

TELENET GROUP HOLDING
(NAAMLOZE VENNOOTSCHAP / SOCIÉTÉ ANONYME)
Neerveldstraat 105
1200 Sint-Lambrechts-Woluwe
Register of Legal Persons number 0477.702.333 RPR Brussels (Dutch speaking)

**Minutes of the ordinary general shareholders' meeting
of 24 April 2019**

The ordinary general shareholders' meeting (the "**Shareholders' Meeting**") of Telenet Group Holding NV (the "**Company**") is held on 24 April 2019 at Liersesteenweg 4, 2800 Mechelen.

COMPOSITION OF THE BUREAU

The Shareholders' Meeting is opened at 10.00 am by Mr Bert De Graeve, permanent representative of IDw Consult BVBA, Chairman of the board of directors and pursuant to article 37 of the articles of association, Chairman of the Shareholders' Meeting. The Chairman proposes to continue the meeting in English. The Shareholders' Meeting unanimously agrees thereto.

The Chairman indicates that this meeting is recorded.

The Chairman then appoints Mr Bart van Sprundel as secretary of the Shareholders' Meeting.

The Chairman proposes to appoint Mr Quinten Helsen and Ms Ingrid Moriau as tellers of the Shareholders' Meeting. The Shareholders' Meeting unanimously agrees thereto.

The Chairman, the secretary and the tellers together constitute the bureau of this meeting.

CONVENING OF THE SHAREHOLDERS' MEETING

The Chairman declares that the convening notice for the Shareholders' Meeting was published in:

- *The Belgian State Gazette* of 22 March 2019;
- *De Tijd* of 22 March 2019.

A proof of these convening notices is submitted to the bureau.

The holders of registered shares were invited by letter of 22 March 2019. The directors, the statutory auditor and the employee-shareholders were invited by electronic invitation (e-mail), to which they have agreed.

Together with the convening notice, a copy of the documentation relating to the agenda items of the Shareholders' Meeting was sent to the holders of registered shares. As regards the directors, the statutory auditor and the employee-shareholders, the electronic invitation indicated the location at which they could obtain these documents (namely an electronic copy can be obtained on the Company's website and a free hard copy can be obtained at the legal department of the Company).

This documentation, together with the convening notice, was also published on the Company's website (investors.telenet.be).

The Shareholders' Meeting determines that this general shareholders' meeting has been validly convened.

FORMALITIES FOR ADMISSION TO THE SHAREHOLDERS' MEETING

The bureau verifies whether the shareholders present and represented, who have signed the attendance register, have complied with the admission formalities as indicated in the convening notice.

The bureau then listed the other attendees:

- Mr John Porter, in his capacity of director, who is registered in the attendance register;
- The statutory auditor of the Company, KPMG Bedrijfsrevisoren Burg. CVBA represented by Mr Filip De Bock, who is registered in the attendance register.

Mr Erik Van den Enden, employee of the Company, is present as well.

The Chairman proposes to also grant access to:

- The legal counsels of the Company, the independent directors and of Lucerne Capital Management, L.P. ("Lucerne") access to the meeting;
- Mr Thibaut Van Heeswijk, representative of Lucerne, who only participates as an observer.

The Shareholders' Meeting unanimously agrees thereto.

The attendance register is signed by the members of the bureau and attached to the minutes (Annex 1).

VALIDITY OF THE SHAREHOLDERS' MEETING

On the basis of the attendance register, **216** shareholders holding in aggregate **91,904,834** shares are present or represented out of a total of **117,716,323** shares outstanding. Taking into account the fact that on the date of this special general shareholders' meeting the Company holds **7,983,665** own shares at the date of this meeting, the voting rights of which are suspended, and are thus not taken into account to establish the quorum and majority requirements, **83.75%** of the outstanding shares with voting rights are present or represented. There are no holders of other securities present or represented.

There is no quorum requirement in the articles of association or the applicable company legislation for the items on the agenda, as a consequence of which the Shareholders' Meeting can validly deliberate and resolve.

AGENDA

The Chairman reads the items on the agenda:

1. **Reports on the statutory financial statements**
Communication of and discussion on the annual report of the board of directors and the report of the statutory auditor on the statutory financial statements for the financial year ended on December 31, 2018
2. **Consolidated financial statements and reports on the consolidated financial statements**
Communication of and discussion on (i) the consolidated financial statements, (ii) the annual report of the board of directors and (iii) the report of the statutory auditor on the consolidated financial statements for the financial year ended on December 31, 2018.
3. **Communication and approval of the statutory financial statements**
Communication and approval of the statutory financial statements for the financial year ended on December 31, 2018, and of the proposed allocation of the result.
4. **Communication of and discussion on the remuneration report**
Communication of and discussion on the remuneration report, included in the annual report of the board of directors, for the financial year ended on December 31, 2018.
5. **Discharge and interim discharge from liability to the directors**
6. **Discharge from liability to the statutory auditor**

7. **Dismissal and (re)appointment of directors**
8. **Ratification and approval in accordance with Article 556 of the Belgian Companies Code**

DELIBERATION AND RESOLUTIONS

Before starting the discussion on the agenda items, Mr John Porter, Chief Executive Officer (CEO), and Mr Van den Enden, Chief Financial Officer (CFO), provide an overview of the most important events, trends and results of the 2018 financial year as presented in the reports of the board of directors and the statutory and consolidated annual accounts.

QUESTIONS OF SHAREHOLDERS

The Chairman proposes to jointly treat all (written and oral) questions of the shareholders in relation to the agendas of both the ordinary and extraordinary shareholders' meeting. The shareholders' meeting unanimously agrees thereto.

First of all, the Chairman, on behalf of the board of directors, responds to the questions that were submitted in writing by a shareholder in advance of the meeting in accordance with article 540 of the Belgian Companies Code. The questions and the responses thereto are attached as Annex 2 to these minutes.

At 11:40 am the Chairman finishes responding to the written questions and the meeting is suspended for a short twenty-minute break.

At noon, the Chairman resumes the meeting and the shareholders subsequently raise additional oral questions during the meeting, and the Chairman and the CEO, on behalf of the board of directors, respond after a break to enable the board of directors to respond. These questions and the responses thereto are attached as Annex 3 to these minutes.

At 13:10 the Chairman asks the shareholders whether the questions/answer session can be closed. The shareholders' meeting unanimously agrees thereto.

DOCUMENTS RELATING TO THE FIRST UP TO THE FIFTH AGENDA ITEM

The Shareholders' Meeting proceeds to deal with the following documents with regard to the financial year closed on 31 December 2018:

- (i) the annual report of the board of directors on the statutory financial statements;
- (ii) the report of the statutory auditor on the statutory financial statements

- (iii) the statutory financial statements;
- (iv) the annual report of the board of directors on the consolidated financial statements;
- (v) the remuneration report, included in the annual report of the board of directors;
- (vi) the report of the statutory auditor on the consolidated financial statements; and
- (vii) the consolidated financial statements.

The Chairman requests the Shareholders' for exemption from reading the reports.

The Shareholders' Meeting unanimously agrees hereto.

At the request of the Chairman, Mr Filip De Bock, permanent representative of the auditor Klynveld Peat Marwick Goerdeler - Bedrijfsrevisoren CVBA ("**KPMG Bedrijfsrevisoren CVBA**") stated that he had nothing to add to the auditor's reports.

The Chairman then briefly explained the remuneration report included in the annual report of the board of directors, which is also included in the consolidated annual report of the Company.

The Shareholders' Meeting proceeds to vote on the proposals for decision.

Mr Pascal Van Den Broucke notifies the shareholders' meeting prior to the actual voting that he excuses himself for the remainder of the meeting. As a consequence, he does not participate in the vote and his share is not taken into consideration in the voting results.

DECISION REGARDING THE THIRD AGENDA ITEM

The statutory financial statements for the financial year ended 31 December 2018, contain a profit to be allocated of EUR 5,065,685,169.75, consisting of a profit of the financial year to be allocated of EUR 13,086,466.48, fully added to the profit carried forward from the previous financial year of EUR 5,052,598,703.27.

As (i) the special shareholders' meeting of 26 September 2018 decided to pay an extraordinary dividend in the amount of EUR 599,099,078.60 and (ii) the board of directors proposes to allocate EUR 203,820,787.35 of the remaining profit to the unavailable reserve in respect of treasury shares purchased in 2018, a balance of EUR 4,262,765,303.80 remains of which it is proposed to carry it over to the following financial year.

The statutory financial statements for the financial year ended 31 December 2018, including the allocation of the result of the financial year as set out above, are approved with 87,898,162 votes in favor, 3,642,916 votes against and 363,755 abstentions.

DECISION REGARDING THE FOURTH AGENDA ITEM

The remuneration report, as included in the annual report of the board of directors for the financial year ended on 31 December 2018, is approved with 70,896,054 votes in favor, 17,365,863 votes against and 3,642,916 abstentions.

DECISION REGARDING THE FIFTH AGENDA ITEM

The Chairman explains that the board of directors requests the Shareholders' Meeting to grant discharge to the directors for the exercise of their mandate during the financial year closed on 31 December 2018.

The Chairman also explained that the board of directors requested the Shareholders' Meeting to grant Mr Diederik Karsten interim discharge for the exercise of his mandate during the financial year ending 31 December 2018 until the submission of his voluntary resignation on 15 February 2019.

The Shareholders' Meeting votes on the proposals for decision.

The Shareholders' Meeting grants, by separate vote, discharge to the directors who were in office during the financial year ended 31 December 2018 for the exercise of their mandate during that financial year:

- for IDw Consult BVBA represented by its permanent representative Mr Bert De Graeve: with 84,432,741 votes in favor, 7,398,789 votes against and 73,303 abstentions;
- for JoVB BVBA represented by its permanent representative Mr Jo Van Biesbroeck: with 86,686,301 votes in favor, 5,141,954 votes against and 76,578 abstentions;
- for Ms Christiane Franck: with 87,031,629 votes in favor, 4,796,626 votes against and 76,578 abstentions;
- for Mr John Porter: with 87,034,904 votes in favor, 4,796,626 votes against and 73,303 abstentions;
- for Mr Charles H. Bracken: with 87,031,629 votes in favor, 4,796,626 votes against and 76,578 abstentions;
- for Mr Jim Ryan: with 86,999,503 votes in favor, 4,828,752 votes against and 76,578 abstentions;
- for Mr Diederik Karsten: with 86,999,503 votes in favor, 4,828,752 votes against and 76,578 abstentions;
- for Mr Manuel Kohnstamm: with 86,999,503 votes in favor, 4,828,752 votes against and 76,578 abstentions;

- for Ms Severina Pascu: with 86,999,503 votes in favor, 4,828,752 votes against and 76,578 abstentions;
- for Ms Amy Blair: with 86,999,503 votes in favor, 4,828,752 votes against and 76,578 abstentions;
- for Ms Dana Strong: with 86,999,503 votes in favor, 4,828,752 votes against and 76,578 abstentions;
- for Ms Suzanne Schoettger: with 86,999,503 votes in favor, 4,828,752 votes against and 76,578 abstentions;

The Shareholders' Meeting grants, by separate vote, interim discharge to Mr Diederik Karsten for the exercise of his mandate during the financial year ending 31 December 2018 until the submission of his voluntary resignation on February 15, 2019 with 86,999,503 votes in favor, 4,828,752 votes against and 76,578 abstentions.

