the moment of the transaction. Declaration forms and additional information on the applicable transparency regulation can be found on the website of the FSMA ([www.fsma.be](http://www.fsma.be)).

Each transparency declaration received by the Company will be published on the website of the Company as soon as possible, and at the latest four (4) days after receipt of the declaration (see website [investors.telenet.be](http://investors.telenet.be)).

#### **2.5. Liquidation rights**

A number of shares of the Company (94,843) are subject to a liquidation dispreference as long as they are not converted into ordinary shares on the basis of a ratio of 1.04 dispreference shares for one ordinary share. In the event of a liquidation of the Company, the liquidation dispreference shall apply if, following (i) the fact that Telenet Vlaanderen or Telenet BVBA has been declared bankrupt or has been liquidated, or (ii) a unanimous and definitive decision of the board of directors of Telenet Group Holding to cease each direct and indirect development, installation or exploitation of the Telenet telecommunication network in Belgium, Interkabel terminates the usage rights, which the Telenet Group (through Telenet Vlaanderen) holds on its network. In such case, the shares, which are subject to the dispreference, shall entitle the holders thereof only to the possible proceeds of the liquidation for the part above € 8.02 per share. Except with respect to the liquidation dispreference, the liquidation dispreference shares carry the same rights as the ordinary shares and such shares participate in the share capital and the dividends in the same manner as the ordinary shares.

### **PART III: General Shareholders' Meeting**

#### **3.1. Annual general shareholders' meeting**

The annual general shareholders' meeting of the Company is held at the registered office or at any other place indicated in the convocation notice. The meeting is held each year on the last Wednesday of April at 3:00 p.m. Belgian time (CET).

#### **3.2. Special and extra-ordinary general shareholders' meeting**

The board of directors or the statutory auditor can, if the interest of the Company so requires, convene at any other time a special or extra-ordinary general shareholders' meeting.

General shareholders' meetings must also be convened upon request of one or more shareholders who hold at least 20 % of the shares of the Company. The request shall by means of a registered letter be addressed to the registered office of the company and shall contain the items of the agenda, on which the general shareholders' meeting shall deliberate and resolve. The convocation of the general shareholders' meeting shall take place within 3 weeks following the receipt of the request.

Besides the above, the shareholders who hold at least 5% of the shares of the Company can submit proposals with respect to the items of the agenda of a general shareholders' meeting to the chairman of the board of directors, as long as the proposals are made timely to enable the board of directors to take such proposals into account in the preparation of the agenda of the general shareholders' meeting.

#### **3.3. Convocation**

The convocation notice of a general shareholders' meeting shall at least contain the elements set out in article 533bis, §1 of the Belgian Companies Code and shall be send out in accordance with the provisions of article 533 of the Belgian Companies Code (providing for a notice of at least 30 days prior to the meeting or, if a second meeting is required and if the date of the second meeting has been mentioned in the convocation notice for the first meeting, at least 17 days prior to the second meeting).

#### **3.4. Right to participate in and right to vote at the general shareholders' meeting**

The holders of shares, warrants, profit certificates and bonds (if any) of the Company have the right to participate in the general shareholders' meetings in accordance with the provisions of the Belgian Companies Code.

The members of the board of directors and the statutory auditor also attend the general shareholders' meetings.

The provisions with respect to the right to participate in and the right to vote of the shareholders, as well as a calendar with respect to the general shareholders' meeting will be announced on the investors website of the Company (<http://investors.telenet.be>).

### **3.5. Formalities to participate in the general shareholders' meeting**

The right to participate in the general shareholders' meeting, is granted on the basis of a registration, on the fourteenth day before the general shareholders' meeting, at 12.00 PM CET (the "registration date"), on the basis of which holders of securities can attend the general shareholders' meeting (irrespective of whether they still hold the securities on the day of the meeting itself). The registration is based on their inscription in the register of nominative shares, on their inscription on the accounts of an authorized accountholder or a settlement agency, or by presentation of their bearer shares to a financial intermediary.

Holders of securities must notify the Company of their intention to attend the general shareholders' meeting, on the sixth day before the general shareholders' meeting at the latest.

The financial intermediary, the authorized accountholder or the settlement agency delivers an attestation to the holder of securities, proving with how many bearer shares or dematerialized shares which have been presented or which were inscribed on the name of the holder of shares on its accounts on the registration date the holder of securities has expressed its intention to participate in the general shareholders' meeting.

The convocation notice for the general shareholders' meeting shall mention the procedure which has to be complied with.

The board of directors shall draw up a register in which it is recorded for each shareholder who expressed its intention to participate at the general shareholders' meeting his name and address or registered seat, the number of securities he held on the registration date and a description of the supporting documents proving that he held these securities on the registration date.

The convocation notice shall indicate the registration date and the notification that only persons which hold securities on that date, are allowed to participate in and to vote at the general shareholders' meeting.

### **3.6. Representation and voting at distance**

Each shareholder has the right to attend the general shareholders' meeting and to vote at the general shareholders' meeting in person. In order to encourage shareholders to participate in the general shareholders' meeting, each shareholder may also give a proxy to one single proxy holder, which should not be a shareholder. Nevertheless, (i) a shareholder can appoint a separate proxy holder for each form of shares he holds and for each security account if he holds shares on more than one security account and (ii) a shareholder which acts operationally on behalf of other natural persons or moral persons, can give a proxy to each of those other natural persons or moral persons or to a designated third party. Each proxy must be in written or via an electronic form, and must be signed by the shareholders

A proxy holder can hold proxies of multiple shareholders of the Company.

The board of directors of the Company can request the shareholders to use a model power of attorney (with voting instructions), which must be received by the Company at least six working days prior to the meeting. Such model power of attorney shall be made available on the investors website of Telenet (<http://investors.telenet.>).

