

**WRITTEN QUESTIONS LUCERNE**

**Questions received by letter and email from Lucerne Capital Management LP dated 20 September 2018.  
Answers approved by the board of directors of Telenet Group Holding SA/NV on 24 September 2018.**

**A. Point of order — refusal to add items to the agenda of the General Meeting**

**QUESTION**

*By letter of 10 September 2018 you have refused our request to add additional items to the agenda of today's General Meeting. We were astonished by your rejection which was testimony of a blatant disrespect for the rights of minority shareholders. One of the reasons for your refusal was that we would not have given evidence of our ownership of (then) 3.01% of shares in Telenet. While we simply cannot believe that this was a serious argument, can you please confirm on which grounds you have come to this conclusion and whether this was based on a legal opinion of Freshfields and/or Baker & McKenzie? Was the refusal decision a unanimous decision of the board?*

**ANSWER**

As a first preliminary note in respect of this question, we refer to the extensive Q&A document, which we have published on 11 September 2018 on our investor relations website and our letters to you dated 10 September 2018 and 19 September 2018. All of these documents actually already respond to this question and set forth the reasons for which Telenet found itself legally required to refuse the items on the agenda that you have proposed.

As a second preliminary note in respect of this question, we note that this is not a question which relates to the points of the agenda of the meeting today, and Belgian law only provides for a question right in respect of items of the agenda. We will however address the question since Telenet consistently strives for an open dialogue with shareholders and stakeholders, including Lucerne.

The decision of Telenet not to accept your request to add additional agenda items is based on both formal and substantive grounds. Your question focuses on the formal grounds, so we will discuss those first. The relevant article in the Belgian Companies Code requires the provision of a “*certificate drawn up by the certified account holder or the clearing institution*”, and such proof must be provided on the date on which the request is submitted. This very precise requirement was not complied with as there were no such certificates (“*attest*”) issued by a certified account holder or clearing institution on the date of the request, being 4 September 2018, except for a certificate issued by Goldman Sachs. The documents we received, on the other hand, merely seemed statements of securities accounts with express disclaimer language. Other holdings that you have were even blacked out.

We therefore must disagree with your earlier statements, also in the press, that there would be no formal requirements as to the evidence to be provided, or that your transparency declaration would serve as the relevant proof. Telenet is required by law to publish each transparency declaration sent to it by a shareholder, without being able or permitted to verify the accuracy of this declaration. This transparency declaration can therefore not be used as evidence of the ownership of a shareholding in Telenet, and certainly not as evidence of a shareholding in accordance with the requirements of article 533*ter* BCC, on a date different from the date of the transparency declaration and from what was required for Lucerne's request to be valid.

In addition, both agenda points you requested to be added are not proposals on which the shareholders' meeting of a Belgian company can validly resolve, and hence we were not in a position to add such items to the agenda. The shareholders' meeting is, under Belgian law, not a corporate body that can determine a dividend or leverage policy or issue binding guidelines to the board of directors concerning capital remuneration and allocation, which must (be able to) take any decision independently in the interest of the company, taking into account the views of shareholders and other stakeholders. The same goes for the second proposal, where you proposed the shareholders' meeting to decide on an instruction to the statutory auditor, which is not possible under Belgian law.

The decision not to table Lucerne's topics to the agenda of the Special Shareholders' Meeting was taken unanimously by the board of directors. The board of directors did not take this decision lightly and ensured that Telenet's legal department had analyzed all aspects. We typically do not communicate on external legal advice that we have received, but we have of course requested advice prior to taking any decision in such a technically complex matter.

## **B. Questions in relation to the agenda items of the General Meeting**

<b>QUESTION</b>	
1.	<i>Ever since 2013, which coincides with the nomination of CEO Mr John Porter by Liberty Global and Liberty Global's acquisition of a majority stake in Telenet a year later, the board of directors has not proposed a (recurring) dividend to its shareholders. Prior to 2013, dividend payments were proposed on an annual basis.</i>
A.	<i>What has caused this remarkable change in dividend policy and does this signal a future and structural change in policy?</i>
<b>ANSWER</b>	
<p>Liberty Global has been a shareholder of Telenet since October 2004 and became the Company's controlling shareholder in 2007. Throughout the 2007-2013 period, Telenet pursued several capital reductions, and only two dividend distributions.</p> <p>The capital reductions were supported at that time by the Company's strong financial growth and absence of meaningful M&amp;A targets. The capital reductions were not part of a recurring dividend policy that applied to that period. In that period, the Company's stated policy was (as quoted from the Q4 earnings release of 2011): <i>"We remain committed to deliver attractive and sustainable shareholder disbursements as we pursue a long-term Net Total Debt to EBITDA target between 3.5x and 4.5x. This provides for an optimal balance between growth and shareholder returns on the one hand and attractive access to capital markets on the other hand. Our shareholder remuneration strategy will allow for a continuing solid level of cash returns to shareholders on a long-term basis. In absence of acquisitions and/or a significant change in our business model, excess cash will be returned to shareholders via dividends, share buybacks, capital reductions or a combination thereof."</i> This policy is not materially different to the policy that the Company has today. Since Telenet has been listed (October 2005), the board decided every year on all forms of shareholder remuneration, carefully considering the circumstances of the moment (leverage, M&amp;A, regulatory policy, ...). Lucerne claims to be a shareholder in the Company since 2008. At that point in time, the Company had not announced a single dividend, and only implemented one capital reduction.</p> <p>In 2013, the Company paid a last extraordinary dividend of €900 million.</p> <p>Ever since, Telenet has consistently communicated to remain committed to deliver attractive and sustainable shareholder value in line with its long-term Net Total Debt to Consolidated Annualized EBITDA ratio. Telenet aims to achieve this leverage target through potential value-accretive acquisitions and/or investments to support future business growth and cash returns to shareholders, supported by strong Free Cash Flow generation and a further optimization of its financing framework. The continued execution of the Company's leverage model would allow for a continuing solid level of cash returns to shareholders on a long-term basis. Only in absence of acquisitions and/or a significant change in Telenet's business model, excess cash would be returned to shareholders</p>	

via dividends, share buybacks, or a combination thereof. This statement has regularly been confirmed through the Company's Q4 earnings releases since February 2011.

In line with this policy, Telenet implemented an annual share repurchase program of up to 1.1 million shares annually for an aggregate amount of around €210 million over the 2013-2017 period. In recent years, Telenet actively pursued an M&A strategy (including a 50% shareholding in local media company De Vijver Media, and the acquisitions of BASE, SFR Belux and Nextel) which have reinforced the Company's strategic positioning in light of its Vision 2020 to become the leading converged connected entertainment and business solutions provider in Belgium. Through these acquisitions, Telenet's Adjusted EBITDA has substantially grown by close to 44% over the 2013-2017 period. In line with this long-announced policy, recently, the following decisions were taken and announcements were made relating to capital allocation:

- As part of the discussion on the FY 2017 results, the board has considered different forms of shareholder remuneration in view of Telenet's full year results, balance sheet and leverage framework, but had, in light of the circumstances then existing, not decided on any form of distribution other than the share buy-back programme, consistent with the 2017 share buy-back programme, of €75 million or 1.1 million shares. Telenet communicated this in its FY 2017 results release of 13 February 2018 and also announced that the board would continue to assess potential shareholder distributions throughout the course of the year.
- Consistent with its 13 February 2018 communication, between March 2018 and June 2018, the board further discussed potential forms of additional shareholder remuneration and in its meeting in June 2018, the board approved an increased €300 million share buy-back program. In the 25 June 2018 press release in this respect, Telenet also stated that it would revert on additional forms of shareholder remuneration in the second half of 2018.
- Then, following the discussion on the H1 2018 results, consistent with its 25 June 2018 communication, given the confirmed decrease in the Company's net leverage ratio (reaching 3.8x at June 30, 2018) and given the board's assessment of any meaningful short-term M&A opportunities within the markets and segments the Company operates, the board of directors proposed to proceed with an extraordinary dividend pay-out of €600 million, which is the subject of today's Special Shareholders' Meeting.
- Furthermore, as explained repeatedly and referred to in the 25 June 2018 and 1 August 2018 press releases and in the Q&A document we have published on our investor relations website on 11 September 2018, Telenet will host a Capital Markets Day on 5 December 2018 at which the Company will elaborate on its strategic value drivers for the future and detail its financial outlook for the medium term, including its proposed capital allocation framework within the boundaries of the aforementioned net total leverage profile. This exercise is ongoing and Telenet is not taking this lightly. Telenet does not wish to announce a dividend policy absent an underlying discussion of its strategic plan going forward.