DECISION REGARDING THE SIXTH AGENDA ITEM

The Chairman explained that the board of directors requested the Shareholders' Meeting to grant discharge to the statutory auditor for the performance of its mandate during the financial year ended 31 December 2018.

The Shareholders' Meeting votes on the proposal for decision.

The Shareholders' Meeting grants discharge to the statutory auditor KPMG Bedrijfsrevisoren CVBA, represented by Mr. Filip De Bock, for the performance of its mandate during the financial year ended 31 December 2018, with 86,690,405 votes in favor, 4,792,522 votes against and 421,906 abstentions.

DECISION REGARDING THE SEVENTH AGENDA ITEM

The Chairman informs the meeting of the expiry of the mandate as independent director of the Company of JoVB BVBA (with permanent representative Jo Van Biesbroeck). In addition, the mandate as director of Mr. Manuel Kohnstamm also expires at this shareholders' meeting. The Chairman further informed the meeting of the voluntary resignation as director of Mr Diederik Karsten on 15 February 2019.

The Chairman then discusses the proposed (re)appointment of (new) directors.

The proposal of the board of directors regarding this agenda item is as follows:

- a) Acknowledgement of the voluntary resignation of Mr. Diederik Karsten as director of the Company, with effect as of 15 February 2019.
- b) Re-appointment, upon nomination in accordance with article 18.1(i) of the articles of association, of JoVB BVBA (with permanent

representative Jo Van Biesbroeck) as “independent director”, in accordance with article 526ter of the Belgian Companies Code and Article 18.1 (i) and 18.2 of the articles of association of the Company, remunerated as set forth under 7.e), for a term of 4 years, with immediate effect and until the closing of the ordinary general shareholders' meeting of 2023. JoVB BVBA (with permanent representative Jo Van Biesbroeck) meets the independent criteria provided for in article 526ter of the Belgian Companies Code and Article 18.2 of the articles of association and qualifies as independent director.

- c) Re-appointment, upon nomination in accordance with Article 18.1(ii) of the articles of association, of Mr. Manuel Kohnstamm as director of the Company, remunerated as set forth under 7.e) for a term of 4 years, with immediate effect and until the closing of the ordinary general shareholders' meeting of 2023.
- d) Appointment, upon nomination in accordance with Article 18.1(ii) of the articles of association, of Mr. Enrique Rodriguez as director of the Company, remunerated as set forth under 7.e), for a term of 4 years, with immediate effect and until the closing of the ordinary general shareholders' meeting of 2023.

The Chairman states that the consolidated annual report of the board of directors of the Company contains the *curriculum vitae* of the directors nominated for (re)appointment as directors.

The Shareholders' Meeting votes on the proposals for decision.

The meeting takes note of the expiration of the mandates of JoVB BVBA (with permanent representative Jo Van Biesbroeck) and Mr Manuel Kohnstamm. The meeting also takes note of the voluntary resignation of Mr. Diederik Karsten as director.

The Shareholders' Meeting approves with 84,586,766 votes for, 7,303,526 votes against and 14,541 abstentions, the proposed reappointment of JoVB BVBA (with permanent representative Jo Van Biesbroeck) as director and independent director for a period of 4 years, with immediate effect and until the closing of the ordinary general shareholders' Meeting of 2023.

The Shareholders' Meeting approves with 67,728,234 votes for, 24,171,904 votes against and 4,695 abstentions, the proposed reappointment of Mr Manuel Kohnstamm as director for a period of 4 years, with immediate effect and until the closing of the ordinary general shareholders' Meeting of 2023.

The Shareholders' Meeting approves with 84,471,999 votes for, 7,429,559 votes against and 3,275 abstentions, the proposed appointment of Mr Enrique Rodriguez as director for a period of 4 years, with immediate effect and until the closing of the ordinary general shareholders' Meeting of 2023.

The Chairman declares that JoVB BVBA (with permanent representative Jo Van Biesbroeck), Mr Manuel Kohnstamm and Mr Enrique Rodriguez have accepted their mandate as director.

The Chairman discusses the following agenda item with regard to the remuneration of the directors.

The proposal of the board of directors regarding this agenda item is as follows:

- e) The mandates of the directors appointed in accordance with item 7.b) up to and including 7.d) of the agenda, will be remunerated in accordance with the resolutions of the general shareholders' meeting of 28 April 2010, 24 April 2013 and 26 April 2017, in particular:
 - a. For JoVB BVBA (with Jo Van Biesbroeck as permanent representative) as independent director, chairman of the Audit Committee and member of the Remuneration and Nomination Committee: (i) a fixed annual remuneration of EUR 45,000 per annum, (ii) an attendance fee of EUR 3,500 as independent director for board meetings with a maximum of EUR 24,500 per annum, (iii) an attendance fee of EUR 4,000 per meeting as independent director and chairman of the Audit Committee and (iv) an attendance fee of EUR 2,000 as independent director per meeting of the Remuneration and Nomination Committee.
 - b. For directors nominated and appointed in accordance with Article 18.1 (ii) of the articles of association: (i) a fixed annual remuneration of EUR 12,000 for each director, and (ii) an attendance fee of EUR 2,000 for attended meetings of the board of directors for each director. The fixed remuneration will only be payable if the director has participated in at least half of the scheduled board meetings. No separate remuneration is provided for the directors attending committee meetings of the board of directors

The General Meeting approves with 88,261,917 votes in favor, 0 votes against and 3,642,916 abstentions, the proposed remuneration of the directors.

DECISION REGARDING THE EIGHT AGENDA ITEM

The Chairman discussed the next agenda item in connection with the approval in accordance with Article 556 of the Belgian Companies Code.

The Chairman explains that the board of directors requests the Shareholders' Meeting to approve, insofar as necessary and applicable, in accordance with article 556 of the Belgian Companies Code, the conditions of the performance share plans issued by the Company, which could allocate rights that may have an impact on the Company's assets or may lead to a debt or obligation of the Company upon the occurrence of a change of control over the Company.

The Chairman explained that the performance share plans and/or option and share plans granted to (selected) employees issued by the Company allocate rights that either could have an impact on the assets of the Company or could lead to a debt or obligation of the Company upon the occurrence of a change of control over the Company. In particular, (i) the performance share plans and the (ii) option and share plans ESOP 2018 and the ESOP 2018bis plan granted to selected employees contain certain clauses that provide for different or accelerated acquisition upon the occurrence of a change of control over the Company. For more information on the aforementioned plans, reference is made to the consolidated annual report of the Company.

The Shareholders' Meeting approves with 75,658,261 votes in favor, 15,901,244 votes against and 345,328 abstentions the terms and conditions of the performance share plans issued by the Company, which may grant rights that either could have an impact on the Company's assets or could lead to a debt or obligation of the Company upon the occurrence of a change of control over the Company.

CLOSING OF THE MEETING

The Chairman thanks the shareholders present and wishes to thank the management and employees of the Company for the results achieved.

The secretary is charged with drafting the minutes of this Shareholders' Meeting in consultation with the shareholders which request so.

The Chairman requests the Shareholders' Meeting to release the secretary from reading the minutes, which the Shareholders' Meeting unanimously accepts. The Chairman then invites the shareholders who so wish to sign the minutes when they are finalised.

Minutes for TGH Shareholders' meeting of 24 April 2019
English translation for information purposes only

As there are no other items on the agenda, the Shareholders' Meeting is closed at 2 pm.

By: _____
IDw Consult BVBA
Permanent representative:
Bert De Graeve
Chairman

By: _____
Dhr. Bart van Sprundel
Secretary

By: _____
Quinten Helsen
Teller

By: _____
Ingrid Moriau
Teller

By: _____
Shareholder

By: _____
Shareholder

By: _____
Shareholder

By: _____
Shareholder

By: _____
Shareholder

By: _____
Shareholder

Annex 1: Attendance register

Annex 2: Written questions

WRITTEN QUESTIONS LUCERNE

Questions received by letter and email from Lucerne Capital Management LP dated 17 April 2019
Answers approved by the board of directors of Telenet Group Holding SA/NV on 23 April 2019

ADDITIONAL DOCUMENTATION REQUESTS

You have requested the following documentation in your 17 April 2019 letter:

- *Article 523 Belgian Companies Code ("BCC") requires the auditor's annual report to include a specific description on any matter triggering this conflict of interest rule. Article 523 BCC was said to be applied once, but KPMG's report which is attached to the annual report does not contain the required specific description. Please provide us with the full KPMG audit report.*

In response to your request and as referred to in the abridged Annual Report of the board of directors in accordance with article 105 of the Belgian Companies Code, KPMG indicated as follows in its report:

"Naar aanleiding van de beraadslaging en beslissing van het bestuursorgaan van 12 februari 2018 betreffende de bepaling van de bonus en verdienste van de CEO en de bepaling van de verwezenlijking van de prestatiecriteria onder het CEO SOP 2015 optieplan, heeft de heer John Porter (CEO en bestuurder), als mogelijke begunstigde, verklaard een tegenstrijdig belang van vermogensrechtelijke aard te hebben. Hij heeft bijgevolg niet deelgenomen aan de beraadslaging, noch aan de stemming. Het bestuursorgaan heeft besloten dat de CEO de maximale bonus van 150% van zijn jaarlijks remuneratie, met name een bonus van EUR 963.900 toegekend krijgt en dat onder het CEO SOP 2015 het relevante prestatiecriteria voor het prestatiejaar 2017 werd verwezenlijkt."