The articles of association of the Company also allow the shareholders to vote at distance before the general shareholders' meeting, in accordance with the provisions of the Belgian Companies Code. A model voting letter shall be made available on the investors website of Telenet (<http://investors.telenet>).

The voting letter should contain (i) the identity of the shareholder; (ii) the number of shares by which he or she participates to the voting; (iii) the form of the shares; (iv) the entire agenda, including the proposed resolutions; (v) the voting intention of the shareholder (pro, contra or abstentions) with respect to the items on the agenda, whether or not motivated and (vi) the time limit in which the Company should receive the votes at distance at the latest.

The voting letter should be received by the Company at least six working days prior to the meeting in written. Electronic voting is possible until one working day before the meeting.

### **3.7. General shareholders' meeting**

#### 3.7.1. Admission

The holders of securities are admitted to the general shareholders' meeting if they have complied with the admission formalities set out in the convocation notice of the shareholders' meeting.

#### 3.7.2. Chairman and office

The general shareholders' meeting is chaired by the chairman of the board of directors or, in his absence, by another director designated by the board of directors.

The chairman appoints a secretary, who does not need to be a shareholder. The general shareholders' meeting appoints one or more tellers by simple majority.

The chairman, the secretary and the teller(s) constitute together the office.

The meeting takes place in accordance with the applicable statutory or legal provisions and, additionally, the generally accepted rules with respect to deliberating bodies.

#### 3.7.3. Voting

##### *Quorum and majority*

Resolutions of the general shareholders' meeting are passed by simple majority of votes irrespective the number of shares present or represented. In the event of tied votes, the proposal is rejected.

Amendments to the articles of association and dissolution of the Company (unless by court decision) and certain other decisions, such as in case of mergers, not only require the presence or representation of at least 50 % of the share capital of the Company, but also requires the approval of at least 75% of the votes cast.

An amendment to the Company's corporate object requires the approval of at least 80% of the votes cast during the relevant general shareholders' meeting, which in principle can only validly

resolve if at least 50 % of the share capital and at least 50 % of the profit certificates, if any, are present or represented.

If the quorum requirement is not met, a second meeting must be convened by means of a new convocation notice. The second general shareholders' meeting can validly deliberate and resolve irrespective the number of shares present or represented.

*Special majorities –*

The articles of association state that the Company may not sell or cannot grant clearance to sell the shares of Telenet Vlaanderen NV, nor can issue shares to third parties in Telenet Vlaanderen NV nor can allow the issuance thereof to third parties, without the approval of Interkabel Vlaanderen CVBA, as long as the latter holds at least one share in the Company and as long as Telenet Vlaanderen NV has usage rights on the cable network (as defined in the Interkabel Contribution Deed of September 23, 1996, according to which Interkabel has transferred usage rights to Telenet Vlaanderen NV).

The above does not exclude a pledge on such shares for the purposes of financing the activities of the Telenet Companies, without prejudice to the prohibition to pledge the shares of Telenet Vlaanderen NV.

3.7.4. Minutes

Minutes, to which the attendance list, reports, if any, powers of attorney or votes per letter are attached, are drawn up of each meeting. The minutes are signed by the members of the office and the shareholders, who request so, and are subsequently kept at the registered office of the Company in a special register.

Shareholders who request so, can obtain a copy or an excerpt which shall be signed by two directors acting together, or by the chairman and the secretary of the board of directors, acting together. As soon as possible after the general shareholders' meeting, and at the latest within 15 days after the meeting, the minutes shall be made available on the investors website of the Company (<http://investors.telenet.>).

## **PART IV: Board of directors**

### **4.1. Function, task and competences**

#### 4.1.1. Function

The board of directors is responsible for the management of the Company.

#### 4.1.2. Competences

The board of directors is competent to perform any actions which are necessary or useful to achieve the Company's purpose, with the exception of those powers, which are expressly reserved to the general shareholders' meeting by the Belgian Companies Code and the articles of association.

The Company is validly represented by the board of directors as a college or by 2 directors, acting jointly. With respect to matters relating to the daily management, the Company is validly represented by the persons charged with the daily management, i.e. the CEO.

The Company can finally be represented by special proxy holders, within the limits of the power of attorney granted to them.

Individual directors may, at the expense of the Company, obtain independent professional advice whenever they deem it necessary for the good execution of their mandate as director, and after having informed the Chairman.

#### 4.1.3. Tasks

The board of directors should pursue the long term success of the Company and its activities, in the interest of the shareholders and taking into account the interest of other stakeholders, such as customers, employees and in general the community in which the Company is active. In that respect, the board of directors has to determine the values and the strategy of Telenet, its risk appetite and key policies and should supervise the organization and the execution thereof. In translating values and strategies into key policies, the board will pay attention to corporate social responsibility, gender diversity and diversity in general.

Specifically, the board of directors is responsible for:

- determining the strategy, the values and the most important policy guidelines of Telenet;
- the organisation of Telenet and the provision of the necessary leadership and the required financial and human resources to achieve the company's purposes;
- monitoring and reviewing the effectiveness of the committees of the board of directors;
- taking all necessary measures to ensure the integrity and timely disclosure of the Company's financial statements and other material financial and non-financial information disclosed to the shareholders and potential shareholders;
- approving a framework of internal control and risk management set up by the Senior Leadership Team;
- reviewing the implementation of this framework, taking into account the review by the Audit Committee;

- identifying and managing the risks with respect to Telenet and its activities, amongst others by installing a system of internal audit and supervising the functioning thereof;
- evaluating and supervising the performances and results;
- proposing decisions to the general shareholders' meeting with respect to matters that belong to the competences of the general shareholders' meeting;
- taking decisions with respect to matters that belong to the competences of the board of directors (such as for example with respect to the budget, important commercial contracts, co-operations and acquisitions, legally required reports for the shareholders, accounting rules, approval of the periodic financial reporting, financing, composition and functioning of the committees of the board of directors, etc);
- determining the structure, the competences and the obligations of the Senior Leadership Team;
- the appointment of the CEO upon advice of the Nomination Committee and the determination of the CEO's remuneration, upon advice of the Remuneration & Nomination Committee;
- reviewing the performance of the Senior Leadership Team (including the CEO) and the realisation of the Company's strategy ;
- supervising the personnel policy;
- supervising the activities of the statutory auditor and the internal audit function, taking into account the review made by the Audit Committee;
- describing the main features of the Company's internal control and risk management systems, to be disclosed in the Corporate Governance Statement;
- taking all necessary and useful measures for effective and efficient execution of Belgian rules on market abuse.
- ensuring the external communication of decisions taken by the board of directors;
- representing the Company.