<b>QUESTION</b>	
1.	<i>Ever since 2013, which coincides with the nomination of CEO Mr John Porter by Liberty Global and Liberty Global's acquisition of a majority stake in Telenet a year later, the board of directors has not proposed a (recurring) dividend to its shareholders. Prior to 2013, dividend payments were proposed on an annual basis.</i>
B.	<i>Why were no distributions actually made in the past while such dividends distributions had been announced by Telenet?</i>
<b>ANSWER</b>	
<p>There has not been any such “announced distributions”. We refer to the summary of recent announcements provided in response to the previous question. A dividend distribution is always determined in function of a variety of factors and circumstances and the board examines these very closely at each relevant occasion.</p> <p>Telenet implemented an annual share repurchase program of up to 1.1 million shares annually for an aggregate amount of around €210 million over the 2013-2017 period. In recent years, Telenet actively pursued an M&amp;A strategy (including a 50% shareholding in local media company De Vijver Media, the acquisitions of BASE, SFR Belux and Nextel) which have reinforced the Company’s strategic positioning in light of its Vision 2020 to become the leading converged connected entertainment and business solutions provider in Belgium. Through these acquisitions, Telenet’s Adjusted EBITDA has substantially grown by close to 44% over the 2013-2017 period. In addition, in deciding on any shareholder remuneration decision or policy, the board has always taken into account the regulatory context in which Telenet operates, and which has in the past given rise to certain uncertainties and challenges.</p>	

<b>QUESTION</b>	
1.	<i>Ever since 2013, which coincides with the nomination of CEO Mr John Porter by Liberty Global and Liberty Global's acquisition of a majority stake in Telenet a year later, the board of directors has not proposed a (recurring) dividend to its shareholders. Prior to 2013, dividend payments were proposed on an annual basis.</i>
C.	<i>What is the rationale for this lack of a consistent and coherent policy and how do you justify this policy taking into account the interests of minority shareholders?</i>
<b>ANSWER</b>	
<p>The board acts in the interest of the Company as a whole, including current and future shareholders and taking into account stakeholders' interest. It justifies its decisions against such framework. This corporate benefit includes long-term considerations, which may differ from the typical investment horizon of funds which are much more geared towards the short term.</p> <p>Telenet does not lack a consistent and coherent policy. Telenet is a fairly young company, which was founded in 1996, and has been a growth story ever since. It has grown through successful product innovations such as digital TV, triple-play, quad-play and a strong focus on customer experience. The Company has grown organically and inorganically as referred to in the answer to the previous question.</p> <p>Telenet's policy is phrased accordingly and has regularly been confirmed through the Company's Q4 earnings releases since February 2011. Telenet has consistently communicated to remain committed to deliver attractive and sustainable shareholder value in line with its long-term Net Total Debt to Consolidated Annualized EBITDA ratio. Telenet aims to achieve this leverage target through potential value-accretive acquisitions and/or investments to support future business growth and cash returns to shareholders, supported by strong Free Cash Flow generation and a further optimization of its financing framework. The continued execution of the Company's leverage model would allow for a continuing solid level of cash returns to shareholders on a long-term basis. In absence of acquisitions and/or a significant change in Telenet's business model, excess cash will be returned to shareholders via dividends, share buybacks, or a combination thereof.</p> <p>A dividend policy is generally determined in function of a business and strategic plan and the end of the current three-year plan is nearing. This last period has seen very intensive M&amp;A for Telenet: Telenet actively pursued an M&amp;A strategy (including a 50% shareholding in local media company De Vijver Media, the acquisitions of BASE, SFR Belux and Nextel) which have reinforced the Company's strategic positioning in light of its Vision 2020 to become the leading converged connected entertainment and business solutions provider in Belgium. Through these acquisitions, Telenet's Adjusted EBITDA has substantially</p>	

grown by close to 44% over the 2013-2017 period. In addition, in deciding on any shareholder remuneration decision or policy, the board has always taken into account the regulatory context in which Telenet operates, and which has in the past given rise to certain uncertainties and challenges.

In this period, Telenet implemented an annual share repurchase program of up to 1.1 million shares annually for an aggregate amount of around €210 million over the 2013-2017 period.

Telenet believes that the M&A that it has pursued, and the investments that it is doing in this respect, lay the foundation for its long-term solidity, also in the interest of its minority shareholders.

As mentioned in our extensive Q&A document, which we have published on September 11, 2018 on our investor relations website, Telenet will host a Capital Markets Day on 5 December 2018 at which the Company will elaborate on its strategic value drivers for the future and detail its financial outlook for the medium term, including its proposed capital allocation framework within the boundaries of the aforementioned net total leverage profile.

<b>QUESTION</b>	
1.	<i>Ever since 2013, which coincides with the nomination of CEO Mr John Porter by Liberty Global and Liberty Global's acquisition of a majority stake in Telenet a year later, the board of directors has not proposed a (recurring) dividend to its shareholders. Prior to 2013, dividend payments were proposed on an annual basis.</i>
D.	<i>We understand based on CEO Mr John Porter's answers during the Telenet Conference Call 4Q2017 on 2 February 2018, as well as on the basis of the discussions during the Deutsche Bank Conference dated 5 May 2018 that tax concerns at the level of Liberty Global might have driven this policy. Is this correct? Is the present choice for an extraordinary dividend also inspired by tax concerns? If so, how do you reconcile this with Clause 4.7, paragraph 1 of your Corporate Governance Charter (which states that that "[t]he 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") and the interests of minority shareholders in general?</i>
<b>ANSWER</b>	
<p>When deliberating and deciding, the board consistently takes all relevant considerations into account, which may include the tax consequences of a distribution for its shareholders (in particular US shareholders pending the effect of US tax reform that had not yet fully crystallized in the beginning of 2018). However, the board's decisions were and are not driven by tax issues at Liberty Global or other US shareholders. We realize that there was a lot of questioning and resulting focus on such tax issues during analyst and investor calls, but the board's decisions are driven by a variety of factors. Factors included potential M&amp;A projects and the regulatory context in which Telenet operates, and which has in the past given rise to certain uncertainties and challenges, as well as leverage and tax. These considerations are the typical considerations for the sector today and they also value the mid and longer term, not only the relatively shorter term.</p> <p>As a consequence, your understanding as to the importance of US tax is not a correct depiction of the facts.</p> <p>We have considered all the arguments that you have brought forward but we firmly believe that the premise of your questions cannot be confirmed by the board of directors. The decision on capital allocation and leverage does not give rise to conflict under the Belgian Companies Code or the charter. (Similar decisions are, moreover, not considered as conflicting decisions for other listed companies in Belgium and, as you are aware, there are many companies in Belgium with an important shareholder.) The board of Telenet has announced a dividend early August 2018 and not in February 2018. The board of Telenet has prepared and considered both decisions extensively and believed, considering all factors, that in August 2018 the conditions to propose a dividend were met, in the interest of Telenet.</p>	

Also, as indicated before, the board acts in the interest of the Company as a whole, including current and future shareholders and stakeholders. It justifies its decisions against such framework, which includes the minority shareholders, but also includes many other considerations. Hence, the framework and horizon of its decisions is larger than the average investment fund horizon.

## QUESTION

2. *You acknowledge in the 12 September 2018 Q&A that decision mandates applicable to the Liberty Global-nominated board members exist. Why do these exist, what is their scope and why would they be "irrelevant" with respect to Telenet's capital allocation and remuneration policy? Have they been applied with respect to this extraordinary dividend?*

## ANSWER

We note that this is not a question which relates to the points on the agenda. We have already addressed this question in our Q&A published on our website and we will repeat this response.