"Naar aanleiding van de beraadslaging en beslissing van het bestuursorgaan van 12 februari 2019 betreffende de bepaling van de bonus en verdienste van de CEO en de bepaling van de verwezenlijking van de prestatiecriteria onder het Telenet Prestatie aandelenplan 2016 voor het SLT (met inbegrip van de CEO), heeft de heer John Porter (CEO en bestuurder), als mogelijke begunstigde, verklaard een tegenstrijdig belang van vermogensrechtelijke aard te hebben. Hij heeft bijgevolg niet deelgenomen aan de beraadslaging, noch aan de stemming. Het bestuursorgaan heeft besloten dat de CEO de maximale bonus van 150% van zijn jaarlijks remuneratie, met name een bonus van EUR 938.385 toegekend krijgt en dat onder het Telenet Prestatie aandelenplan 2016 het relevante prestatiecriteria voor het prestatiejaar 2018 werd overschreden."

This information on the CEO's remuneration has already been made available for shareholders and is included in section 8.5.6 of the Annual Report on page 52.

The full KPMG audit report is attached to this document as Annex 1 and has been made available on our investor relations website under Results Center (2018).

- *Please provide us with the Performance Share Plans and the ESOP 2018 and ESOP 2018bis documentation.*

As a company of which the shares are listed on a regulated stock exchange, Telenet Group Holding SA/NV is, in relation to the disclosure of certain aspects of remuneration of its employees and officers, subject to specific legislation, among others in relation to its remuneration report. In addition, certain persons discharging managerial responsibility (**PDMRs**) are subject to specific disclosure requirements under the applicable market abuse regime, requiring them to disclose certain events under option plans to the Financial Services and Markets Authority (**FSMA**).

Telenet Group Holding rigorously complies with all of such rules and regulations, and hence there is no reason to provide additional information in order to allow you to make an informed decision. Moreover, the disclosure of certain forward-looking KPIs included in the different plans may negatively affect the business interests of the Company as we would be for instance revealing our competitive focus and providing additional guidance metric beyond both the short-term and medium-term financial outlook already presented. It is probably for the same reasons that peer companies are not disclosing such plans in full. The proxy advisors that cover Telenet, such as ISS and Glass Lewis, have been able to issue guidance on Telenet's plans on the basis of information made public by Telenet so Telenet believes it is publishing sufficient information, in line with peers.

As a consequence, the board of directors has unanimously decided that it cannot provide you with such documentation, but it will of course continue to publish such information as is required by law.

- *We understand that the remuneration- and nomination committee has rendered an advice to the board of directors with respect to the (re)appointment as directors of JoVB BVBA (permanently represented by Mr Jo Van Biesbroeck), Mr Manuel Kohnstamm and Mr Enrique Rodriguez. Please provide us with this advice.*

Telenet Group Holding's decision-making in both the remuneration- and nomination committee and in the audit committee is confidential, unless otherwise required by law, to cater to an in-depth and frank discussion amongst its members at such committees in the interest of all stakeholders. In addition, Telenet Group Holding rigorously complies with its disclosure requirements under Belgian law.

Finally, we are not aware of any peer company disclosing such minutes in full.

As a consequence, the board of directors has unanimously decided that it cannot provide you with such documentation. However, we can confirm that the advice of the Remuneration- and Nomination Committee was positive, and the board of directors endorsed such positive recommendation.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

A. AGENDA ITEMS 1-3

QUESTION	
1.	<p>Deferred tax assets</p> <p>It seems that, amongst other reasons, the lack of fiscal consolidation in Belgium is causing certain group entities to pay corporate income tax, while others can fully offset their profits against fiscal losses and/or deductible costs. This results in the situation that the Telenet group currently has combined cumulative tax loss carry forwards of 1,326.0 million euro, as is mentioned in section 5.15 of Telenet's annual report.</p>
a.	<p>How do you intend to optimise the use of Telenet group's deferred tax assets in the future in view of the recent Belgian fiscal reforms?</p>
ANSWER	
<p>First, it should be noted that the fiscal consolidation, as implemented into Belgian tax law and applicable as from 1 January 2019, does not apply to historical tax assets (i.e. tax assets originated prior to the fiscal consolidation), and therefore will have no impact on the deferred tax assets.</p> <p>Also, due to the fact that Telenet Group SA/NV (formerly BASE Company SA/NV) has been acquired by Telenet Group Holding SA/NV in 2016, Telenet Group can only be part of a fiscal consolidation of Telenet as from income year 2020. Under the current rules of Belgian tax consolidation, a tax unity can only be set up within companies with a direct participation of more than 90% for a minimum period of 5 years.</p> <p>It is correct that currently a gross amount of approx. €1.3 billion of tax losses carried forward are available within the Telenet group. These tax losses carried forward are split into different group companies. We have recognized deferred tax assets on a gross amount of approx. €817 million of these tax losses carried forward, meaning we have the intention to use these tax losses carried forward within a reasonable period. We have not recognised deferred tax assets on tax losses carried forward of approx. € 509 million where it is not likely they will be offset against taxable profit in future years. These €509 million of tax losses carried forward all relate to historical losses of our listed holding company.</p> <p>Finally, the Audit Committee regularly reviews and discusses a general tax update regarding the group as a whole.</p>	

QUESTION	
1.	<p>Deferred tax assets</p> <p>It seems that, amongst other reasons, the lack of fiscal consolidation in Belgium is causing certain group entities to pay corporate income tax, while others can fully offset their profits against fiscal losses and/or deductible costs. This results in the situation that the Telenet group currently has combined cumulative tax loss carry forwards of 1,326.0 million euro, as is mentioned in section 5.15 of Telenet's annual report.</p>
b.	<p>Have you or are you considering any restructuring within the Telenet group for this purpose?</p>
ANSWER	
<p>We first want to stress here that the Telenet group has a strict policy not to engage in any form of artificial tax planning which is not supported by economic or operational drivers. Of course, we do strive to align our tax framework and tax payments always in the most efficient way and in full support of the business of the group.</p> <p>In view of this, we have been successfully restructuring the group in the past years with a strong focus on coupling our group's debt profile with the operational activities of the group, i.e. making sure any debt/funding is located at the level of the operational entities that have the (economic) capacity to service it. This also ensures that tax assets are created at a profitable and sustainable level.</p> <p>As a result, for the past years, no tax assets have been created for which a valuation allowance was needed to be set up, i.e. we are using or intending to use our tax assets.</p> <p>In 2018, we have also set-up a strategic cooperation between our main Belgian operating companies (Telenet BVBA and Telenet Group SA/NV) which, next to an operational simplification, allows them to act as one face towards customers (which is the result of the growing convergence in one offering between all of the services of the group) and the market ensuring the sustainability and profitability of their businesses and execution of strategy. This way the entities can meet their full profit potential and also enabled an accelerated use of our tax assets the coming years.</p>	

QUESTION	
1.	<p>Deferred tax assets</p> <p>It seems that, amongst other reasons, the lack of fiscal consolidation in Belgium is causing certain group entities to pay corporate income tax, while others can fully offset their profits against fiscal losses and/or deductible costs. This results in the situation that the Telenet group currently has combined cumulative tax loss carry forwards of 1,326.0 million euro, as is mentioned in section 5.15 of Telenet's annual report.</p>
c.	<p>Is the strategy which the group seems to adopt in terms of its tax assets inspired by any contemplated future M&A transaction?</p>
ANSWER	
<p>Tax or the use of tax assets is one of the considerations in M&A projects, as many aspects are (synergies, legal risk, future-proof technology acquisitions, diversification, ...). Tax will normally not be a decisive or main objective or driver for an M&A project. Finally, as the answer to the previous answer has shown, the current tax strategy of the group is not connected to a specific contemplated future M&A transaction.</p>	

QUESTION	
2.	<p>Intra-group conflicts of interests</p> <p>Telenet has again not applied the procedure of 524 BCC to any board decisions, as it deemed that all transactions with Liberty Global were entered into "within the normal course of business", as is mentioned in section 5.27 of Telenet's annual report.</p>
a.	<p>Please provide further details as to which transactions this relates to as the annual report remains very vague on this matter ("mainly consisted of the purchase of certain property and equipment and other services")?</p>
ANSWER	
<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 and assisted when necessary by its external legal advisors. 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 that proper governance has been respected. Proposed intragroup transactions submitted to the Audit Committee are generally benchmarked against external conditions. In other words, the board of directors reviews proposed intragroup transactions in comparison with "regular market conditions".</p> <p>As required, Telenet discloses related-party transactions with its majority shareholder Liberty Global in its Annual Report under Note 5.27 "Related parties". In relation to the table under section 5.27.2, LG affiliates have been charged expenses in an amount of €12.1 million in 2018, while Telenet has been charged €6.4 million.</p> <p>Charges from Liberty Global concern amongst other (i) specific hardware (third party modems and access points via a group wide supply contract), (ii) maintenance contracts (third party software such as Adobe or Microsoft via a group wide supply agreement), (iii) treasury services and (iv) marketing charges, each time covered by a recharge form or by services agreements. It is obvious that such are ordinary course of business items covering a recharge of third party conditions where there is a benefit in being part of a larger group.</p> <p>Charges to Liberty Global include amongst other items recharges by Telenet to Liberty Global in relation to a dedicated Telenet team actively contributing to the design of the next-generation video platform in designing and deploying certain features and components. Meanwhile, the impending agreement of a new video entertainment platform and related application by Telenet in its footprint known as Horizon 4 and Horizon Go, have been subject to corporate decision making in accordance with article 524 of the Belgian Companies Code, after the date of the 2018</p>	

Annual Report. This will be disclosed in accordance with applicable regulations in the annual report over financial year 2019.

QUESTION	
2.	<p>Intra-group conflicts of interests</p> <p>Telenet has again not applied the procedure of 524 BCC to any board decisions, as it deemed that all transactions with Liberty Global were entered into "within the normal course of business", as is mentioned in section 5.27 of Telenet's annual report.</p>
b.	<p>Have all these decisions been taken unanimously within the board?</p>
ANSWER	
<p>As we have responded to you at our last shareholders' meeting in September 2018 all decisions of the board of directors have been taken unanimously in the past years. This response has not changed since September 2018.</p>	

QUESTION	
2.	<p>Intra-group conflicts of interests</p> <p>Telenet has again not applied the procedure of 524 BCC to any board decisions, as it deemed that all transactions with Liberty Global were entered into "within the normal course of business", as is mentioned in section 5.27 of Telenet's annual report.</p>
c.	<p>How is it realistic that all the transactions were at "regular market conditions"? In your answers to our questions on the general meeting of shareholders of 26 September 2019 you mentioned that this includes benchmarking against external conditions. Please further explain what these "external conditions" relate to?</p>
ANSWER	
<p>It is correct that we have answered the following to a question from you on 26 September 2018:</p> <p><i>“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”.</i></p> <p><i>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.</i></p> <p><i>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.”</i></p> <p>The reference to “external conditions” should be interpreted to refer to the same or substantially the same transaction on the market, i.e. with an independent third party. All directors contribute experience regarding the market in which Telenet operates, as well as an understanding of the nature of the agreements that Telenet enters into and has historically entered into, which allows decision making based on an in depth</p>	

knowledge of the market and market conditions. In addition, note that such transactions are also reviewed by our tax department to ensure they comply with the arm's length transfer pricing conditions.