## **4.2. Composition**

### **4.2.1. General**

The board of directors is appointed by the general shareholders' meeting. There are maximum 17 members in the board of directors. On the date of this Charter, a majority of the directors is non-executive and there is one executive director (the CEO). There are currently three independent directors.

The directors are appointed for a period of maximum four years. In principle the mandate of the directors terminates at the closing of the annual general shareholders' meeting in which they are replaced. The directors can be re-appointed.

The general shareholders' meeting can dismiss directors at any time.

If a mandate of a director becomes vacant, the board of directors can fill the vacancy, subject to compliance with the rules of nomination. At the next following general shareholders' meeting, the shareholders shall resolve on the definitive appointment, in principle for the remaining term of the mandate of the director who is being replaced.

#### 4.2.2. Directors

The directors are elected by the majority of the votes present or represented at the general shareholders' meeting, taking into account certain rights to nominate as set out in the articles of association.

In each case, a shareholder or specific shareholder group, which holds shares that represent at least half of the share capital, will have the right to nominate candidates for at least a majority of the members of the board of directors.

#### 4.2.3. Independent directors

At any time, there should be at least three (3) independent directors who fulfil the criteria as set forth in the Belgian Companies Code.

As from 2009, the independence criteria as laid down in the Belgian Companies Code have been slightly amended.

A person will only be elected as independent director if he or she:

- is not an executive member of the board, or exercising a function as a member of the legal management committee or as a person entrusted with daily management of the Company or a related company or person, and not having been in such a position for the previous five (5) years;
- has not served on the board of directors as a non-executive director for more than three (3) terms, without exceeding a total term of more than twelve (12) years;
- is not an employee of the senior management of the Company or a related company or person, and not having been in such a position for the previous three (3) years;
- is not receiving, nor has received, any significant remuneration or other significant advantage of a patrimonial nature from the Company or their affiliated companies apart from any fee or bonus received as non-executive director;
- (i) is not holding more than 10% of the Company's share capital, of the Company's social funds or of a class of shares of the Company; (ii) if holding less than the aforementioned 10%, (a) holds no more than this 10% together with companies controlled by the independent director or (b) does not make contractual stipulations nor gives unilateral undertakings concerning the disposal of those shares or the exercise of the related rights; nor (iii) represents, in any circumstances, a shareholder fulfilling the aforementioned conditions;
- is not having, nor having had within the last year, significant business relationships (as determined by the board of directors) with the Company or a related company or person, either directly or as a partner, shareholder, director or senior manager of a company or person who maintains such relationships;
- is not nor has been within the last three years, a partner or employee of the current or former statutory auditor of the Company or a related company or person;
- is not an executive or managing director of another company in which an executive or managing director of the Company or a related company is a non-executive or managing director, and has no other significant links with executive directors of the Company or a related company through involvement in other companies or bodies;

- is not a spouse, legal partner or close family member to the second degree of an executive or managing director of the Company or of a related company or person, nor of persons in the situations described above.

In addition, the articles of association of the Company provide additional criteria for the evaluation of the independent character of a director, which amongst other things imply the independence criteria as set forth in the Belgian Corporate Governance Code (as published in 2009):

- in the opinion of the board of directors, is a person of high repute with experience as a director in companies other than small companies, as defined in Article 15 of the Belgian Companies Code;
- is not an employee or director of a competitor, in the opinion of the board of directors.

Each independent director who would no longer comply with the criteria of independence, informs the board of directors immediately hereof.

The independent directors are elected among the candidates nominated by the majority of the members of the board of directors, after advice of the Nomination Committee.

In the selection process of the Independent Directors, sufficient attention will be given to the fact that the Independent Directors as group are sufficiently familiar with and have knowledge of the Belgian context in which the Company operates.

#### 4.2.4. Capability requirements and appointment procedure

Upon each appointment of a director, the board of directors determines the capabilities, knowledge, experience and gender diversity which are required to achieve an as large as possible diversity and complementarity within the board of directors. As a result of the application of the nomination rights, it cannot be guaranteed that the director finally appointed will meet the required diversity and complementarity.

Save for exceptional, motivated cases, the mandate of directors shall terminate at the first annual shareholders' meeting after they have reached the age of 70.

Upon the appointment or reappointment, the board of directors makes a recommendation, after advice of the Remuneration and Nomination Committee.

The chairman must ensure that the directors dispose of enough information on the candidate, prior to the recommendation, such as the candidate's curriculum vitae, an assessment of the candidate based on the candidate's initial interview, a list of the positions currently held by the candidate, and, if applicable, the necessary information about the candidate's independence.

Upon initiative of the chairman, a new director shall get an appropriate initial education, by which he or she shall acquire an insight in Telenet and specifically in its management, strategy, values, policy guidelines, activities, business challenges, finance, risk management and internal control systems.

Directors who become member of a committee of the board of directors shall be familiarized with the tasks, competences and the functioning of the relevant committee.

For new Audit Committee members, the chairman shall provide the Audit Committee's terms of reference and an overview of the company's internal control organization and risk management systems, full information on the company's specific operational, financial, accounting and auditing features. The introduction also includes meeting the auditor and the relevant company staff.