In our Q&A, we have stated as follows:

1. All decisions by the board of directors are carefully made in Telenet's corporate benefit, both long and short term, taking the interests of all stakeholders into account.
2. Any decision matrix at Liberty Global level is irrelevant in this respect and does not influence any decision making by the board, including in relation to capital allocation.

The board of directors as a whole and each of the directors individually is well aware of the duties of the mandate of director in a Belgian listed entity, and decisions are therefore taken after deliberation and in the interest of the company as a whole. The existence of any decision matrix outside of Telenet in a different organization is, as a consequence thereof, irrelevant. Any larger-sized corporate group has internal reporting lines, for instance in respect of the directors that it has in subsidiaries and joint ventures and it is logical to us that Liberty Global also has reporting lines. It is clear though that each director is accountable under Belgian law. A director must take his/her responsibility and cannot take any instruction if that is contrary to corporate benefit. This is clear for the directors nominated by Liberty Global to the Telenet board and the same applies for example to the directors that Telenet itself nominates from time to time to the boards of its subsidiaries and joint ventures. Such reporting is recognized by Belgian law as long as corporate benefit, confidentiality and the market abuse regulation ("MAR") are duly respected, which is the case for Telenet.

With respect to this extraordinary dividend, the board of directors can confirm that it has made such decision in the interest of Telenet as a whole, and that the corporate decision making does not refer to the application of any decision matrix in the context of such decision.

**QUESTION**

3. *Did Lazard prepare a fairness evaluation since 2012 to which a or all board members of Telenet have received a draft or final version? What is the mandate of Lazard for the independent directors?*

**ANSWER**

We note that this is not a question which relates to the points on the agenda. We have already addressed this question in our Q&A published on our website and we will repeat this response.

We have stated in the Q&A as follows: Lazard has not been engaged by Telenet. Lazard advises the independent directors (not the Liberty Global-nominated directors) from time to time on certain matters, in the framework of their director duties. It has not prepared any 'fairness opinion' for the independent directors.

Hence, the answer to your question regarding the mandate was already available on our website. In terms of whether they prepared a fairness evaluation, Telenet consistently strives for an open dialogue with shareholders and stakeholders, including Lucerne. In the context of its assistance to the independent directors, Lazard has at certain moments made preparations to assist in valuation related exercises, but it has never delivered a final report, and certainly not a final fairness evaluation. Any advice that Telenet's independent directors would so receive from Lazard is not based on any inside information that Telenet would have to publish under MAR. Telenet and its directors strictly comply with the Market Abuse Regulation.

Telenet's board continues to be surprised by the questioning on Lazard. Independent directors informing themselves from time to time on market evolutions should be encouraged rather than criticized.

## QUESTION

4. *Question to each of the following separately: (i) the board, (ii) the independent directors and (iii) the auditor: has there been a discussion in the board of directors on potential conflicts of interests in (not) proposing the current extraordinary dividend? If so, what was the result of these discussions?*

## ANSWER

Under Belgian company law, an individual shareholder does not have the right to address its questions to specific directors or to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report). However, we will address the question: Telenet consistently strives for an open dialogue with shareholders and stakeholders, including Lucerne. Both the board as a whole and the independent directors have unanimously agreed to the following response.

The board and all its members abide by all Belgian company law rules as well as the Corporate Governance Code, including the conflict of interest (and the applicable disclosure rules in this respect) as and when applicable.

Although compliance with these procedures is a personal decision for each director, compliance with these procedures is closely monitored. As part of their audit procedures, KPMG, as statutory auditor of the Company, verifies whether the Company complied with the requirements of article 523 for those decisions/transactions included in the board minutes. KPMG has not identified any breaches of the Belgian Companies Code when performing its audit procedures.

Each board meeting starts with a query on whether any conflicts of interest exist with respect to the tabled agenda items, and in none of the decisions in respect of financial years 2017 and 2018 in respect of leverage and capital allocation was such a conflict reported by an individual board member. The application of article 523 BCC to other decisions taken by the board in the last three years is, in accordance with Belgian law, disclosed in Telenet's Annual Reports.

In more detail, there has been no disagreement within the board of directors on potential conflicts of interests relating to the dividend that is currently proposed but was (not) proposed earlier this year. The board of Telenet has prepared and considered both decisions extensively and believed, considering all factors, that in August 2018 the conditions to propose a dividend were met, in the interest of Telenet. None of the Liberty Global nominated director's remuneration has varied, or would have varied, in respect of any of the decisions.

We also refer to the auditor for a response. As mentioned, under Belgian company law, an individual shareholder does not have the right to address its questions to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report).

**Auditor:** We are bound by professional secrecy. Furthermore, we have not issued any audit report yet over FY 2018. We can therefore not elaborate on this matter.

**Chairman:** We also note that Belgian law does not provide for the possibility for Telenet to waive this professional secrecy.

## QUESTION

5. *Question to each of the following separately: (i) the board, (ii) the independent directors and (iii) the auditor: will the current extraordinary dividend have a direct or an indirect effect on the remuneration at the Liberty Global level of the Liberty Global nominated directors?*

## ANSWER

Under Belgian company law, an individual shareholder does not have the right to address its questions to specific directors or to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report). However, we will address the question: Telenet consistently strives for an open dialogue with shareholders and stakeholders, including Lucerne. Both the board as a whole and the independent directors have unanimously agreed to the following response.

In its Remuneration Report, which is an integral part of the Company's Annual Report, Telenet details both the compensation of the board of directors, including the non-executive directors nominated by Liberty Global, and its executive management, including the CEO, paid by Telenet.

Liberty Global-nominated directors receive variable remuneration by Liberty Global, but such remuneration does not have Telenet-specific KPIs. Liberty Global-nominated directors do not receive Telenet stock options. The dividend proposed now in August or the dividend not proposed in February do not impact the remuneration of the Liberty Global directors, they have informed us.

All members of the board, including the directors appointed upon nomination by Liberty Global and the independent directors, act at all times in the best interest of Telenet and its stakeholders.

We also refer to the auditor for a response. As mentioned, under Belgian company law, an individual shareholder does not have the right to address its questions to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report).

**Auditor:** We are bound by professional secrecy and for the same reasons as mentioned before cannot elaborate on this matter.

**Chairman:** We also note that Belgian law does not provide for the possibility for Telenet to waive this professional secrecy.

<b>QUESTION</b>	
6.	<i>You rejected to include our proposed guidelines for a coherent and structural capital remuneration and allocation policy on the agenda of today's general meeting. At the same time, you acknowledge that our proposal corresponds to the leverage framework as defined and presented by the board of directors in the 2017 annual report.</i>
A.	<i>How is this compatible with clause 4.7, paragraph 1 of Telenet's Corporate Governance Charter (which contains obligations which are broader than those of article 523 BCC)?</i>
<b>ANSWER</b>	
<p>We note that this is not a question which relates to the points on the agenda. However, we will address the question to be constructive.</p> <p>The board of directors fails to see the link between a provision of the Belgian Companies Code referring to individual conflicts of the board of directors, and the reference in the corporate governance charter of the company to conflicts of interest of individual directors, and the decision of the board not to accept the request to add points to the agenda. The decision was solely based on reasons stemming from Belgian company law and advice received on this basis on the competence of the shareholders' meeting. Hence, the board cannot detect what conflict of interest could exist, how its decision could have been different if Liberty Global directors did not vote given the illegality and hence "this is compatible". Both the Belgian Companies Code and Telenet's Corporate Governance Charter require a conflict of interest in order to be applicable.</p>	