QUESTION	
2.	<p>Intra-group conflicts of interests</p> <p>Telenet has again not applied the procedure of 524 BCC to any board decisions, as it deemed that all transactions with Liberty Global were entered into "within the normal course of business", as is mentioned in section 5.27 of Telenet's annual report.</p>
d.	<p>Have the auditor and independent directors performed cross-checks as well even if the majority of the board decided a certain decision is entered into at regular market conditions? We expect the answer to mention concrete examples and to therefore go further than a simple reference to accounting standards such as ISA 550.</p>
ANSWER	
<p>We refer to our previous answers 2 a., 2 b. and 2 c., in which we explained the involvement of the Audit Committee, which consists of a majority of independent directors, which supervises the process and has the capacity to assess and benchmark Telenet's transactions. We also refer to the unanimous decision making by the board of directors as at present, i.e. all independent directors have approved the decisions of the board of directors. It is inherent to the mandate of director that it is exercised in the interest of the company.</p> <p>KPMG: The Company is responsible for the identification of related party transactions, and for the completeness and accuracy of the related party transaction disclosures in the notes to the financial statements. As part of the audit and in accordance with ISA 550 we need to obtain an understanding of the entity's related-party relationships and related party transactions sufficient to be able to conclude whether the financial statements, insofar as they are affected by those relationships and related party transactions, achieve fair presentation.</p> <p>ISA 550 requires the auditor to perform the following procedures:</p> <ul style="list-style-type: none"> • Inquiries of management and those charged with governance regarding the identity of the entity's related parties and the nature of the relationships, including ownership structure, between the entity and these related parties, and whether the entity entered into any transactions with these related parties during the period and, if so, the type and purpose of the transactions; • Appropriate procedures to assess the entity's controls over related party relationships and related party transactions that are relevant to the audit and more specifically relate to the identification, authorization and approval of significant transactions and arrangements with related parties; 	

- Identification and assessment of the risks of material misstatement (if applicable) associated with related party relationships and related party transactions and the determination of whether any of those risks are significant risks;
- If applicable, perform further audit procedures to obtain sufficient appropriate audit evidence about the assessed risks of material misstatement associated with related party relationships and related party transactions;
- Maintaining alertness for related party information when reviewing records or documents. During the audit, we remain alert, when inspecting records or documents, for arrangements or other information that may indicate the existence of related party relationships or transactions that management has not previously identified or disclosed to us.

In particular, we inspect the following for indications of the existence of related party relationships or transactions that management has not previously identified or disclosed to the auditor:

- (a) Bank and legal confirmations obtained as part of the auditor's procedures;
- (b) Minutes of meetings of shareholders and of those charged with governance (i.e. Board of Directors, Audit Committee, Nomination & Remuneration Committee); and
- (c) Such other records or documents as we consider necessary in the circumstances of the entity (e.g. service level agreements, purchase agreements, financing arrangements).

If we identify significant transactions outside the entity's normal course of business during the audit we inquire of management about:

- (a) The nature of these transactions; and
- (b) Whether related parties could be involved.

- Evaluation of the accounting for and the disclosure of identified related party relationships and related party transactions in the consolidated financial statements;
- Obtain written representations from management that they have disclosed to us the identity of the entity's related parties and all the related party relationships and related party transactions of which they are aware, and appropriately accounted for and disclosed such relationships and transactions

If in our opinion the (lack of) accounting or disclosure of matters relating to related party transactions would have resulted in the financial statements being misleading or may cause the financial statements to fail to achieve fair presentation, then we would have issued a modified or adverse report.

QUESTION	
2.	<p>Intra-group conflicts of interests</p> <p>Telenet has again not applied the procedure of 524 BCC to any board decisions, as it deemed that all transactions with Liberty Global were entered into "within the normal course of business", as is mentioned in section 5.27 of Telenet's annual report.</p>
e.	<p>Has the auditor reviewed any minutes of board meetings or other documents which mention a (potential) intra-group conflict of interests? If so, please explain.</p>
ANSWER	
<p>KPMG: See answer to question 2.d.</p>	

QUESTION	
2.	<p>Intra-group conflicts of interests</p> <p>Telenet has again not applied the procedure of 524 BCC to any board decisions, as it deemed that all transactions with Liberty Global were entered into "within the normal course of business", as is mentioned in section 5.27 of Telenet's annual report.</p>
f.	<p>Will you apply the intra-group conflict of interest procedure set out in article 7:97 of the New Belgian Companies Code to an M&A transaction with a Liberty Global affiliate if it would be contemplated and discussed at the level of the board of directors of Telenet as from 1 May 2019?</p>
ANSWER	
<p>The "new" Belgian Companies Code has been adopted on 23 March 2019 (the day <i>after</i> the publication of our convocation to the shareholders' meeting) and has been published on 4 April 2019. It will enter into force on 1 May 2019. However, for <i>existing</i> companies, such as Telenet, it will only apply as from 1 January 2020, unless such companies opt in by way of an amendment of their articles of association prior to such date.</p> <p>Telenet Group Holding's board of directors has not yet determined its position as to the application of the new Belgian Companies Code, and hence the answer to your question is that Telenet Group Holding will apply the corporate decision making and corporate governance rules applicable to it at the relevant times.</p>	

QUESTION	
3.	<p>Supply chain</p> <p>Section 7.4 of the annual report mentions that Telenet is in an advanced stage of integrating its supply chain with that of Liberty.</p>
a.	<p>How does this advanced stage of integration match with the CEO's statement at the shareholder meeting of 26 September 2018 that "<i>from time to time Telenet receives projects from Liberty Global, but if the terms and conditions are insufficiently beneficial to Telenet, Telenet just sends these back, until the terms and conditions of the proposal are improved and beneficial to Telenet</i>"? I.e. what is Telenet's leverage to refuse projects coming from Liberty Global when its supply chains are integrated?</p>
ANSWER	
<p>Section 7 of the 2018 Annual Report deals with Non-financial information and outlines the Company's management of labor, environment, human rights, anti-corruption and bribery issues, in accordance with the Belgian Law 2017/20487 on integrated non-financial reporting. We actively engage with our majority shareholder Liberty Global when it comes to the application of Responsible Procurement and Supply Chain Principles as outlined on page 30 of the aforementioned Annual Report. In addition to the supply chain standards, we assess and monitor compliance of our suppliers using the EcoVadis platform, which represents a similar approach to Liberty Global and which has been properly documented in both our Annual Report and Sustainability Report.</p> <p>The sentence "<i>Telenet is in the advanced stage of integrating its supply chain with that of its majority shareholder Liberty Global.</i>" in the section "Human Rights" under the subsection "How the Company addresses them: policies and due diligence", where Telenet "<i>demonstrates its commitment to human rights</i>" by referring to its subscription "<i>to the principles of the UN Global Compact</i>" is hence not to be interpreted as Telenet no longer having any possibility to refuse supply proposals due to lack of its own supply chain department. The reference is limited to the alignment of certain policies in light of corporate social responsibility ("Human Rights") which no stakeholder could object to.</p> <p>In the Procurement area, we have created a dedicated Strategic Procurement Policy, which is fully applicable to Telenet Group Holding SA/NV and its subsidiaries. This Policy aims to provide all Telenet employees with clear principles and requirements relating to the sourcing of goods, services and contracting with suppliers. This also applies when dealing with Liberty Global.</p> <p>While both Telenet's Procurement and Supply Chain teams regularly interact with Liberty Global on a variety of areas such as processes, policies, tools and systems - as is quite common in a larger business context aiming to share best practices, expertise and unlock synergies to</p>	

the benefit of all stakeholders - clear guidelines and check and balances have been set up to make sure decisions are only considered in the benefit of all Telenet's stakeholders.

As replied to your written question in September last year, the board of directors, under the supervision of the Audit Committee, ensures that proper governance has been respected. Proposed intragroup transactions submitted to the Audit Committee are generally benchmarked against external conditions. In other words, the board of directors reviews proposed intragroup transactions in comparison with "regular market conditions".

As a reminder, the Audit Committee is composed of three members, including two independent directors, 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.

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

QUESTION	
3.	<p>Supply chain</p> <p>Section 7.4 of the annual report mentions that Telenet is in an advanced stage of integrating its supply chain with that of Liberty.</p>
b.	<p>What barriers and checks and balances have been put in place to avoid that any intra-group conflicts of interests would occur in the future?</p>
ANSWER	
<p>As replied to your written question in September last year, the board of directors, under the supervision of the Audit Committee, ensures proper governance has been and will be respected in the future. Proposed intragroup transactions submitted to the Audit Committee are generally benchmarked against external conditions. In other words, the board of directors 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 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 by the board of directors, including by Telenet's auditors and by its internal legal advisors, assisted when necessary by its external legal advisors.</p>	

QUESTION	
3.	<p>Supply chain</p> <p>Section 7.4 of the annual report mentions that Telenet is in an advanced stage of integrating its supply chain with that of Liberty.</p>
c.	<p>Have any intra-group conflicts of interest been identified with or in the process of integrating the supply chain itself?</p>
ANSWER	
<p>We refer to the answers to your prior questions 3 a. and 3 b.; the starting point of your question is factually incorrect. The reference in the Annual Report in Section 7.4 is limited to the alignment of certain policies in light of corporate social responsibility ("Human Rights").</p> <p>In any event, the board of directors consistently monitors whether any conflicts of interest procedure should be followed, including in relation to this domain.</p>	

QUESTION	
3.	<p>Supply chain</p> <p>Section 7.4 of the annual report mentions that Telenet is in an advanced stage of integrating its supply chain with that of Liberty.</p> <p>The same section mentions that Telenet is reviewing its supply chain management policies in order to, inter alia, increase transparency.</p>
d.	<p>Does the aim to increase transparency also include intensified transparency as to the existence and management of any intra-group and personal conflicts of interests towards minority shareholders?</p>
ANSWER	
<p>We refer to our prior answers relating to the “supply chain” questions 3 a. and 3 b. The sentence “<i>Telenet is currently in the process of reviewing its supplier chain management policies in order to increase transparency and ensure full alignment with the supplier policy of the majority shareholder Liberty Global.</i>” again appears to be taken out of context from the “Human Rights” section as explained above.</p> <p>In any event, the board of directors consistently complies with any transparency requirements in relation to conflicts of interest.</p>	