The directors are expected to keep up their skills and knowledge of Telenet on a permanent basis at a certain level.

#### 4.2.5. Other mandates

Upon their nomination or candidacy, the attention of the directors is drawn to the size of their obligations and the assumed time to spend. In respect thereof, directors cannot exercise more than five directors' mandates in listed companies. They inform the Chairman of the board of directors in due time, about possible other relevant engagements outside Telenet and the developments thereof.

#### 4.2.6. Observers and advisors

The articles of association provide, in certain circumstances, the possibility to designate observers and permanent advisors within the board of directors.

Currently, Mr André Sarens serves as an observer for the "Mixed Intercommunales" in the board of directors.

#### 4.2.7. Chairman

An important function within the board of directors is reserved to the Chairman, who leads the board of directors, takes measures to build up a climate of trust, contributing to open discussion and constructive dissent and supervises the good and efficient functioning of the board of directors.

The Chairman is elected amongst the non-executive members of the board based on his knowledge, skills, experience and mediation strength. He is responsible for determining the calendar and the agenda of the board meetings, in consultation with the CEO. He further sees to it that the procedures for the preparation, the deliberation, the approval and the execution of the resolutions are complied with in a correct manner and that the directors receive timely, accurate and clear information, which is required to deliberate and resolve on the items of the agenda. He leads the board meetings and insures that the directors can discuss and intervene before a decision is taken.

The Chairman establishes a close relationship with the CEO, providing support and advice, while fully respecting the executive responsibilities of the CEO.

Finally, the Chairman functions as an intermediary person between the board of directors and the larger shareholders.

Currently, Mr. Bert De Graeve, permanent representative of IDw Consult BVBA, independent director, acts as chairman of the board of directors of the Company.

#### 4.2.8. Secretary

The board of directors appoints a secretary, who assists the board of directors, its committees, their respective chairmen and individual directors with respect to providing information and advises with respect to all governance matters, the compliance with the law, the articles of association and internal rules and procedures. The secretary assists the Chairman of the board of directors and the board committees with respect to the logistical organization of the respective meetings, including ensuring good information flow within the board and its Committees and between the Senior Leadership Team and non-executive directors, and he draws up the minutes of such meetings. Furthermore the secretary facilitates induction and assists with professional development. The secretary reports regularly to the board, under the direction of the chairman, on how board procedures, rules and regulations are being followed and complied with.

Currently, Mr. Bart van Sprundel, Legal Manager Corporate of Telenet, acts as secretary of the board of directors (and its committees) of the Company.

### **4.3. Functioning**

#### 4.3.1. Frequency, place, convocation

The board of directors convenes as often as the interest of the Company requires so, sufficiently regularly to perform its duties effectively and at least 4 times a year.

The board of directors is convened by the chairman (or by the secretary on behalf of the Chairman) or, in absence of the chairman, by another director. Two directors can request the chairman to convene the meeting, after which a meeting shall be convened within two weeks after receipt of the request.

The meetings shall be held at the registered office of the company or at any other place indicated in the convocation notice. If necessary, meetings will be organised using video, telephone or internet.

The convocation notice shall contain the agenda and shall be sent to all directors not later than 8 calendar days prior to the date of the meeting. In case of urgency, such term shall be reduced to two calendar days.

#### 4.3.2. Meeting – Resolutions

The board of directors can only deliberate and resolve on items included in the agenda. The board of directors can however validly deliberate and resolve on items not included in the agenda if all members of the board are present and all have agreed thereto. This agreement is deemed to have been given when no objection was recorded in the minutes.

The board of directors can only validly deliberate and resolve if at least half of the members are present or represented at the meeting. If this last condition is not fulfilled, a new meeting shall be convened which can validly deliberate and resolve on the items included in the agenda of the previous meeting, to the extent that at least two directors are present or represented.

Each director may instruct one of his colleagues by simple letter, by telegram, telex, telefax, or any other means of communication that produces a printed document, to represent him/her at a

specified meeting of the board of directors and to vote in his/her name and on his/her behalf. In these circumstances a director giving such instructions is considered as being present. A director can represent several fellow members of the board.

To the extent permitted by law, the resolutions of the board of directors may be taken by unanimous written consent of the directors.

The members of the board of directors can participate in a board meeting by way of a telephone conference or similar means of communication in so far as all persons participating in the meeting can hear each other. Such participation in a meeting shall be considered to constitute the participation of a person who is present at the meeting.

The resolutions of the board of directors are in principle passed by simple majority of the directors present or represented. The articles of association provide for special majorities for certain resolutions.

The special majority rules for well defined resolutions have terminated, with a single exception, since the Liberty Global group owns more than half of the shares.

#### **4.4. Confidentiality**

Members of the boards of Directors (or equivalent) of companies of the Telenet Group have a duty of discretion and confidentiality *vis-à-vis* the respective companies and their boards. Directors must therefore limit disclosure of confidential information with respect to the Telenet Group to the minimum required to properly exercise their function within the Telenet Group. The Telenet Group expects its employees, temporary staff, managers, consultants and advisers to comply with the same standard of confidentiality. Please also refer to Telenet's Dealing Code, which can be consulted on the Company's website for investors (<http://investors.telenet.>), for more detail on Telenet's expectations in this respect.

#### **4.5. Evaluation**

Upon initiative of the Chairman, the board of directors makes every two year an evaluation of the efficiency of the board in order to achieve possible improvements in the management of the Company. In that respect, special attention is paid to:

- (i) the composition and functioning of the board of directors and its committees;
- (ii) the thoroughness with which material subjects and decisions are prepared and discussed;
- (iii) the actual contribution of each director in terms of presence at board and/or committee meetings and the constructive involvement in the deliberation and resolutions;
- (iv) the evaluation whether the effective composition corresponds with the desirable or ideal composition;
- (v) the application of the corporate governance rules within the Company and its bodies.