<b>QUESTION</b>	
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B.	<i>Our proposal was based on industry practice of peers to Telenet, such as Com Hem / Tele 2's (as well as Liberty Global's) capital allocation and remuneration policy. Can you confirm that this policy is in your opinion good industry practice? If so, why are you unwilling to apply it to Telenet; what reasons justify the deviation from what seems to be common for this industry and amongst your peers?</i>
<b>ANSWER</b>	
<p>We note that this is not a question which relates to the points on the agenda. However, we will address the question considering the open dialogue Telenet wishes to pursue.</p> <p>As announced, Telenet will host a Capital Markets Day on 5 December 2018 at which the Company will elaborate on its strategic value drivers for the future and detail its financial outlook for the medium term, including its proposed capital allocation framework within the boundaries of the aforementioned net total leverage profile. The determination of this framework requires a careful review by the board of all relevant factors, which need to be balanced against the corporate interest of Telenet and the interest of all its shareholders and stakeholders, and cannot be reasonably advanced. The Capital Markets Day will be the conclusion of a very intensive task that the Telenet teams are currently examining and preparing, together with the board. It makes no sense to separate a discussion on capital allocation policy from the broader strategy discussion and Telenet's next three-year plan, in a changing and challenging sector, which is a task that is undertaken with great diligence and care and in a holistic manner.</p> <p>What we can confirm at this point is that Telenet's leverage framework of 3.5x to 4.5x Net Total Debt to Consolidated Annualized EBITDA, as defined and presented in February 2018, corresponds to the leverage-framework parameters that Lucerne has proposed. At the end of June 2018, Telenet's net total leverage ratio reached 3.8x as compared to 4.0x at the end of March 2018. Given the aforementioned €300 million Share Repurchase Program 2018bis and the payment of a €600 million extraordinary dividend (if approved by the Special Shareholders' Meeting), Telenet anticipates its net total leverage to be around the mid-point of the aforementioned range by the end of 2018.</p> <p>Finally, we should point out that there is no common "industry practice" within the telecom &amp; cable industry, as within any other sector, on capital remuneration and allocation policy. This is logical as a capital remuneration and allocation policy requires very detailed analyses of a variety of factors, which not only include external factors, but also factors that are specific to a company. Accordingly, the board considers it would be imprudent to simply copy-paste any</p>	

framework developed by certain peers as suggested by Lucerne. The policies of peers are merely data points in the board's analysis and development of a leverage and remuneration policy that is appropriate for Telenet.

<b>QUESTION</b>	
6.	<i>You rejected to include our proposed guidelines for a coherent and structural capital remuneration and allocation policy on the agenda of today's general meeting. At the same time, you acknowledge that our proposal corresponds to the leverage framework as defined and presented by the board of directors in the 2017 annual report.</i>
C.	<i>Would you say that the guidelines proposed by us are at this moment aligned with Telenet's corporate interest and, if you do not consider that to be the case, why not? Could any concerns not have been addressed by amending our proposed guidelines, i.e. by proposing a more appropriate proportional measure?</i>
<b>ANSWER</b>	
<p>We note that this is again a question which does not relate to the points on the agenda. However, we will address the question to be constructive.</p> <p>As explained in our letters to you, on our website and at the start of this round of written questions, the board could not accept your request to add an agenda item resulting in the shareholders' meeting either adopting or instructing the board to adopt a leverage and dividend policy, as this is not a competence of the shareholders' meeting. As a consequence of such fact in and of itself, it was not possible to amend the proposal as its basic premise was in breach of Belgian companies law.</p> <p>Telenet will host a Capital Markets Day on 5 December 2018 at which the Company will elaborate on its strategic value drivers for the future and detail its financial outlook for the medium term, including its proposed capital allocation framework within the boundaries of the aforementioned net total leverage profile. The determination of this framework requires a careful review by the board of all relevant factors, which need to be balanced against the corporate interest of Telenet and the interest of all its shareholders and stakeholders, and cannot be reasonably advanced. The Capital Markets Day will be the conclusion of a very intensive task that the Telenet teams are currently examining and preparing, together with the board. It makes no sense to separate a discussion on capital allocation policy from the broader strategy discussion and Telenet's next three-year plan, in a changing and challenging sector, which is a task that is undertaken with great diligence and care and in a holistic manner.</p> <p>What we can confirm now is that Telenet's leverage framework of 3.5x to 4.5x Net Total Debt to Consolidated Annualized EBITDA, as defined and presented in February 2018, corresponds to the leverage-framework parameters that Lucerne has proposed. At the end of June 2018, Telenet's net total leverage ratio reached 3.8x as compared to 4.0x at the end of March 2018. Given the aforementioned €300 million Share Repurchase Program 2018bis and the payment of a €600 million extraordinary dividend, Telenet anticipates its net total leverage to be around the mid-point of the aforementioned range by the end of 2018.</p>	

<b>QUESTION</b>	
6.	<i>You rejected to include our proposed guidelines for a coherent and structural capital remuneration and allocation policy on the agenda of today's general meeting. At the same time, you acknowledge that our proposal corresponds to the leverage framework as defined and presented by the board of directors in the 2017 annual report.</i>
D.	<i>Do you agree that, provided that the Net Leverage Ratio remains below 4.0x and that there are no significant M&amp;A projects to be expected, excess cash could and / or should be distributed to the shareholders? If so, why do you refuse to confirm this by means of a predictable and transparent policy which provides clarity to your shareholders on your intentions? If not, please explain and indicate how this can be reconciled with the fact that you have indicated in the Q&amp;A that you strive for exactly the same leverage framework as we had proposed.</i>
<b>ANSWER</b>	
<p>As consistently communicated, Telenet intends to return excess cash to shareholders via dividends, share buybacks, or a combination thereof in absence of acquisitions and/or a significant change in Telenet's business model. Telenet will host a Capital Markets Day on 5 December 2018 at which the Company will elaborate on its strategic value drivers for the future and detail its financial outlook for the medium term, including its proposed capital allocation framework within the boundaries of the aforementioned net total leverage profile. The determination of this framework requires a careful review by the board of all relevant factors, which need to be balanced against the corporate interest of Telenet and the interest of all its shareholders and stakeholders, and cannot be reasonably advanced. Such factors are not limited to potential M&amp;A projects, but also include the regulatory context in which Telenet operates, and which has in the past given rise to certain uncertainties and challenges.</p> <p>The Capital Markets Day will be the conclusion of a very intensive task that the Telenet teams are currently examining and preparing, together with the board. All of the above factors will be considered. It makes no sense to separate a discussion on capital allocation policy from the broader strategy discussion and Telenet's next three-year plan, in a changing and challenging sector, which is a task that is undertaken with great diligence and care and in a holistic manner.</p> <p>What we can confirm now is that Telenet's leverage framework of 3.5x to 4.5x Net Total Debt to Consolidated Annualized EBITDA, as defined and presented in February 2018, corresponds to the leverage-framework parameters that Lucerne has proposed. At the end of June 2018, Telenet's net total leverage ratio reached 3.8x as compared to 4.0x at the end of March 2018. Given the aforementioned €300 million Share Repurchase Program 2018bis and the payment of a €600 million extraordinary dividend, Telenet anticipates its net total leverage to be around the mid-point of the aforementioned range by the end of 2018.</p>	
<b>QUESTION</b>	

7.	<i>How do you expect that the new dividend policy which will be announced in December 2018 as part of the new medium-term outlook will be different than the current dividend policy?</i>
A.	<i>Can we expect a return to a predictable and transparent dividend policy in line with the policy pre-2013?</i>
<b>ANSWER</b>	
<p>We do not agree with the implication in your question which appears to indicate that the company would not have a predictable and transparent dividend policy.</p> <p>As consistently communicated, Telenet intends to return excess cash to shareholders via dividends, share buybacks, or a combination thereof in absence of acquisitions and/or a significant change in Telenet's business model. Telenet will host a Capital Markets Day on 5 December 2018 at which the Company will elaborate on its strategic value drivers for the future and detail its financial outlook for the medium term, including its proposed capital allocation framework within the boundaries of the aforementioned net total leverage profile. The determination of this framework requires a careful review by the board of all relevant factors, which need to be balanced against the corporate interest of Telenet and the interest of all its shareholders and stakeholders, and cannot be reasonably advanced. The Capital Markets Day will be the conclusion of a very intensive task that the Telenet teams are currently examining and preparing, together with the board. All of the above factors will be considered. It makes no sense to separate a discussion on capital allocation policy from the broader strategy discussion and Telenet's next three-year plan, in a changing and challenging sector, which is a task that is undertaken with great diligence and care and in a holistic manner.</p> <p>Finally, Liberty Global has been a shareholder of Telenet since October 2004 and became the Company's controlling shareholder in 2007 already. Throughout the 2007-2013 period, Telenet pursued several capital reductions, which were supported at that time by the Company's strong financial growth and absence of meaningful M&amp;A targets.</p>	