QUESTION	
4.	<p>Internal audit</p> <p>Section 8.4.2.5 of the annual report mentions that Telenet's internal audit is being performed by the independent audit department of Liberty Global. This mandate has been extended for one year based on a quality survey and benchmark with other audit firms.</p>
a.	<p>Please share this quality survey and benchmark and provide further guidance as to the basis for the board deciding on this extension?</p>
ANSWER	
<p>As indicated in the 2018 Annual Report, the board of directors decided already in 2014, with effect as from 2015, for the internal audit function to be performed by the independent internal audit department of Liberty Global.</p> <p>For a decision on the extension, an assessment of the internal audit services has been performed under supervision of the Audit Committee through (i) an internal quality survey and (ii) fee benchmark.</p> <ul style="list-style-type: none"> • The quality survey, conducted internally, consisted of a general assessment of the function as well as an assessment of actual audit assignments. The survey was conducted with different stakeholders at different levels within the organization. The result was positive. • The relevant fee was benchmarked with similar services as performed by the 'big 4' audit firms, with a positive result for the Liberty Global internal audit services proposition. <p>For example, in response to the statement "<i>The members of the internal audit team consistently demonstrate independence in all their activities and a critical attitude towards statements from or evidence provided by management</i>", 100% of respondents in the quality survey agreed.</p> <p>Based on this assessment, the extension thereof was decided.</p>	

QUESTION	
4.	<p>Internal audit</p> <p>Section 8.4.2.5 of the annual report mentions that Telenet's internal audit is being performed by the independent audit department of Liberty Global. This mandate has been extended for one year based on a quality survey and benchmark with other audit firms.</p>
b.	<p>How does the board consider it prudent and acceptable to ask its dominant shareholder to perform its internal audit, even if done through an independent audit department?</p>
ANSWER	
<p>In terms of governance, it should be clear that the Internal Audit team reports directly to the Audit Committee, of which the Chairman is an independent director and of which two out of the three members are independent directors. This composition conforms to article 526bis §1 of the Belgian Company Code regarding the composition of Audit Committees within listed companies, as introduced in December 2008, and the Corporate Governance Code 2009.</p> <p>The Audit Committee monitors the quality of the audit work and the applied audit methodologies. In addition, all operational audit activities are supervised and coordinated by the Telenet Risk & Compliance team (consisting entirely of Telenet employees). The Director Risk & Compliance (Telenet employee) also reports to the Audit Committee on a quarterly basis.</p> <p>In terms of further cost and quality monitoring, we refer you to the previous question. In relation to activity planning, we refer you to the next questions. In relation to conflicts of interest or market abuse regulation (MAR) compliance, we refer you to the questions below. Finally, appropriate confidentiality safeguards are in place.</p> <p>The board of directors hence considers that all the necessary safeguards are in place.</p>	

QUESTION	
4.	<p>Internal audit</p> <p>Section 8.4.2.5 of the annual report mentions that Telenet's internal audit is being performed by the independent audit department of Liberty Global. This mandate has been extended for one year based on a quality survey and benchmark with other audit firms.</p>
c.	<p>How is this independent audit department of Liberty Global reviewing compliance with the Market Abuse Regulation and potential conflicts of interests in relation to transactions and information exchanges involving both Telenet and Liberty Global?</p>
ANSWER	
<p>In general and on an annual basis, the Audit Committee determines the audit plan for the next year.</p> <p>The Audit Committee, advised by the Internal Audit team, the Telenet Risk & Compliance team, and Telenet's general management, applies a risk-based approach for determining the audit agenda, i.e. the highest risk areas are given priority. Relevant laws and regulations are also taken into consideration when assessing the relevant risks.</p> <p>The audit plan can cover topics from all business areas. The Internal Audit team considers the review of the procedures on potential occurrence of conflicts of interest and on MAR as part of its tasks. Given the procedures that are currently in place to monitor any potential conflicts of interest and the compliance with MAR, the Internal Audit team has not raised any concerns in this regard.</p> <p>Generally, Telenet and its directors strictly comply with MAR. MAR compliance, MAR compliance monitoring, as well as compliance with any rules and regulations surrounding the conflicts of interest which you refer to, are not solely linked to audit activities, but are covered more broadly, among others by way of the Procurement Policy referred to earlier, the role of the Audit Committee and the board of directors in relation to intragroup transactions, the assistance and advice of in-house legal counsel and external legal counsel, ...</p> <p>In short, in addition to the audit plan, it would be captured at other levels as well.</p>	

QUESTION	
4.	<p>Internal audit</p> <p>Section 8.4.2.5 of the annual report mentions that Telenet's internal audit is being performed by the independent audit department of Liberty Global. This mandate has been extended for one year based on a quality survey and benchmark with other audit firms.</p>
d.	<p>Has the board or the audit committee received any suggestions or comments from the independent audit department of Liberty Global with regard to managing and dealing with conflicts of interest at the various levels within the company?</p>
ANSWER	
<p>No, but please do see our previous answer to your question 3 a. and 3.b.</p>	

QUESTION	
4.	<p>Internal audit</p> <p>Section 8.4.2.5 of the annual report mentions that Telenet's internal audit is being performed by the independent audit department of Liberty Global. This mandate has been extended for one year based on a quality survey and benchmark with other audit firms.</p>
e.	<p>Is compliance with conflict of interest rules and/or compliance with MAR taken up in the list of significant risk areas of Telenet's internal audit plan?</p>
ANSWER	
<p>Please see our previous answer to your question 4 c..</p> <p>In addition, compliance with laws and regulations in general is one of the top 5 principal risks monitored by Risk & Compliance, as referred to in the 2018 Annual Report (item 8.4.3.4.5).</p> <p>In any event, MAR compliance, MAR compliance monitoring, as well as compliance with any rules and regulations surrounding conflicts of interest are not solely linked to audit activities, but are covered more broadly, among others by way of the Procurement Policy referred to earlier, the role of the Audit Committee and the board of directors in relation to intragroup transactions, the assistance and advice of in-house legal counsel and external legal counsel, ...</p>	

QUESTION	
4.	<p>Internal audit</p> <p>Section 8.4.2.5 of the annual report mentions that Telenet's internal audit is being performed by the independent audit department of Liberty Global. This mandate has been extended for one year based on a quality survey and benchmark with other audit firms.</p>
f.	<p>The extension decision dates from 30 July 2018 and the benchmarking is said to be performed on an annual basis. Has a new quality survey and benchmarking exercise been initiated to consider a further extension? Can results already be shared?</p>
ANSWER	
<p>The exercise is conducted on an annual basis, and is currently planned for June / July 2019. Hence is it is not yet available.</p>	

QUESTION	
4.	<p>Internal audit</p> <p>Section 8.4.2.5 of the annual report mentions that Telenet's internal audit is being performed by the independent audit department of Liberty Global. This mandate has been extended for one year based on a quality survey and benchmark with other audit firms.</p>
g.	<p>Question to the auditor: what is KPMG's opinion on this situation and how have you taken this into account when performing your annual audit and preparing your audit report on Telenet?</p>
ANSWER	
<p>KPMG: The decision to insource or outsource the internal audit function is the responsibility of the Company. To the extent we used the work of Internal Audit, we evaluated the objectivity and technical competence of the internal audit function and evaluated whether the work was carried out with due professional care.</p>	

QUESTION	
5.	<p>Audit Committee</p> <p>Section 8.5.4 of the annual report mentions that the Audit Committee has "further discussed and advised the board of directors about procedures for and monitoring of financial reporting to its majority shareholder Liberty Global".</p>
a.	<p>Please explain. Have any situations of non-compliance with Telenet's legal and regulatory requirements or risks thereof been identified?</p>
ANSWER	
<p>In short: no such situations have been identified.</p> <p>The sentence you refer to is included in the section of the 2018 Annual Report where the activities of the Audit Committee are summarized. The sentence hence clarified that the Audit Committee has discussed and advised on this topic.</p> <p>The reference is to the impact of certain new accounting standards such as IFRS 16 in relation to lease accounting, and items such as SOX compliance. It is hence not to be interpreted as situations of non-compliance, rather the normal operation and topics brought to the Audit Committee of a listed entity which has a majority shareholder such as Liberty Global.</p>	

QUESTION	
5.	<p>Audit Committee</p> <p>Section 8.5.4 of the annual report mentions that the Audit Committee has "further discussed and advised the board of directors about procedures for and monitoring of financial reporting to its majority shareholder Liberty Global".</p>
b.	<p>What did the advice consist of?</p>
ANSWER	
<p>We refer to the answer to the previous question 5 a.</p>	

QUESTION	
5.	<p>Audit Committee</p> <p>Section 8.5.4 of the annual report mentions that the Audit Committee has "further discussed and advised the board of directors about procedures for and monitoring of financial reporting to its majority shareholder Liberty Global".</p>
c.	<p>Did it also focus on information sharing with respect to creating synergies, the exchange of best practices or the monthly Telenet CEO letter to Liberty, or any M&A transaction with a Liberty Global company (if such would be contemplated)?</p>
ANSWER	
<p>We refer to the answer to the first question, 5 a..</p>	

B. AGENDA ITEM 7 (Dismissal and (re-)appointment of directors)

QUESTION	
6.	Liberty Global made use of its statutory right set out in article 18(ii) of the articles of association to nominate candidate directors. Only one candidate is nominated for each director position instead of several ones. How do you consider that this complies with case law which requires that the shareholders meeting has a real choice to appoint directors, e.g. between at least two candidate-directors, which are being nominated on the basis of such a statutory nomination procedure? Can this agenda item be validly maintained?
ANSWER	
<p>This item can be validly maintained.</p> <p>The shareholders' meeting has a choice to either appoint or reject the candidate-director nominated for appointment.</p> <p>In any event, the doctrine you refer to is debated (particularly in light of the practical application and implications thereof for listed companies and the confusion it would create). It is deemed sufficient that the shareholders have the choice to either appoint or reject the appointment of the candidate-director.</p> <p>Finally, the board of directors notes that the procedure is applied consistently with past practice (since 2008, when Lucerne first invested in the Company) and with the practice of all of its peers.</p>	