The non-executive directors make once a year an evaluation of their interaction with the Senior Leadership Team, whereby they meet in the absence of the executive directors and the management of the Company.

## **4.6. Remuneration directors**

### 4.6.1. Non-executive directors

Each non-executive director of the Company and each independent director of the Subsidiaries receives an annual remuneration which consists of a fixed part and a variable part, depending on their presences in person. The fixed part of the remuneration is only paid if a director has attended at least half of the meetings of the board of directors. If a director cannot participate in the meeting in person but only by telephone, he can still be entitled to remuneration for the meeting concerned if he communicates an acceptable reason for his absence to the Chairman of the board of directors, whereby the urgent character of the meeting in question can be taken into account. For independent directors the fixed remuneration amounts up to two times the remuneration of other directors. In principle, the remuneration of the Chairman is twice the remuneration of the independent directors. Furthermore, there is a difference between the fixed remuneration and the fee per attended meeting for the directors appointed upon nomination of the majority shareholder, and the other directors. Even if someone is director of different companies within the Telenet Group, he or she shall only be remunerated once. The directors do not receive additional remunerations for meetings of the different committees.

The Company shall draw up a remuneration report.

The remunerations which shall be granted to the directors shall be mentioned on an individual basis in the Company's remuneration report.

The non-executive directors do not receive performance related remunerations, such as bonuses or remunerations related to shares, nor fringe benefits or pension plan-benefits. The directors can however be offered products of the Company free of charge, in order to introduce them these products.

### 4.6.2. Executive directors

Executive directors do not receive a directors' remuneration if they already receive remuneration as member of the Senior Leadership Team.

See also 6.5. Remuneration of the Senior Leadership Team.

## **4.7. Conflicts of interest**

The directors are deemed to avoid, to the extent possible, to perform any actions, to defend certain positions, and to pursue certain interests, if this would conflict, or would give the impression to conflict, with the interests of Telenet. If such conflicts of interest would occur, the director concerned shall immediately inform the Chairman hereof.

The directors shall then comply with the applicable legal provisions of the Belgian Companies Code (Article 523) and, more in particular, abstain from deliberation and voting on the transaction in which the conflict situation arises.

The director shall inform the statutory auditor in writing about the conflict of interest. The minutes shall contain the required mentions and an excerpt shall be published in the annual report.

Transactions and/or business relationships between directors and one or more companies of the Telenet Group, which do not strictly fall under the application of article 523 of the Belgian Companies Code, should always take place at the normal market conditions. The director concerned informs the chairman of the board of directors in advance about such transactions.

## **PART V: Committees of the board of directors**

### **5.1. General**

#### **5.1.1. Role and competence**

The articles of association of the Company state that the board of directors can establish committees, which shall assist the board of directors with respect to specific parts of its overall task. Such committees have an advisory function and do not have the power to take binding decisions, except where the law provides otherwise.

In accordance with the articles of association, the board of directors should be assisted by at least the following committees: the Audit Committee, the Remuneration Committee and a Nomination Committee which possibly concurs with the Remuneration Committee. The board of directors has opted to combine the Remuneration and Nomination Committee.

Each regulation describes the role, the competences, the composition and the functioning of each committee.

The committees have the possibility to obtain external professional advice at the expense of the Company and after having informed the Chairman of the board of directors hereof.

The committees report after each meeting, via its chairman, to the board of directors about its findings and recommendations. The directors may request the secretary of the board to consult the minutes of the committees and submit any comments or questions to the chairman of the specific committee.

#### **5.1.2. Composition**

The board of directors appoints directors to the different committees in function of the specific tasks of each committee and of the relevant capabilities and experiences of the directors.

Except if he is a duly appointed member of the relevant committee and except in cases where there is a conflict of interest, the Chairman of the board of directors can attend the meetings of each committee with an advisory vote.

### **5.2. The Audit Committee**

#### **5.2.1. Tasks and responsibilities**

The most important tasks of the Audit Committee consist of informing the board of directors of the results of the statutory audit of the annual accounts and the consolidated annual accounts and explain how the statutory audit of the annual accounts and the consolidated annual accounts has contributed to the integrity of the financial reporting and the role that the audit committee has played in this respect, convening regularly, in order to assist and advise the board of directors with respect to the monitoring of the financial reporting by the Company and its subsidiaries and making recommendations or proposals to ensure the integrity of the process, the monitoring of the effectiveness of the systems for internal control and risk management of the Company, in case the internal audit function is outsourced, selection of the external professional audit firm that will take up the role as internal auditor, approval of the Internal Audit Charter determining amongst

others the composition, organisation, role, objectives, responsibilities and reporting of the internal audit function, monitoring of the internal audit and its effectiveness, monitoring of the legal control of the annual accounts and the consolidated accounts including follow-up on questions and recommendations of the statutory auditor and assessment and monitoring of the independent character of the statutory auditor, in particular the assessment whether the provision of additional services to the Company is appropriate, in particular the audit committee analyses together with the statutory auditor the threats to its independence and the measures that have been taken to mitigate those threats, when the total fees are higher than the legally determined criteria, and recommendations to the board of directors for the appointment of the auditor. The audit committee reports regularly to the board of directors on the exercise of its duties and at least when the board of directors is preparing the annual accounts, the consolidated annual accounts, the consolidated annual accounts and the condensed financial statements intended for publication.