<b>QUESTION</b>	
7.	<i>How do you expect that the new dividend policy which will be announced in December 2018 as part of the new medium-term outlook will be different than the current dividend policy?</i>
B.	<i>Will this new policy involve a recurring dividend policy in the interest of all shareholders and is the current extraordinary dividend a first step in this direction?</i>
<b>ANSWER</b>	
<p>The board of directors has proposed to proceed with an extraordinary dividend pay-out of €600 million, which is the subject of today's Special Shareholders' Meeting, given the confirmed decrease in the Company's net total leverage ratio (reaching 3.8x at June 30, 2018) and given the board's assessment of any meaningful short-term M&amp;A opportunities within the markets and segments the Company operates.</p> <p>This is in line with Telenet's consistently communicated intention to return excess cash to shareholders via dividends, share buybacks, or a combination thereof in absence of acquisitions and/or a significant change in Telenet's business model.</p> <p>As consistently communicated, Telenet will host a Capital Markets Day on 5 December 2018 at which the Company will elaborate on its strategic value drivers for the future and detail its financial outlook for the medium term, including its proposed capital allocation framework within the boundaries of the aforementioned net total leverage profile. The determination of this framework requires a careful review by the board of all relevant factors, which need to be balanced against the corporate interest of Telenet and the interest of all its shareholders and stakeholders, and cannot be reasonably advanced.</p> <p>As always, any capital allocation policy then decided will be decided by the board in the corporate benefit of Telenet, which has to take the interests of the shareholders into account.</p>	

<b>QUESTION</b>	
7.	<i>How do you expect that the new dividend policy which will be announced in December 2018 as part of the new medium-term outlook will be different than the current dividend policy?</i>
C.	<i>Question to each of the following separately: (i) the board, (ii) the independent directors and (iii) the auditor: Do you expect there to be any conflict of interests in the sense of articles 523 and 524 BCC or clause 4.7 of Telenet's Corporate Governance Charter in establishing this new medium-term outlook, and especially the capital remuneration and allocation policy which will be part of it and if so, how will this be addressed?</i>
<b>ANSWER</b>	
<p>Under Belgian company law, an individual shareholder does not have the right to address its questions to specific directors or to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report). However, we will address the question so as to be constructive. Both the board as a whole and the independent directors have unanimously agreed to the following response.</p> <p>The board and all its members abide by all Belgian company law rules as well as the Corporate Governance Code, including the conflict of interest (and the applicable disclosure rules in this respect) as and when applicable.</p> <p>Although compliance with these procedures is a personal decision for each director, each board meeting starts with a query regarding conflicts, and in none of the decisions in respect of financial years 2017 and 2018 in respect of leverage and capital allocation was such a conflict reported by an individual board member. The application of article 523 BCC to other decisions taken by the board in the last three years is, in accordance with Belgian law, disclosed in Telenet's Annual Reports.</p> <p>Whether the decisions you refer to will lead to the application of the procedures or provisions you refer to will depend on the precise circumstances at the relevant time. If the board of directors were to take such decisions today, it has no reasons to believe such articles to be applicable but the question will certainly be examined again when the decisions arise, as it always is.</p> <p>We also refer to the auditor for a response. As mentioned, under Belgian company law, an individual shareholder does not have the right to address its questions to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report).</p> <p><b>Auditor:</b> We cannot make any statement on forward looking events.</p>	

<b>QUESTION</b>	
7.	<i>How do you expect that the new dividend policy which will be announced in December 2018 as part of the new medium-term outlook will be different than the current dividend policy?</i>
D.	<i>Question to JoVB BVBA (represented by its permanent representative Mr Jo Van Biesbroeck), Mr Manuel Kohnstamm and Mr Diederik Karsten: we note that your mandates expire at the annual shareholders' meeting of 2019. Will you respectively request the board (JoVB BVBA) and Liberty Global (Mr Manuel Kohnstamm and Mr Diederik Karsten) to remain a director for an additional term and if so, how do you feel that your successful re-nomination and appointment may depend on what the board decides with respect to capital remuneration and allocation policy in December 2018?</i>
<b>ANSWER</b>	
<p>Under Belgian company law, an individual shareholder does not have the right to address its questions to specific directors or to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report). However, we will address the question so as to be constructive. Both the board as a whole and the individual directors indicated in your question have unanimously agreed to the following response.</p> <p>It would be uncommon for a specific director to request its re-appointment. The proposal to the shareholders' meeting of the re-appointment of a director in general, which is based on a recommendation of the remuneration and nomination committee, depends on a variety of factors, including his or her availability and other professional activities, age, the overall composition of the board of directors in terms of experience and skills, and other skills. None of the directors indicated consider that it is generally a common practice for a director to request the board or Liberty Global to remain a director.</p> <p>In addition, all members of the board, including the directors appointed upon nomination by Liberty Global and the independent directors, act at all times in the best interest of Telenet and its stakeholders.</p>	

**QUESTION**

8. *What are the prospects that you will propose a dividend payment to the next annual meeting of the shareholders, in light of your current knowledge and provided no material change takes place?*

**ANSWER**

The board of directors has proposed to proceed with an extraordinary dividend pay-out of €600 million, which is the subject of today's Special Shareholders' Meeting, given the confirmed decrease in the Company's net total leverage ratio (reaching 3.8x at June 30, 2018) and given the board's assessment of any meaningful short-term M&A opportunities within the markets and segments, as well as the current regulatory context, in which the Company operates.

This is in line with Telenet's consistently communicated intention to return excess cash to shareholders via dividends, share buybacks, or a combination thereof in absence of acquisitions and/or a significant change in Telenet's business model.

As consistently communicated, Telenet will host a Capital Markets Day on 5 December 2018 at which the Company will elaborate on its strategic value drivers for the future and detail its financial outlook for the medium term, including its proposed capital allocation framework within the boundaries of the aforementioned net total leverage profile. The determination of this framework requires a careful review by the board of all relevant factors, which need to be balanced against the corporate interest of Telenet and the interest of all its shareholders and stakeholders, and cannot be reasonably advanced.

Any proposal regarding a dividend payment to the next annual meeting of the shareholders will depend (i) on the outcome of the review the board is currently performing, and (ii) the circumstances existing at that time. Any other response would be imprudent by the board.

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
A.	<i>Personal conflicts of interest</i>
i.	<i>You referred us to Liberty Global's customary reporting with respect to the remuneration of directors nominated by Liberty Global. You state that this remuneration is not linked to Telenet specific KPI's, but the Telenet results might influence this remuneration even in the absence of specific criteria, e.g. if Liberty Global's results would be impacted by negative tax consequences of a dividend payment. Do the board members however inform the board and/or auditor of the remuneration which they receive at the Liberty Global level and how this could be impacted by decisions e.g. on dividend payments? Why do you consider that the financial interests at the Liberty Global level of the Liberty Global-nominated Telenet board members are not contrary to those of Telenet when the board is taking decisions on capital allocation and on any of the transactions entered into by Telenet with the Liberty Global group?</i>
<b>ANSWER</b>	
<p>We note that this is again a question which does not relate to the points on the agenda. However, we will address the question so as to be constructive.</p> <p>The board and all its members, under the leadership of the Chairman, abide by all Belgian company law rules as well as the Corporate Governance Code, including the conflict of interest and related-party procedures (and the applicable disclosure rules in this respect) as and when applicable. All members of the board, including the directors appointed upon nomination by Liberty Global and the independent directors, act at all times in the best interest of Telenet and its stakeholders. Each board meeting starts with a query on whether any conflicts of interest exist with respect to the tabled agenda items, and in none of the decisions in respect of financial years 2017 and 2018 in respect of leverage and capital allocation was such a conflict reported by an individual board member. The application of article 523 BCC to other decisions taken by the board in the last three years is, in accordance with Belgian law, disclosed in Telenet's Annual Reports. All of this is monitored by Telenet's auditor.</p> <p>Particularly, there has been no disagreement within the board of directors on potential conflicts of interests in (not) proposing the current extraordinary dividend over the past year, nor does it believe such discussion would be warranted in relation to such specific topic.</p> <p>Telenet also does not know of any other company on the Belgian market applying the conflict rules to capital allocation and, as you know, many Belgian companies have a similar shareholder base with a major shareholder. The proposed distribution on the agenda today affects all shareholders evenly and none of the Liberty Global-nominated directors will have any variation in remuneration as a result thereof. Similarly, none of the remuneration of the Liberty</p>	

Global directors has varied by any existing transactions (which we will discuss below at the occasion of your other questions) between Telenet and Liberty Global.