QUESTION	
7.	Liberty Global has " <i>the right to nominate the candidates for at least a majority of the members of the Board of Directors for election</i> " (article 18.1(ii) of the articles of association). Upon the election of Mr Enrique Rodriguez, Liberty Global will (again) have nominated 6 out of 9 directors, i.e. providing them with a substantial majority at board level.
a.	In view thereof, has the board of directors and/or its remuneration- and nomination committee considered searching for and/or nominating additional non-Liberty Global candidate directors in accordance with article 18.1, paragraph 1 of the articles of association?
ANSWER	
<p>We refer to our answer to your previous question, question 6.</p> <p>In line with what has been included in the convocation notice and is set out in the Corporate Governance Code, the Remuneration- and Nomination Committee and the board of directors review the governance structure and board composition on a general basis from time to time, taking into account a variety of factors and have recommended the appointment of the candidate directors.</p>	

QUESTION	
7.	Liberty Global has " <i>the right to nominate the candidates for at least a majority of the members of the Board of Directors for election</i> " (article 18.1(ii) of the articles of association). Upon the election of Mr Enrique Rodriguez, Liberty Global will (again) have nominated 6 out of 9 directors, i.e. providing them with a substantial majority at board level.
b.	How do you consider that the rights of the minority shareholders are adequately taken into account with this substantial majority of Liberty Global at board level without the nomination of any other, non-Liberty, board members?
ANSWER	
<p>The composition of the board of directors of Telenet Group Holding SA/NV</p> <ul style="list-style-type: none"> • is in accordance with Belgian law, corporate governance rules and the articles of association; • reflects the shareholdership of Telenet; • includes at present 1/3rd independent directors as defined in the Belgian Companies Code. <p>The nomination of an independent director, JoVB BVBA represented by its permanent representative Mr Jo Van Biesbroek, is on the agenda of the present shareholders' meeting.</p> <p>All of this taken into consideration, the minority shareholders' rights are adequately taken into account.</p>	

QUESTION	
7.	Liberty Global has " <i>the right to nominate the candidates for at least a majority of the members of the Board of Directors for election</i> " (article 18.1(ii) of the articles of association). Upon the election of Mr Enrique Rodriguez, Liberty Global will (again) have nominated 6 out of 9 directors, i.e. providing them with a substantial majority at board level.
c.	How is this compliant with clause 2.2 of the Belgian Corporate Governance Code?
ANSWER	
<p>Article 2.2 of the Belgian Corporate Governance Code states that "<i>No individual or group of directors should dominate the board's decision-making. No one individual should have unfettered powers of decision-making.</i>"</p> <p>This refers to the manner in which the board of directors deliberates and decides, as well as to the balance between executive and non-executive directors. This does not exclude or prohibit control by a majority shareholder, as is the case for Telenet Group Holding.</p>	

QUESTION	
8.	Clause 4.6.1 of Telenet's Corporate Governance Charter provides that "[t]he directors appointed on the recommendation of the Liberty Global Group receive an annual fixed remuneration of € 12,000 each. For every meeting of the board that the board members attend, they receive attendance fees for an amount of € 2,000". This remuneration seems disproportionate to what the directors nominated by Liberty Global earn at the Liberty Global level: e.g. USD 9,160,907 for Mr Bracken, USD 4,289,384 for Mr Karsten (in 2017).
a.	How much is Mr Enrique Rodriguez earning at Liberty Global level?
ANSWER	
<p>As in relation to previous requests of a similar nature in which you have enquired as to the remuneration at Liberty Global level, of certain directors of Telenet Group Holding, it is obvious that Telenet Group Holding does not have such information and hence cannot provide it. Telenet does rigorously monitor compliance with article 523 of the Belgian Companies Code in respect of every decision. Telenet does not propose to raise the level of directors' compensation to the levels included in the question and it can also not affect the decision-making by Liberty Global in respect of its employees.</p>	

QUESTION	
8.	Clause 4.6.1 of Telenet's Corporate Governance Charter provides that "[t]he directors appointed on the recommendation of the Liberty Global Group receive an annual fixed remuneration of € 12,000 each. For every meeting of the board that the board members attend, they receive attendance fees for an amount of € 2,000". This remuneration seems disproportionate to what the directors nominated by Liberty Global earn at the Liberty Global level: e.g. USD 9,160,907 for Mr Bracken, USD 4,289,384 for Mr Karsten (in 2017).
b.	How can it be assured he will at all times be acting in the interest of Telenet instead of Liberty Global in light of his remuneration at Liberty Global level?
ANSWER	
It is inherent to the mandate of director that it is exercised in the interest of the company. There are multiple safeguards to ensure this within a listed company, including the intragroup and personal conflict of interest procedures, external reporting, audit by the statutory auditor and minority shareholders' rights.	

QUESTION	
8.	Clause 4.6.1 of Telenet's Corporate Governance Charter provides that "[t]he directors appointed on the recommendation of the Liberty Global Group receive an annual fixed remuneration of € 12,000 each. For every meeting of the board that the board members attend, they receive attendance fees for an amount of € 2,000". This remuneration seems disproportionate to what the directors nominated by Liberty Global earn at the Liberty Global level: e.g. USD 9,160,907 for Mr Bracken, USD 4,289,384 for Mr Karsten (in 2017).
c.	And can Mr Enrique Rodriguez please confirm if he will abstain from taking part in the discussions and voting on any transaction with the Liberty Global group in view of his remuneration package at Liberty Global level?
ANSWER	
<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 of directors. 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 of directors' minutes.</p> <p>Each board of directors' meeting starts with a query on whether any conflicts of interest exist with respect to the tabled agenda items. 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.</p> <p>Please also note that article 523 BCC only applies in case of conflicts of interest of a financial nature, not in case of purely functional potential conflicts of interest.</p>	

QUESTION	
8.	Clause 4.6.1 of Telenet's Corporate Governance Charter provides that "[t]he directors appointed on the recommendation of the Liberty Global Group receive an annual fixed remuneration of € 12,000 each. For every meeting of the board that the board members attend, they receive attendance fees for an amount of € 2,000". This remuneration seems disproportionate to what the directors nominated by Liberty Global earn at the Liberty Global level: e.g. USD 9,160,907 for Mr Bracken, USD 4,289,384 for Mr Karsten (in 2017).
d.	Has the auditor reviewed any minutes of board meetings or other documents which mention a (potential) conflict of interests cf. article 523 BCC? If so, please explain.
ANSWER	
We refer to the first question in your letter dated 16 April 2019 and our response. Additionally, we refer to the earlier confirmation that the statutory auditor has received and reviewed all minutes of the board of directors' meetings, in addition to further verification and identification undertaken by the statutory auditor.	

EXTRAORDINARY MEETING OF SHAREHOLDERS

A. AGENDA ITEM 2 (Authorisation to acquire own securities)

QUESTION	
a.	Appreciated that the board is requesting a renewal of its five-year mandate to buy-back shares. Why is it however not requesting a renewal of its mandate to cancel any of those shares which are not intended to be used in any employee incentive scheme as it had requested at the general shareholders meeting of 26 March 2014?
ANSWER	
<p>The board of directors considered that the decision to cancel shares, as it involves a change to the articles of association, essentially rests with the shareholders' meeting as it entails relation but can in certain cases also impact liquidity. As a well defined buyback programme is concerned, there is no need to work with a long term cancellation mandate: the cancellation can be decided on by the shareholders' meeting as a whole. This is also consistent with the modus operandi for similar operations in the market.</p>	

QUESTION	
b.	Is the board intending to initiate a new share-buyback program after completion of the 2018bis program?
ANSWER	
<p>As confirmed during the December 2018 Capital Markets Day, the board of directors remains committed to a policy of active balance sheet management, maintaining a net total leverage ratio between 3.5x to 4.5x Net Total Debt to Adjusted EBITDA. In absence of any material acquisitions and/or significant changes in Telenet's business or regulatory environment, Telenet intends to stay around the 4.0x midpoint through an attractive and sustainable level of shareholder disbursements in the future.</p> <p>As part of Telenet's capital allocation framework, Telenet aims to distribute between 50% and 70% of its prior year Adjusted Free Cash Flow to shareholders through intermediate and final dividends. Within the boundaries of the aforementioned net total leverage framework and in absence of any of the above factors, the remaining part of Telenet's Adjusted Free Cash Flow may be considered for incremental share buy-backs, extraordinary dividends, deleveraging, accretive acquisitions or a combination thereof.</p> <p>The board of directors believes the proposed leverage and shareholder remuneration framework provides for an optimal balance between (i) financial flexibility to pursue both organic and inorganic growth opportunities, (ii) attractive and sustainable shareholder returns as referred to above and (iii) flexible access to capital markets.</p> <p>In the first half of 2019, Telenet will continue to execute share repurchases under its Share Repurchase Program 2018bis. At this extraordinary shareholders' meeting, Telenet will seek shareholder consent for a new five-year authorization to be able to repurchase up to 20% of its outstanding shares. In Q4 2019, Telenet intends to pay an intermediate dividend, subject to market and financial conditions, in the absence of any material acquisitions and/or significant changes in Telenet's business or regulatory environment and subject to compliance with the aforementioned objective to remain around the 4.0x mid-point of the net total leverage framework.</p>	



ANNEX 1 KPMG AUDIT OPINION

Verslag van de commissaris aan de algemene vergadering van Telenet Group Holding NV over de jaarrekening voor het boekjaar afgesloten op 31 december 2018

In het kader van de wettelijke controle van de jaarrekening van Telenet Group Holding NV (de "Vennootschap"), leggen wij u ons commissarisverslag voor. Dit bevat ons verslag over de jaarrekening voor het boekjaar afgesloten op 31 december 2018, alsook de overige door wet- en regelgeving gestelde eisen. Dit vormt een geheel en is ondeelbaar.

Wij werden benoemd in onze hoedanigheid van commissaris door de algemene vergadering van 26 april 2017, overeenkomstig het voorstel van het bestuursorgaan uitgebracht op aanbeveling van het auditcomité. Ons mandaat loopt af op de datum van de algemene vergadering die beraadslaagt over de jaarrekening afgesloten op 31 december 2019. Wij hebben de wettelijke controle van de jaarrekening van Telenet Group Holding NV uitgevoerd gedurende 11 opeenvolgende boekjaren.

Verslag over de jaarrekening

Oordeel zonder voorbehoud

Wij hebben de wettelijke controle uitgevoerd van de jaarrekening van de Vennootschap over het boekjaar afgesloten op 31 december 2018 opgesteld in overeenstemming met het in België van toepassing zijnde boekhoudkundig referentiestelsel. Deze jaarrekening omvat de balans op 31 december 2018, alsook de resultatenrekening van het boekjaar afgesloten op die datum evenals de toelichting. Het balanstotaal bedraagt EUR'000 5.529.329 en de resultatenrekening sluit af met een winst van het boekjaar van EUR'000 13.086.