More specifically, the Audit Committee supervises:

- the integrity of the financial information, as drafted by the companies of the Telenet Group, whereby the accurate, complete and consequent nature of the information is assessed;
- the consequent application of the accounting rules for the Telenet Group companies and the criteria for the consolidation of the accounts of the Telenet Group companies;
- the systems for internal audit and risk management, as installed by the Senior Leadership Team (at least once a year);
- the declarations with respect to internal audit and risk management, as included in the annual report;
- the installation and the functioning of an internal audit structure (amongst which making recommendations on the selection, (re)appointment or resignation of the head of internal audit and the selection and appointment of specialised external consultants and on the budget allocated thereto);
- the compliance by the Senior Leadership Team with the findings and the recommendations of the Audit Committee and the internal auditors;
- the functioning of the external audit process; the Audit Committee makes recommendations on the appointment of the statutory auditor and the functioning conditions, supervises the independence of the statutory auditor and determines the policy with respect to the non-audit services;
- specific arrangements according to which the staff members can express in a confidential way their concern about possible irregularities regarding the financial reporting or other matters (i.e. whistleblower procedure);
- the external communication of periodical financial reporting.

### 5.2.2. Composition

The Audit Committee is composed of members of the board of directors who are not charged with an operational responsibility within the Telenet Group (non-executive directors) and counts at least one member who is an independent director in the meaning of article 526ter of the Belgian Companies Code. The members of the committee have a collective expertise in the activities of the Company and at least one member of the committee has the necessary expertise in the field of accounting and auditing.

As a result of certain composition rules, it is not necessarily so that a majority of the committee will consist of independent directors. However, the board of directors is of the opinion that the

current composition of the Audit Committee is sufficiently balanced to guarantee the committee's independent character.

The committee is chaired by a chairman, appointed by the committee.

As from the date of this Charter, JoVB BVBA, permanently represented by Mr. Jo Van Biesbroeck, independent director, will act as chairman of the Audit Committee.

### 5.2.3. Functioning

The Audit Committee convenes at least four times a year. In principle, the Audit Committee meets each quarter with the statutory auditor and the head of internal audit to review and discuss the financials and the audit process of the past quarter.

Each year, the Audit Committee revises its internal regulation, evaluates its own efficiency and makes recommendations to the board of directors if changes are useful or required.

The Audit Committee can invite any member of the Senior Leadership Team, the personnel or the statutory auditor to attend the meeting. The Audit Committee shall have the possibility to hear each relevant person, without any member of the Senior Leadership Team being present.

At least once a year, the Audit Committee meets with the external auditor without the presence of the Senior Leadership Team.

At least once a year, the Audit Committee meets with the head of internal audit without the presence of the Senior Leadership Team.

The secretary of the board of directors also acts as secretary of the Audit Committee. The secretary shall draft minutes of each meeting. The agenda of the meeting and the relevant documents shall be delivered to the members of the committee prior to the meeting.

The Audit Committee is the most important point of contact for the internal audit function and the statutory auditor. The responsible person for internal audit and the statutory auditor shall at any time have direct and unlimited access to the chairman of the Audit Committee and the Chairman of the board of directors.

## **5.3. The Remuneration and Nomination Committee**

### 5.3.1. Tasks and responsibility

The most important tasks of the Remuneration and Nomination Committee consist of making proposals to the board of directors relating to:

- the remuneration policy for non-executive directors (and the resulting proposals to be presented by the board of directors to the shareholders);
- the remuneration policy for the Senior Leadership Team (and the resulting proposals to be presented by the board of directors to the shareholders), and more specifically with respect to (i) the principal contractual provisions (e.g. pension and termination regulations), (ii) the relationship and balance between fixed and variable remuneration,

- (iii) the performance criteria, (iv) fringe benefits, (v) the granting of stock-based compensation;
- the individual remuneration of directors and members of the Senior Leadership Team, including incentive programs (bonuses, performance related remunerations, stock-based compensation and the regular review thereof;
- the recruitment and retention policies;
- the assistance to the CEO with respect to the appointment and succession of the members of the Senior Leadership Team;
- making recommendations on the appointment and remuneration of the CEO;
- elaborating an objective and professional (re)appointment procedure for directors;
- periodical evaluation of the size and composition of the board of directors and making relevant recommendations to the board of directors with respect to changes;
- searching for potential directors and submitting their applications to the board of directors;
- making recommendations with respect to candidate-directors (e.g. nominated by the shareholders).

Furthermore the Remuneration and Nomination Committee shall prepare the remuneration report, to be included in the corporate governance statement by the board of directors, for review and approval by the board of directors and the Remuneration and Nomination Committee shall present this remuneration report to the annual general shareholders' meeting.

#### 5.3.2. Composition

The Remuneration and Nomination Committee is exclusively composed of members of the board of directors who have not been charged with an operational responsibility within the Telenet Group (non-executive directors). The majority of its members are independent directors.

It acts as Remuneration and Nomination Committee for each of the Telenet Group companies.

The Remuneration and Nomination Committee is chaired by the Chairman of the board of directors or another non-executive director.

Currently, Mr. Bert De Graeve, permanent representative of IDw Consult bvba, independent director, acts as chairman of the Remuneration and Nomination Committee.

#### 5.3.3. Functioning

The Remuneration and Nomination Committee convenes at least twice a year.

The Remuneration and Nomination Committee can invite any member of the Senior Leadership Team or the personnel to attend the meeting.

The secretary of the board of directors also acts as secretary of the Remuneration and Nomination Committee. The secretary shall draft minutes of each meeting. The agenda of the meeting and the relevant documents shall be delivered to the members of the committee prior to the meeting.

#### **5.4. Regulatory Board**

The Regulatory Board is not a committee of the board of directors. It is specifically designed to supervise the compliance by Telenet with the General Interest Guarantees (as defined in the articles of association of the Company).

The Regulatory Board consists of maximum ten Class A members and ten Class B members. The Class A members are elected by the holders of the Golden Shares (currently the Financing Intercommunales, who hold these shares on behalf of the ten Mixed Intercommunales) and must contain the members of the board of directors of the Company who are elected upon (joint) nomination of Electrabel and the Mixed Intercommunales. The Class B members are nominated by the board of directors of the Company.