When deliberating and deciding, including when deciding not to distribute as earlier this year, the board consistently takes all relevant considerations into account, which may include the tax consequences of a distribution for its shareholders (in particular US shareholders pending the effect of US tax reform that had not yet fully crystallised at the time of the decision). However, the board's decisions were and are not driven by tax issues at Liberty Global or other US shareholders. A host of considerations were discussed, challenged and analyzed, and all such factors contributed to the decision, including potential M&A projects and the regulatory context in which Telenet operates, and which has in the past given rise to certain uncertainties and challenges.

As a consequence, your understanding is incorrect.

In addition:

- Aside from the question of individual directors, we do not believe that the interest of Liberty Global and the independent directors vary on capital allocation. The telco sector is living through interesting years and the board of Telenet is very aligned in discussing leverage levels, capital allocation and selecting M&A which will lay the foundation of Telenet's future growth and anchorage.
- We note there that Telenet's legal analysis of these questions is fully in line with the Belgian market.
- board members are not obliged to disclose other remuneration to Telenet, and would only be obliged to disclose the relevant remuneration where a conflict of interest would arise. As mentioned, each board meeting starts with a query on whether any conflicts of interest exist with respect to the tabled agenda items, and there has been no disagreement within the board of directors on potential conflicts of interests in (not) proposing the current extraordinary dividend over the past year.

Your question also seems to refer to a decision at the level of Telenet which would have such a detrimental effect on Liberty Global that it would affect any other forms of remuneration certain of Telenet's directors would receive at Liberty Global. No such circumstances have presented themselves up to today.

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
A.	<i>Personal conflicts of interest</i>
ii.	<i>Does the evaluation report mentioned in clause 4.5 of Telenet's Corporate Governance Charter shed additional light on the existence of conflict of interests and the application of and compliance with the conflict of interests rules (Belgian Companies Code and Telenet's Corporate Governance Charter)? Can this report be shared with the shareholders?</i>
<b>ANSWER</b>	
<p>We note that this is not a question which relates to the points on the agenda. However, we will address the question so as to be constructive.</p> <p>Article 4.5 does not refer to an evaluation report, but to an evaluation process that the board of directors undertakes periodically, in relation to its composition and functioning. This does not specifically address the application of conflicts of interest but rather the overall functioning of the board. In any event, Telenet's board has considered your question and does not believe it to be in Telenet's corporate benefit to share the information collected during this periodical evaluation process with you, as:</p> <ul style="list-style-type: none"> <li>- Telenet considers the confidential nature of the process as a necessary requirement for the process to be efficient and to lead to representative results;</li> <li>- Telenet is not aware of any listed company that would publish such evaluation and has no obligation to do so, and the shareholders can rely on other disclosures to assess and evaluate the directors where relevant.</li> </ul> <p>Most importantly, conflict of interests are constantly monitored by Telenet and are discussed at the outset and in the preparation of any board meeting. There is therefore no need to wait for an evaluation report for a discussion on the subject. However, if a conflict of interest would prevent a director from properly contributing, this will have to be part of the evaluation report. This has not been the case so far.</p>	

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
A.	<i>Personal conflicts of interest</i>
iii.	<i>Does this obligation in Clause 4.7, para. 2 of Telenet's Corporate Governance Charter extend to transactions and/or business relationships between directors and Liberty Global group entities as well? If yes, how is compliance verified and by whom? If no, what are the objective criteria on the basis of which you have decided not to apply this rule to those relationships?</i>
<b>ANSWER</b>	
<p>We note that this is not a question which relates to the points on the agenda. However, we will address the question so as to be constructive.</p> <p>The board and all its members, under the leadership of the Chairman, abide by all Belgian company law rules as well as the Corporate Governance Code and the corporate governance charter, including the conflict of interest and related-party procedures (and the applicable disclosure rules in this respect) as and when applicable. All members of the board, including the directors appointed upon nomination by Liberty Global and the independent directors, act at all times in the best interest of Telenet and its stakeholders.</p> <p>The provision you are referring to does not relate to “<i>transactions and/or business relationships between directors and Liberty Global group entities</i>” where no link or conflict with the interests of Telenet is present.</p> <p>If a dealing with Liberty Global would be proposed, Telenet would verify (i) corporate benefit; (ii) related-party rules, (iii) conflict of interest rules, (iv) market abuse rules, and (v) duty of discretion, etc. This is monitored under supervision of the board and with the assistance of Telenet's internal legal department and external legal advisors, and the auditor.</p>	

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
A.	<i>Personal conflicts of interest</i>
iv.	<i>Question to the independent directors: do you have knowledge of any transaction or decision which has been on the agenda of the board of Telenet, regarding which you have had doubts as to whether another director would have a personal interest of a financial nature, whether or not conflicting with the interests of Telenet? If so, did you raise those concerns during the relevant board meeting and / or inform the auditor thereof?</i>
<b>ANSWER</b>	
<p>We note that this is not a question which relates to the points on the agenda. However, we will address the question for the same reasons as set out in previous questions.</p> <p>In addition, under Belgian company law, an individual shareholder does not have the right to address its questions to specific directors. However, we will address the question: Telenet consistently strives for an open dialogue with shareholders and stakeholders, including Lucerne. Both the board as a whole and the independent directors have unanimously agreed to the following response.</p> <p>The board of directors and all its members abide by all Belgian Company law rules as well as the Corporate Governance Code and the corporate governance charter, including the conflict of interest and related-party procedures (and the applicable disclosure rules in this respect) as and when applicable.</p> <p>Although compliance with the procedure set out in article 523 BCC is a personal director decision, compliance with these procedures is closely monitored by Telenet's legal team, under supervision by Telenet's board. As part of their audit procedures, KPMG, as statutory auditor of the Company, verifies whether the Company complied with the requirements of article 523 for those decisions/transactions included in the board minutes. KPMG has not identified any breaches of the Belgian Companies Code when performing its audit procedures.</p> <p>Each board meeting starts with a query on whether any conflicts of interest exist with respect to the tabled agenda items. In none of the decisions in respect of leverage and capital allocation for the years 2017- 2018 had article 523 BCC have to be applied. More generally, the application of article 523 to other</p>	

decisions taken by the board of directors in the last three years would have to be, in accordance with Belgian law, disclosed in Telenet's Annual Reports. Particularly, there has been no disagreement within the board of directors on potential conflicts of interests.

As a consequence, none of the circumstances referred to in your question are applicable. The processes and checks and balances described above are always in place and directors have not had any reason to fear personal conflicting interests of other directors.