Naar ons oordeel geeft de jaarrekening een getrouw beeld van het vermogen en de financiële toestand van de Vennootschap per 31 december 2018, alsook van haar resultaten over het boekjaar dat op die datum is afgesloten, in overeenstemming met het in België van toepassing zijnde boekhoudkundig referentiestelsel.

Basis voor het oordeel zonder voorbehoud

Wij hebben onze controle uitgevoerd volgens de internationale controlestandaarden (ISA's) zoals van toepassing in België. Wij hebben bovendien de door IAASB goedgekeurde internationale controlestandaarden toegepast die van toepassing zijn op de huidige afsluitdatum en nog niet goedgekeurd op nationaal niveau. Onze verantwoordelijkheden op grond van deze standaarden zijn verder beschreven in de sectie "Verantwoordelijkheden van de commissaris voor de controle van de jaarrekening" van ons verslag. Wij hebben alle deontologische vereisten die relevant zijn voor de controle van de jaarrekening in België nageleefd, met inbegrip van deze met betrekking tot de onafhankelijkheid.

Wij hebben van het bestuursorgaan en van de aangestelden van de Vennootschap de voor onze controle vereiste ophelderingen en inlichtingen verkregen.

Wij zijn van mening dat de door ons verkregen controle-informatie voldoende en geschikt is als basis voor ons oordeel.

Kernpunt van de controle

Kernpunten van onze controle betreffen die aangelegenheden die naar ons professioneel oordeel het meest significant waren bij de controle van de jaarrekening van de huidige verslagperiode. Deze aangelegenheden zijn behandeld in de context van onze controle van de jaarrekening als geheel en bij het vormen van ons oordeel hierover, en wij verschaffen geen afzonderlijk oordeel over deze aangelegenheden.

We hebben vastgesteld dat er geen kernpunt van de controle was om te rapporteren in ons verslag.

Verantwoordelijkheden van het bestuursorgaan voor het opstellen van de jaarrekening

Het bestuursorgaan is verantwoordelijk voor het opstellen van de jaarrekening die een getrouw beeld geeft in overeenstemming met het in België van toepassing zijnde boekhoudkundig referentiestelsel, alsook voor de interne beheersing die het bestuursorgaan noodzakelijk acht voor het opstellen van de jaarrekening die geen afwijking van materieel belang bevat die het gevolg is van fraude of van fouten.

Bij het opstellen van de jaarrekening is het bestuursorgaan verantwoordelijk voor het inschatten van de mogelijkheid van de Vennootschap om haar continuïteit te handhaven, het toelichten, indien van toepassing, van aangelegenheden die met continuïteit verband houden en het gebruiken van de continuïteitsveronderstelling, tenzij het bestuursorgaan het voornemen heeft om de Vennootschap te liquideren of om de bedrijfsactiviteiten te beëindigen of geen realistisch alternatief heeft dan dit te doen.

Verantwoordelijkheden van de commissaris voor de controle van de jaarrekening

Onze doelstellingen zijn het verkrijgen van een redelijke mate van zekerheid over de vraag of de jaarrekening als geheel geen afwijking van materieel belang bevat die het gevolg is van fraude of van fouten en het uitbrengen van een commissarisverslag waarin ons oordeel is opgenomen. Een redelijke mate van zekerheid is een hoog niveau van zekerheid, maar is geen garantie dat een controle die overeenkomstig de ISA's is uitgevoerd altijd een afwijking van materieel belang ontdekt wanneer die bestaat. Afwijkingen kunnen zich voordoen als gevolg van fraude of fouten en worden als van materieel belang beschouwd indien redelijkerwijs kan worden verwacht dat zij, individueel of gezamenlijk, de economische beslissingen genomen door gebruikers op basis van deze jaarrekening, beïnvloeden.

Bij de uitvoering van onze controle leven wij het wettelijk, reglementair en normatief kader dat van toepassing is op de controle van de jaarrekening in België na.

Als deel van een controle uitgevoerd overeenkomstig de ISA's, passen wij professionele oordeelsvorming toe en handhaven wij een professioneel-kritische instelling gedurende de controle. We voeren tevens de volgende werkzaamheden uit:

- het identificeren en inschatten van de risico's dat de jaarrekening een afwijking van materieel belang bevat die het gevolg is van fraude of van fouten, het bepalen en uitvoeren van controlewerkzaamheden die op deze risico's inspelen en het verkrijgen van controle-informatie die voldoende en geschikt is als basis voor ons oordeel. Het risico van het niet detecteren van een van materieel belang zijnde afwijking is groter indien die afwijking het gevolg is van fraude dan indien zij het gevolg is van fouten, omdat bij fraude sprake kan zijn van samenspanning, valsheid in geschrifte, het opzettelijk nalaten om transacties vast te leggen, het opzettelijk verkeerd voorstellen van zaken of het doorbreken van de interne beheersing;
- het verkrijgen van inzicht in de interne beheersing die relevant is voor de controle, met als doel controlewerkzaamheden op te zetten die in de gegeven omstandigheden geschikt zijn maar die niet zijn gericht op het geven van een oordeel over de effectiviteit van de interne beheersing van de Vennootschap;
- het evalueren van de geschiktheid van de gehanteerde grondslagen voor financiële verslaggeving en het evalueren van de redelijkheid van de door het bestuursorgaan gemaakte schattingen en van de daarop betrekking hebbende toelichtingen;
- het concluderen dat de door het bestuursorgaan gehanteerde continuïteitsveronderstelling aanvaardbaar is, en het concluderen, op basis van de verkregen controle-informatie, of er een onzekerheid van materieel belang bestaat met betrekking tot gebeurtenissen of omstandigheden die significante twijfel kunnen doen ontstaan over de mogelijkheid van de Vennootschap om haar continuïteit te handhaven. Indien wij concluderen dat er een onzekerheid van materieel belang bestaat, zijn wij ertoe gehouden om de aandacht in ons commissarisverslag te vestigen op de daarop betrekking hebbende toelichtingen in de jaarrekening, of, indien deze toelichtingen inadequaat zijn, om ons oordeel aan te passen. Onze conclusies zijn gebaseerd op de controle-informatie die verkregen is tot de datum van ons commissarisverslag. Toekomstige gebeurtenissen of omstandigheden kunnen er echter toe leiden dat de Vennootschap haar continuïteit niet langer kan handhaven;
- het evalueren van de algehele presentatie, structuur en inhoud van de jaarrekening, en van de vraag of de jaarrekening de onderliggende transacties en gebeurtenissen weergeeft op een wijze die leidt tot een getrouw beeld.

Wij communiceren met het auditcomité onder meer over de geplande reikwijdte en timing van de controle en over de significante controlebevindingen, waaronder eventuele significante tekortkomingen in de interne beheersing die wij identificeren gedurende onze controle.

Wij verschaffen aan het auditcomité tevens een verklaring dat wij de relevante deontologische voorschriften over onafhankelijkheid hebben nageleefd, en wij communiceren met hen over alle relaties en andere zaken die redelijkerwijs onze onafhankelijkheid kunnen beïnvloeden en, waar van toepassing, over de daarmee verband houdende maatregelen om onze onafhankelijkheid te waarborgen.

Uit de aangelegenheden die met het auditcomité zijn gecommuniceerd bepalen wij die zaken die het meest significant waren bij de controle van de jaarrekening van de huidige verslagperiode, en die derhalve de kernpunten van onze controle uitmaken. Wij beschrijven deze aangelegenheden in ons verslag, tenzij het openbaar maken van deze aangelegenheden is verboden door wet- of regelgeving.

Overige door wet- en regelgeving gestelde eisen

Verantwoordelijkheden van het bestuursorgaan

Het bestuursorgaan is verantwoordelijk voor het opstellen en de inhoud van het jaarverslag, voor het naleven van de wettelijke en bestuursrechtelijke voorschriften die van toepassing zijn op het voeren van de boekhouding, alsook voor het naleven van het Wetboek van vennootschappen en van de statuten van de Vennootschap.

Verantwoordelijkheden van de commissaris

In het kader van ons mandaat en overeenkomstig de Belgische bijkomende norm (herzien in 2018) bij de in België van toepassing zijnde internationale controlestandaarden (ISA's), is het onze verantwoordelijkheid om, in alle van materieel belang zijnde opzichten, het jaarverslag, alsook de naleving van bepaalde verplichtingen uit het Wetboek van vennootschappen en van de statuten te verifiëren, alsook verslag over deze aangelegenheden uit te brengen.

Aspecten betreffende het jaarverslag

Na het uitvoeren van specifieke werkzaamheden op het jaarverslag, zijn wij van oordeel dat dit jaarverslag overeenstemt met de jaarrekening voor hetzelfde boekjaar en is opgesteld overeenkomstig de artikelen 95 en 96 van het Wetboek van vennootschappen.

In de context van onze controle van de jaarrekening, zijn wij tevens verantwoordelijk voor het overwegen, in het bijzonder op basis van de kennis verkregen in de controle, of het jaarverslag een afwijking van materieel belang bevat, hetzij informatie die onjuist vermeld is of anderszins misleidend is. In het licht van de werkzaamheden die wij hebben uitgevoerd, dienen wij u geen afwijking van materieel belang te melden.

De niet-financiële informatie zoals vereist op grond van artikel 96 §4 van het Wetboek van vennootschappen, werd opgenomen in het jaarverslag. De Vennootschap heeft zich bij het opstellen van deze niet-financiële informatie gebaseerd op de Global Reporting Initiative ("GRI") standaarden. Overeenkomstig artikel 148 §1, 5° van het Wetboek van vennootschappen spreken wij ons niet uit over de vraag of deze niet-financiële informatie is opgesteld in overeenstemming met de vermelde GRI standaarden.

Vermelding betreffende de sociale balans

De sociale balans neer te leggen bij de Nationale Bank van België overeenkomstig artikel 100 §1, 6°/2 van het Wetboek van vennootschappen, bevat, zowel qua vorm als qua inhoud alle door dit Wetboek voorgeschreven inlichtingen en bevat geen van materieel belang zijnde inconsistenties ten aanzien van de informatie waarover wij beschikken in het kader van onze opdracht.

Vermeldingen betreffende de onafhankelijkheid

- Ons bedrijfsrevisorenkantoor en ons netwerk hebben geen opdrachten die onverenigbaar zijn met de wettelijke controle van de jaarrekening verricht, en ons bedrijfsrevisorenkantoor is in de loop van ons mandaat onafhankelijk gebleven tegenover de Vennootschap.
- De honoraria voor de bijkomende opdrachten die verenigbaar zijn met de wettelijke controle van de jaarrekening bedoeld in artikel 134 van het Wetboek van vennootschappen werden correct vermeld en uitgesplitst in de toelichting bij de jaarrekening.