Since Electrabel and the Mixed Intercommunales are no longer represented in the board, they have, as holders of the Golden Shares, the right to elect one observer in the board of directors, as long as the Golden Shares are outstanding.

The decisions of the Regulatory board are only adopted by a majority of each of the Class A and Class B directors, which shall each vote separately as separate categories.

## **Part VI: Executive management**

### **6.1. Chief Executive Officer (CEO)**

#### **6.1.1. Appointment**

The CEO is appointed by the board of directors, which also determines his tasks and competences, upon advice of the Remuneration & Nomination Committee. The CEO is appointed as the managing director of the Company (and in principle also of the other Telenet Group companies).

#### **6.1.2. Responsibilities**

The CEO is responsible for the day-to-day-management of the Company (and the other Telenet Group companies) in order to achieve the corporate purpose and the mission of the Company and the Telenet Group in general.

In particular, the CEO is responsible for:

- the daily management of the Company;
- executing the decisions of the board of directors;
- analysing and formulating the strategic goals and options and submitting these to the board of directors;
- determining the composition, competences and responsibilities of the Senior Leadership Team, in consultation with the Remuneration and Nomination Committee;
- chairing, organizing and leading the Senior Leadership Team;
- giving support, direction and guidance to the members of the Senior Leadership Team in the exercise of their individual responsibilities determined by the CEO; evaluating their individual performances, in consultation with the Remuneration and Nomination Committee, and making proposals with respect to their remuneration;
- give account to the board of directors with respect to the functioning of the Senior Leadership Team;
- propagating the Telenet mission, vision and values;
- representing the Company towards its, clients, the financial community, the government and the public, in general.

The Company can be represented with respect to the daily management by the managing director. If necessary, the Company can also be represented by special proxy holders within the limits of the power of attorney granted to them.

The most recent power of attorney, whereby the board of directors granted special powers to management, dates from October 22, 2013 (as published in the Annexes of the Belgian Official Journal on December 9, 2013).

### **6.2. Senior Leadership Team**

#### **6.2.1. Composition and appointment**

The CEO is assisted in his tasks by the Senior Leadership Team Team, of which the CEO is a member, and which is not an executive committee in the sense of article 524 bis of the Belgian Companies Code.

The CEO appoints, in consultation with the Remuneration and Nomination Committee, the members of the Senior Leadership Team, based on the framework approved by the board of directors.

### 6.2.2 Responsibilities

The Senior Leadership Team is responsible for supporting the CEO with:

- the daily management of Telenet and the execution of the decisions of the board of directors;
- leading and organising the ongoing business of the Telenet Group;
- steering the management;
- making proposals to the board of directors concerning the Company's strategy and implementing such strategy after approval;
- elaborating policies in relation to financial management, risk management, codes of conduct and submitting these for approval to the board of directors;
- implementing internal audits, notably systems to identify, evaluate, manage and follow up on the financial and other risks;
- preparing accurate and reliable financial data and reporting procedures in accordance with the applicable accounting principles and policy guidelines of the group and the clarification of such financial data to the board of directors in a uniform and clear manner;
- ensuring the performance of the Company and the Telenet Group as a whole in line with the approved strategic goals, plans and budgets of Telenet;
- ensuring the compliance with the legal and regulatory provisions and policies and goals of Telenet;
- submitting to the board of directors all information which it needs to fulfill its obligations.

All of the above without prejudice to the supervisory and monitoring role of the board of directors.

### **6.3. Competences**

The board of directors delegates to the Senior Leadership Team the appropriate and required decision power for the execution of its responsibilities.

The Senior Leadership Team is accountable to the CEO. The CEO has the final responsibility towards the board of directors for the responsibilities entrusted to the Senior Leadership Team and himself.

### **6.4. Functioning**

The Senior Leadership Team draws up clear procedures for:

- making proposals to the board of directors with respect to the decisions which need to be made by the board;
- the resolutions within the Senior Leadership Team;
- the reporting to the board of directors of the most important decisions of the Senior Leadership Team.

## **6.5. Remuneration**

The remuneration policy for the Senior Leadership Team is determined by the board of directors upon proposal of the Remuneration and Nomination Committee. An appropriate proportion of the remuneration package shall be structured so as to link rewards to corporate and individual performance, thereby aligning the interests of the Senior Leadership Team with the interests of the company and its shareholders and complying with the relevant provisions of the Belgian law imposing restrictions on certain remuneration elements of directors and (key) officers.

In addition to base salary, fringe benefits and share options, Senior Leadership Team members may be eligible annually to a target variable remuneration composed of:

1. a target cash bonus subject to performance criteria and targets over 1 year; upon achievement of the target results, part of the payout of the resulting bonus will be deferred for retention purposes, and
2. a target value of “Performance Shares”, the grant of which is subject to performance criteria over 3 years and a vesting period of 3 years.

The remuneration report of the Company shall mention the remuneration and the benefits of the CEO.

Further, the remuneration and benefits that are granted to the Senior Leadership Team shall be disclosed on a global basis in the remuneration report.

In both cases, a distinction is made between (i) the base salary; (ii) the variable remuneration; and (iii) other remunerations (pension, insurance, fringe benefits).

Where the Senior Leadership Team is eligible for remuneration based on performance of the company, the criteria for the evaluation of performance achieved against targets as well as the term of evaluation shall be mentioned in the remuneration report.

In addition, the number of shares, profit certificates, stock options and warrants, granted, exercised or lapsed during the financial year by members of the Senior Leadership Team, shall be disclosed on an individual basis.

The company will disclose in its remuneration report the arrangements made with the CEO and other members of the Senior Leadership Team in case of early termination and will comply with all legal obligations in this regard.