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
A.	<i>Personal conflicts of interest</i>
v.	<i>Question to the auditor: have you ever investigated any transaction or decision which has been on the agenda of the board of Telenet for doubts as to whether article 523 BCC was applied correctly? If so, what was the result of your investigation?</i>
<b>ANSWER</b>	
<p>Under Belgian company law, an individual shareholder does not have the right to address its questions to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report). However, we refer to the auditor for his response:</p> <p><b>Auditor:</b> We refer to our audit report. Our audit has been performed in accordance with International Standards on Auditing, including ISA 550 Related Parties. In accordance with this standard we perform procedures to identify related party transactions, assess whether these transactions have been entered into at normal market conditions and to verify whether those transactions are properly disclosed in the financial statements. In addition we verify whether the Belgian company law has been complied with when entering into such transactions. We refer to our audit opinions which are unqualified and to the 'other aspects' section in our audit report where we state that we have not been aware of any transactions undertaken or decisions taken in breach of the Company's articles of association or the Belgian Companies' Code.</p>	

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
B.	<i>Intra-group conflicts of interest</i>
i.	<i>Telenet never applied the procedure of article 524 BCC in the last five years to any board decisions, as it deemed that all transactions with Liberty Global were entered into at "regular market conditions":</i>
1.	<i>Have all these decisions been taken unanimously within the board?</i>
<b>ANSWER</b>	
<p>We note that this is not a question which relates to the points on the agenda. However, we will address the question, again to be constructive.</p> <p>The scope of article 524 BCC is strictly defined and, as mentioned, closely monitored, including by Telenet's auditors and by its internal legal advisors, assisted when necessary by its external legal advisors. More generally, the application of article 524 BCC to other decisions taken by the board of directors in the last three years would have to be, in accordance with Belgian law, disclosed in Telenet's Annual Reports. Telenet discloses related-party transactions with its majority shareholder Liberty Global plc in its Annual Report under Note "Related parties".</p> <p>In the last years, all decisions of the board of directors have been taken unanimously.</p>	

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
B.	<i>Intra-group conflicts of interest</i>
i.	<i>Telenet never applied the procedure of article 524 BCC in the last five years to any board decisions, as it deemed that all transactions with Liberty Global were entered into at "regular market conditions":</i>
2.	<i>What does the board understand under "regular market conditions" and which objective criteria does the board use to come to this conclusion, as this is not clear from the annual report?</i>
<b>ANSWER</b>	
<p>We note that this is not a question which relates to the points on the agenda. However, we will address the question: again, Telenet consistently strives for an open dialogue with shareholders and stakeholders, including Lucerne.</p> <p>Any transaction entered into between Telenet and its majority shareholder Liberty Global would have to be concluded on an "at arms' length basis". The board of directors, under the supervision of the Audit Committee, ensures proper governance has been respected. Proposed intragroup transactions submitted to the Audit Committee are generally benchmarked against external conditions. In other words, the board reviews proposed intragroup transactions in comparison with "regular market conditions".</p> <p>As a reminder, the Audit Committee is composed of three members, including two independent directors of the Company, of whom one is the chairman. All members are non-executive directors. One director is appointed upon nomination of Liberty Global. All members contribute broad experience and skills regarding financial items, which have a positive impact on the committee's operation. This composition conforms to article 526bis §1 of the Belgian Companies Code regarding the composition of Audit Committees within listed companies, as introduced in December 2008, and the Corporate Governance Code 2009.</p> <p>Finally, the applicability of article 524 BCC (which governs related-party procedures) is strictly defined and, as mentioned, closely monitored, including by Telenet's auditors and by its internal legal advisors, assisted when necessary by its external legal advisors.</p>	



<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
B.	<i>Intra-group conflicts of interest</i>
i.	<i>Telenet never applied the procedure of article 524 BCC in the last five years to any board decisions, as it deemed that all transactions with Liberty Global were entered into at "regular market conditions":</i>
3.	<i>How is it realistic that all the transactions were at "regular market conditions"?</i>
<b>ANSWER</b>	
<p>We will also address this question even though it does not relate to the agenda, for the same reasons as set out in other questions.</p> <p>The board of directors, under the supervision of the Audit Committee, ensures proper governance has been respected. Proposed intragroup transactions submitted to the Audit Committee are generally benchmarked against external conditions. In other words, the board reviews proposed intragroup transactions in comparison with "regular market conditions".</p> <p>As a reminder, the Audit Committee is composed of three members, including two independent directors of the Company, of whom one is the chairman. All members are non-executive directors. One director is appointed upon nomination of Liberty Global. All members contribute broad experience and skills regarding financial items, which have a positive impact on the committee's operation. This composition conforms to article 526bis §1 of the Belgian Companies Code regarding the composition of Audit Committees within listed companies, as introduced in December 2008, and the Corporate Governance Code 2009.</p> <p>Finally, the applicability of article 524 BCC is strictly defined and, as mentioned, closely monitored, including by Telenet's auditors and by its internal legal advisors, assisted when necessary by its external legal advisors.</p>	

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
B.	<i>Intra-group conflicts of interest</i>
i.	<i>Telenet never applied the procedure of article 524 BCC in the last five years to any board decisions, as it deemed that all transactions with Liberty Global were entered into at "regular market conditions":</i>
4.	<i>Do the auditor and independent directors perform cross-checks as well even if the majority of the board decides such decision is entered into at regular market conditions?</i>
<b>ANSWER</b>	
<p>We will also address this question even though it does not relate to the agenda, for the same reasons as set out in other questions.</p> <p>The board of directors, under the supervision of the Audit Committee, ensures proper governance has been respected. Proposed intragroup transactions submitted to the Audit Committee are generally benchmarked against external conditions. In other words, the board reviews proposed intragroup transactions in comparison with "regular market conditions".</p> <p>As a reminder, the Audit Committee is composed of three members, including two independent directors of the Company, of whom one is the chairman. All members are non-executive directors. One director is appointed upon nomination of Liberty Global. All members contribute broad experience and skills regarding financial items, which have a positive impact on the committee's operation. This composition conforms to article 526bis §1 of the Belgian Companies Code regarding the composition of Audit Committees within listed companies, as introduced in December 2008, and the Corporate Governance Code 2009. The Company's statutory auditor is also represented in each Audit Committee meeting.</p> <p>As a result of these processes and checks and balances, there has not been any majority-driven decision, as your question seems to suggest</p>	

The scope of article 524 BCC is strictly defined and, as mentioned, closely monitored, including by the board, Telenet's auditors and its internal legal advisors, assisted when necessary by Telenet's external legal advisors.

We also refer to the auditor for a response. However, as mentioned, under Belgian company law, an individual shareholder does not have the right to address its questions to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report).

**Auditor:** As discussed before we perform procedures in accordance with international accounting procedures, including ISA 550 Related Parties, and we refer to our audit reports for the results of these procedures.

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
B.	<i>Intra-group conflicts of interest</i>
ii.	<i>Your answers in the Q&amp;A of 12 September 2018 on the information sharing with Liberty Global remain vague.</i>
1.	<i>What is the content of such information? Can you give some more concrete examples?</i>
<b>ANSWER</b>	
<p>We will also address this question even though it does not relate to the agenda, for the same reasons as set out in other questions.</p> <p>Telenet only exchanges information with its majority shareholder as may be required to (i) ensure compliance with regulatory and reporting requirements (Liberty Global's listing and disclosure requirements, financial consolidation, audit, etc.), (ii) create certain synergies for the benefit of all shareholders (for instance increase purchasing power towards content or hardware providers) or (iii) exchange best practices amongst the two groups (for instance, sharing market terms in MVNO and roaming agreements). Information exchanges only take place if this is deemed to be in Telenet's best interest as approved by the board within a strict legal framework.</p> <p>Through a closer cooperation with other operating entities within the Liberty Global Group, Telenet has been able to monetize important scale benefits and synergies in the procurement area, which are to the benefit of all shareholders. This is particularly the case for certain customer premise equipment or technical equipment, such as set-top boxes and modems for instance. If Telenet would not have been able to benefit from the aforementioned scale benefits and synergies, the cost of certain hardware-related components would have been bigger with a negative impact on the Company's financial performance.</p> <p>Telenet has always been at the vanguard of product and service innovation. Within the Liberty Global Group, Telenet occupies a central position with regards to the development of the next-gen television platform and set-top box. Unlocking the aforementioned scale benefits and synergies is important to Telenet's financial performance, which is to the benefit of all shareholders.</p>	