## **6.6. Conflicts of interest**

The members of the Senior Leadership Team are deemed to avoid, to the extent possible, to perform any actions, to defend certain positions, and to pursue certain interests, if this would conflict, or would give the impression to conflict, with the interests of Telenet. If such conflicts of interest would occur, the concerned member of the Senior Leadership Team shall immediately inform the CEO hereof, who will in turn inform the Chairman of the board of directors.

Transactions and/or business relationships between members of the Senior Leadership Team and one or more companies of the Telenet Group should in any case take place at normal market conditions.

## **PART VII: Dealing Code, Compliance Officer and Market Disclosure Committee**

The legal framework for the market abuse rules applicable to the Telenet Group and its stakeholders consists principally of Regulation No 596/2014 on market abuse (the Market Abuse Regulation), together with its implementing regulations and ESMA and FSMA guidance (the **Market Abuse Framework**).

The Company has taken a number of measures to ensure compliance with the Market Abuse Framework, the most important of which are (i) adopting a revised version of its Dealing Code, (ii) appointing a Compliance Officer, and (iii) setting up a Market Disclosure Committee. These measures are described in more detail in this section.

A key concept for purposes of the Market Abuse Framework is the concept of “**Inside Information**”. For the Telenet Group, this is information relating to the Telenet Group or the Telenet Group’s shares and debt instruments that is precise, not public and that would, if it were made public, likely have a significant effect on the prices of the Telenet Group’s shares and debt instruments (or on the price of related derivative financial instruments).

### **Telenet’s Dealing Code and Compliance Officer**

Employees, temporary staff, members of the boards of directors (or equivalent), managers, consultants and advisers of the Telenet Group may from time to time possess Inside Information with respect to the Telenet Group.

Telenet has adopted a Dealing Code which can be consulted on the Company’s website for investors (<http://investors.telenet.be>), and which is intended to ensure that any persons who are in possession of Inside Information at any given time, do not misuse, and do not place themselves under suspicion of misusing, such information (*e.g.* by buying or selling shares or other securities issued by the Telenet Group on the basis of such information) and to ensure that such persons maintain the confidentiality of such information and refrain from market manipulation.

The Dealing Code also includes specific rules applicable to the members of the Board of directors of the Company and the members of the Telenet Group’s Senior Leadership Team (referred to in the Dealing Code as ‘PDMRs’) and their closely associated persons and legal entities (referred to in the Dealing Code as ‘PCAs’).

Infringing the rules set out in the Dealing Code and the market abuse rules in general may expose individuals to significant sanctions, such as administrative fines, criminal fines and imprisonment, and termination of employment/service agreement for cause and civil liability. It is therefore of the utmost importance that each addressee fully complies with the Dealing Code and applicable market abuse rules at any time.

The Company’s Board of directors has appointed the General Counsel as its compliance officer responsible for supervising compliance with the market abuse rules and regulations and Telenet’s Dealing Code and to deal with the matters entrusted to the General Counsel as specified in the Dealing Code.

In case of questions with respect to the Dealing Code, please contact the persons referred to in the Dealing Code.

### **Telenet's Market Disclosure Committee**

Under the Market Abuse Framework, the Company is obliged to inform the public as soon as possible of Inside Information that directly concerns it.

In certain limited circumstances, the Company may, on its own responsibility, delay disclosure to the public of Inside Information provided that all of the following conditions are met: (i) immediate disclosure is likely to prejudice the Company's legitimate interests; (ii) delay of disclosure is not likely to mislead the public; and (iii) the Company is able to ensure the confidentiality of that information.

If the Company decides to delay disclosure, it is required to document this in accordance with the rules set out in the applicable implementing regulations. After the period of delay and once the Inside Information is published, the Company must inform the FSMA that disclosure of the information was delayed. At the same time, it must provide a written explanation of how the three conditions allowing a delay as set out above were met.

By decision of 26 July 2016, the Company's Board of directors has resolved to establish a Market Disclosure Committee. The Market Disclosure Committee is responsible for overseeing the disclosure of information by Telenet to meet its obligations under the Market Abuse Framework. The Market Disclosure Committee reports to respectively an *ad hoc* executive Board Committee, and to the Company's Audit Committee.

The board of directors has approved the applicable Terms of Reference to ensure appropriate working of the market disclosure committee.

**Definitions used:**

**Belgian Corporate Governance Code:** the entirety of principles and guidelines which jointly constitute a code for sound management for listed companies, as published on March 12, 2009.

**Charter:** the Corporate Governance Charter as approved by the board of directors of the Company on [•].

**Code:** the Belgian Corporate Governance Code of 12 March 2009

**Golden Shares:** 30 shares held by the Financing Intercommunales (on behalf of the Mixed Intercommunales of whom Telenet acquired in earlier times the cable infrastructure), to which the right is attached to appoint half of the members of the Regulatory Board, allowing as such the Mixed Intercommunales to control the Company's compliance with the Public Interest Guarantees (as defined in the articles of association of the Company).

**Liquidation Dispreference Shares:** shares held by Interkabel and the Liberty Global-group and which are subject to a liquidation dispreference treatment in case of liquidation of the Company. At simple request, they can be converted into ordinary shares on the basis of 1.04 Liquidation Dispreference Share for 1 ordinary share.

**Senior Leadership Team:** the senior leadership team as described in section 6.2 of this Charter.

**Telenet Group:** the Company and its subsidiaries.

**Company:** the limited liability company incorporated under Belgian law Telenet Group Holding, with registered office at Neerveldstraat 105, 1200 Sint-Lambrechts-Woluwe, Belgium, and registered in the Register of Legal Persons of Mechelen under number 0477.702.333.

**Inside Information:** any information that is (i) precise, (ii) not public, (iii) relating directly or indirectly to the issuer (*i.e.* Telenet) or its financial instruments, and (iv) which is 'material', *i.e.* if it were made public, would be likely to have a significant effect on the prices of those financial instruments (or on the prices of related derivative financial instruments).

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