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
B.	<i>Intra-group conflicts of interest</i>
ii.	<i>Your answers in the Q&amp;A of 12 September 2018 on the information sharing with Liberty Global remain vague.</i>
2.	<i>What is the rationale behind sharing this information?</i>
<b>ANSWER</b>	
<p>We will also address this question even though it does not relate to the agenda, for the same reasons as set out in other questions.</p> <p>Liberty Global is a listed international cable group. Although Telenet is also publicly listed, it has been a fully consolidated subsidiary of Liberty Global since 2007. With Lucerne stating to have been a shareholder since 2008, Telenet already was a fully consolidated subsidiary of Liberty Global at that time. Within a strict confidentiality framework and in compliance with MAR (if and when it applies), Telenet only exchanges information with its majority shareholder as may be required to (i) ensure compliance with regulatory and reporting requirements (Liberty Global's listing and disclosure requirements, financial consolidation, audit, etc.), (ii) create certain synergies for the benefit of all shareholders (for instance increase purchasing power towards content or hardware providers) or (iii) exchange best practices amongst the two groups (for instance, sharing market terms in MVNO and roaming agreements).</p> <p>The exchange of information only takes place if this is deemed to be in Telenet's best interest as approved by the board within a strict legal framework. Liberty Global, for its part, provides information to Telenet, including sector expertise in various domains (finance, regulatory, strategy, HR and operation/network) that greatly benefit Telenet and all of its shareholders.</p>	

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
B.	<i>Intra-group conflicts of interest</i>
ii.	<i>Your answers in the Q&amp;A of 12 September 2018 on the information sharing with Liberty Global remain vague.</i>
3.	<i>Why is this same information not shared with the other shareholders?</i>
<b>ANSWER</b>	
<p>We will also address this question even though it does not relate to the agenda, for the same reasons as set out in other questions.</p> <p>The rationale behind sharing certain information with Liberty Global (to (i) ensure compliance with regulatory and reporting requirements (Liberty Global's listing and disclosure requirements, financial consolidation, audit, etc.), (ii) create certain synergies for the benefit of all shareholders (for instance increase purchasing power towards content or hardware providers) or (iii) exchange best practices amongst the two groups (for instance, sharing market terms in MVNO and roaming agreements)), does not apply to the other shareholders. Lucerne could for instance not increase Telenet's purchase power towards Disney or the other big studios, or towards certain hardware and software vendors. Liberty Global can through its economies of scale. Similarly, Lucerne has no information for Telenet on the latest market standard terms in MVNOs or roaming, or on concrete tips to improve customer satisfaction for EPGs.</p> <p>It would therefore typically not be in Telenet's best interest to proceed with such disclosure publicly.</p> <p>It would be highly unusual in a public company context for Telenet to disclose certain information publicly. Such disclosure could be contrary to Telenet's corporate interest and it could render certain commercial and strategic information available to its both its current and potential future competitors (which may also infringe laws applicable to Telenet).</p> <p>As a listed company, Telenet periodically issues and updates its financial outlook, in line with common practice at other listed companies. Moreover, Telenet will host a Capital Markets Day on 5 December 2018, focusing on the strategic value drivers and financial outlook for the Company in the medium term and</p>	

on capital allocation in the pursuit of growth and shareholder returns. In this way, all information that should and can be shared with Telenet's other shareholders, is disclosed.

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B.	<i>Intra-group conflicts of interest</i>
ii.	<i>Your answers in the Q&amp;A of 12 September 2018 on the information sharing with Liberty Global remain vague.</i>
4.	<i>Why do you deem that sharing this information is in the corporate interest of Telenet (including its minority shareholders)?</i>
<b>ANSWER</b>	
<p>We will also address this question even though it does not relate to the agenda, for the same reasons as set out in other questions.</p> <p>In this regard we refer to the answer stated above. Telenet only exchanges information with its majority shareholder within a strict confidentiality framework and in compliance with MAR (if and when it applies), as may be required to (i) ensure compliance with regulatory and reporting requirements (Liberty Global's listing and disclosure requirements, financial consolidation, audit, etc.), (ii) create certain synergies for the benefit of all shareholders (for instance increase purchasing power towards content or hardware providers) or (iii) exchange best practices amongst the two groups (for instance, sharing market terms in MVNO and roaming agreements)).</p> <p>The exchange of information only takes place if this is deemed to be in Telenet's best interest within a strict legal framework approved by the board. Liberty Global, for its part, provides information to Telenet, including sector expertise in various domains (finance, regulatory, strategy, HR, operation/network, purchasing and procurement, market standard contractual terms in key telco contracts) that greatly benefit Telenet and all of its shareholders.</p>	

<b>QUESTION</b>	
9.	<i>On 12 September 2018, you have published a Q&amp;A with answers on some of our concerns in relation to conflicts of interests within Telenet. These answers are however incomplete and do not address all our concerns raised.</i>
B.	<i>Intra-group conflicts of interest</i>
ii.	<i>Your answers in the Q&amp;A of 12 September 2018 on the information sharing with Liberty Global remain vague.</i>
5.	<i>How do you consider this information exchange to be compatible with the Market Abuse Regulation? Has all information shared with Liberty meanwhile be provided to the market? Have these information exchanges also been subject to the article 524 BCC procedure?</i>
<b>ANSWER</b>	
<p>We will also address this question even though it does not relate to the agenda, for the same reasons as set out in other questions.</p> <p>Any information sharing takes place within a strict confidentiality framework and in compliance with MAR (if and when it applies). The company has obtained external legal advice prior to instituting such information exchange, on the basis of which (i) compliance with MAR, and (ii) the non-applicability of article 524 BCC has been established by the board.</p> <p>The information exchanged with Liberty Global for the most part is not inside information. It concerns the examples that we have named above: information exchange to increase purchasing power, information exchange to increase negotiating power in standard telco contracts. If any information would be exchanged that would fall under MAR, that would only apply on a strict need-to-know basis within a strict legal framework fully in line with MAR.</p>	

<b>QUESTION</b>	
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B.	<i>Intra-group conflicts of interest</i>
iii.	<i>Question to the independent directors: do you have knowledge of any transaction or decision in relation to the Liberty Global group which has been on the agenda of the board of Telenet, regarding which you have had doubts as to whether this decision was taken or the transaction was entered into at "regular market conditions"? If so, did you raise those concerns during the relevant board meeting and/or inform the auditor thereof?</i>
<b>ANSWER</b>	
<p>We will also address this question even though it does not relate to the agenda, for the same reasons as set out in other questions.</p> <p>Under Belgian company law, an individual shareholder does not have the right to address its questions to specific directors or to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report). However, we will address the question: Telenet consistently strives for an open dialogue with shareholders and stakeholders, including Lucerne. Both the board as a whole and the independent directors have unanimously agreed to the following response.</p> <p>The independent directors are not aware of any of the circumstances indicated in your question.</p> <p>The board of directors and all its members abide by all Belgian Company law rules as well as the Corporate Governance Code, including related-party procedures (and the applicable disclosure rules in this respect) as and when applicable.</p> <p>The scope of article 524 BCC is strictly defined and, as mentioned, closely monitored, including by the board, Telenet's auditors and by its internal legal advisors, assisted when necessary by its external legal advisors. In more detail, there has been no disagreement within the board of directors on the application of article 524 BCC to any of its decisions.</p>	

Moreover, as part of their audit procedures, KPMG, as statutory auditor of the Company, verifies whether the Company complied with the requirements of article 524 for those decisions/transactions included in the board minutes. KPMG has not identified any breaches of the Belgian Companies Code when performing its audit procedures.

QUESTION	
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B.	<i>Intra-group conflicts of interest</i>
iv.	<i>Question to the auditor: have you ever investigated any transaction or decision which has been on the agenda of the board of Telenet for doubts as to whether article 524 BCC was applied correctly? If so, what was the result of your investigation?</i>
ANSWER	
<p>Under Belgian company law, an individual shareholder does not have the right to address its questions to the auditor where the question does not relate to a specific report drafted by the auditor (which is not the case for lack of such report).</p> <p>However, we refer to the auditor for a response:</p> <p><b>Auditor:</b> We refer to our audit reports and to the work performed in accordance with ISA 550, as discussed before. We are bound by professional secrecy and cannot elaborate on individual transactions.</p> <p><b>Chairman:</b> We also note that Belgian law does not provide for the possibility for Telenet to waive this professional secrecy.</p>	