Andere vermeldingen

- Onverminderd formele aspecten van ondergeschikt belang, werd de boekhouding gevoerd in overeenstemming met de in België van toepassing zijnde wettelijke en bestuursrechtelijke voorschriften.
- De resultaatverwerking, die aan de algemene vergadering wordt voorgesteld, stemt overeen met de wettelijke en statutaire bepalingen.
- Wij dienen u geen verrichtingen of beslissingen mede te delen die in overtreding met de statuten of het Wetboek van vennootschappen zijn gedaan of genomen.
- Huidig verslag is consistent met onze aanvullende verklaring aan het auditcomité bedoeld in artikel 11 van de verordening (EU) nr. 537/2014.
- Overeenkomstig artikel 523 van het Wetboek van vennootschappen dienen wij tevens verslag uit te brengen over de hiernavolgende verrichtingen die hebben plaatsgevonden:
 - Naar aanleiding van de beraadslaging en beslissing van het bestuursorgaan van 12 februari 2018 betreffende de bepaling van de bonus en verdienste van de CEO en de bepaling van de verwezenlijking van de prestatiecriteria onder het CEO SOP 2015 optieplan, heeft de heer John Porter (CEO en bestuurder), als mogelijke begunstigde, verklaard een tegenstrijdig belang van vermogensrechtelijke aard te hebben. Hij heeft bijgevolg niet deelgenomen aan de beraadslaging, noch aan de stemming. Het bestuursorgaan heeft besloten dat de CEO de maximale bonus van 150% van zijn jaarlijkse remuneratie, met name een bonus van EUR 963.900 toegekend krijgt en dat onder het CEO SOP 2015 het relevante prestatiecriteria voor het prestatiejaar 2017 werd verwezenlijkt.

- Naar aanleiding van de beraadslaging en beslissing van het bestuursorgaan van 12 februari 2019 betreffende de bepaling van de bonus en verdienste van de CEO en de bepaling van de verwezenlijking van de prestatiecriteria onder het Telenet Prestatie aandelenplan 2016 voor het SLT (met inbegrip van de CEO), heeft de heer John Porter (CEO en bestuurder), als mogelijke begunstigde, verklaard een tegenstrijdig belang van vermogensrechtelijke aard te hebben. Hij heeft bijgevolg niet deelgenomen aan de beraadslaging, noch aan de stemming. Het bestuursorgaan heeft besloten dat de CEO de maximale bonus van 150% van zijn jaarlijkse remuneratie, met name een bonus van EUR 938.385 toegekend krijgt en dat onder het Telenet Prestatie aandelenplan 2016 het relevante prestatiecriteria voor het prestatiejaar 2018 werd overschreden.

Zaventem, 20 maart 2019

KPMG Bedrijfsrevisoren
Commissaris
vertegenwoordigd door



Filip De Bock
Bedrijfsrevisor

Annex 3 - Oral questions

1. Questions by Mr Pascal Van Den Broucke

a. Questions

Vragen over het jaarverslag van de Raad van Bestuur en de geconsolideerde jaarrekening

Organisatiestructuur

- 1) Op 13 februari 2018 zei de toenmalige CFO in de 'earnings call' voor de jaarresultaten van 2017 dat de doorgevoerde herstructurering van de groep een belastingvoordeel van €60 miljoen – dus zes nul – miljoen Euro per jaar met zich meebrengt. Betekent dat, dat de in de jaarrekening genoemde winstbelasting voor 2018 van 119 miljoen euro in het geval dat de herstructurering niet had plaatsgevonden €60 miljoen hoger zou zijn geweest? Zo nee waarom niet, en indien er sprake is van timing of kwantiteitsverschillen, kunt u die dan toelichten?
- 2) Kunt u toelichten waaruit het belastingvoordeel van de groepsherstructurering bestaat -- is het volledig toe te schrijven aan rente aftrek van schulden die voorheen op het niveau van de holding waren, of zijn er ook andere componenten?
- 3) Heeft de groepsherstructurering van Telenet nog andere significante impacts op de geconsolideerde jaarrekening van 2018 gehad, en zo ja welke zijn dat?
- 4) Waarom is Telenet Group recentelijk veranderd van BVBA naar NV, en bestond er enig belasting gerelateerd motief om dit te doen?
- 5) De organisatiestructuur zoals weergegeven in de jaarrekening laat zien dat Telenet Group NV en Telenet BVBA juridisch gezien nog steeds aparte entiteiten zijn. Bestond er sinds 2016 geen druk vanuit de business om de twee entiteiten te laten fuseren om zo veel efficiënter en slagvaardiger te kunnen werken?
- 6) Heeft Telenet sinds 2016 niet veel potentiële besparingen laten liggen door Telenet Group NV en Telenet BVBA niet te fuseren, en hoe groot schat u deze 'opportunity cost' in?
- 7) Heeft het feit dat beide entiteiten juridisch apart zijn gebleven Telenet niet belemmerd om een nationale strategie te ontwikkelen?
- 8) Het jaarverslag van 2018 noemt als risicofactor "*veranderingen in wetten of verdragen betreffende de belasting*". Ik neem aan dat hier ook misschien wel opportuniteiten liggen, zoals de mogelijkheid tot 'taks consolidatie' die recentelijk is aangekondigd – hoe ziet u die opportuniteit?

Lange termijn plannen

- 9) De resultaten in de jaarrekening van 2018 getuigen van het feit dat Telenet de doelstellingen van haar vorige driejarenplan heeft behaald. Mijn vraag is: Heeft Telenet er altijd vertrouwen in gehad dat de doelstellingen van het driejarenplan behaald zouden worden, en dat eventuele 'headwinds' overkomen zouden worden?
- 10) Het jaarverslag stelt verder dat Telenet zijn mobiele infrastructuur volledig heeft gemoderniseerd. Mijn vraag is: Heeft Telenet er altijd vertrouwen in gehad dat Telenet deze modernisatie van het mobiele netwerk op tijd door zou kunnen voeren?

- 11) Het jaarverslag refereert ook naar het nieuwe drie jarenplan. Heeft u nu evenveel vertrouwen in de realisatie van de aangekondigde doelstellingen voor de komende drie jaar, als u had ten tijde van de goedkeuring van het oude 3 jarenplan in 2015?

Locatie hoofdkantoor

- 12) Ik lees in het jaarverslag dat het hoofdkantoor nog steeds in Brussel aan de Neerveldstraat gezeteld is. Maar volgens een artikel in de Tijd van januari 2018 was Telenet op zoek naar een nieuw hoofdkantoor in Brussel. Bestaan die plannen nog steeds en wat is dan de tijdslijn en zo nee, waarom zijn die plannen bevroren?

Juridische procedure Lucerne

- 13) Het jaarverslag maakt melding van verschillende juridische procedures waaronder de interactie met Lucerne Capital die ook publiekelijk is gevoerd. Ik heb daar enkele vragen over. Wat is de status van de procedure die is gestart bij de handelsrechtbank: Welke stappen heeft Lucerne gezet, wat is daarop de reactie van Telenet geweest, wie is nu aan zet, en wat is de verwachte tijdslijn?
- 14) Met betrekking tot het uitwisselen van informatie tussen Telenet en Liberty Global heeft Telenet gezegd dat dit alleen gebeurt voor rapporteringsvereisten, of om synergieën te creëren of om beste praktijken uit te wisselen. Maar welke management informatie wordt dan niet met Liberty Global gedeeld – kunt u voorbeelden noemen van strategische en tactische informatie die niet met Liberty Global wordt gedeeld? [Kunt u nog meer voorbeelden noemen]
- 15) Wordt niet-publieke 'forward looking' financiële informatie (bijv. de gedetailleerde eindejaarsverwachting en gedetailleerde vooruitzichten voor de komende jaren) alleen met de Liberty Global hoofdkantoren gedeeld of ook met de operationele entiteiten van Liberty Global in het buitenland?
- 16) Beschouwd u niet-publieke 'forward looking' financiële informatie (zoals de gedetailleerde eindejaarsverwachting en gedetailleerde vooruitzichten voor de komende jaren) als informatie die onder de MAR (Market Abuse Regulation) regelgeving valt of niet?
- 17) Op 26 september 2018 stelde Telenet in haar antwoorden op de schriftelijke vragen van Lucerne het volgende: "*Uitwisselingen van informatie vinden enkel plaats indien dit in het belang wordt geacht van Telenet zoals goedgekeurd door de raad van bestuur*". Wat is er dan precies goedgekeurd door de Raad van Bestuur en wanneer was dat?
- 18) Telenet heeft in haar brief aan Lucerne Capital van 5 november 2018 gesteld dat de Raad toezicht houdt op elke verslaggeving aan Liberty Global. Houdt dat in dat de Raad van Bestuur weet wie binnen Telenet met wie binnen Liberty Global informatie uitwisselt?
- 19) Houdt het toezicht door de Raad van Bestuur op elke verslaggeving aan Liberty Global in dat de Raad van Bestuur voor elke verslaggeving op de hoogte is van wat er wordt uitgewisseld?

- 20) Wanneer zijn de onafhankelijke bestuurders ingelicht over het bestaan van de zogenaamde 'Decision Mandates' waarin zou staan dat de door de Liberty Global aangewezen bestuurders de instructies van Mike Fries dienen op te volgen voor beslissingen in de Telenet Board – was dat voordat of nadat Lucerne Capital het bestaan er van aankaatte in de zomer van 2018? [En wanneer was dat specifiek?]
- 21) Met betrekking tot het opstellen van het jaarlijkse investeringsbudget – is het Telenet die autonoom het investeringsbudget opstelt, dit laat goedkeuren door de Raad Van Bestuur en vervolgens deze informatie deelt met Liberty Global – of heeft Liberty Global een materiële invloed op de grootte van het investeringsbudget alvorens het wordt voorgelegd aan Telenet's Raad Van Bestuur – en met 'invloed' van Liberty Global doel ik niet op eventuele synergiën of 'best practice' – maar gewoonweg op de grootte van het investeringsbudget?
- 22) Met betrekking tot de rol van Mike Fries, dient hij voor belangrijke beslissingen, zoals bijvoorbeeld de grotere acquisities door Telenet, expliciet zijn goedkeuring te geven?
- 23) Met betrekking tot de kapitalisatie van de autovloot – is er op enig tijdstip druk uitgeoefend door Liberty Global om de kapitalisatie door te drukken ongeacht de financiële gevolgen er van voor Telenet, omdat het Liberty Global was die de OCF groei nodig had?
- 24) Er werd door Telenet gesteld dat de kapitalisatie van de autovloot een positieve NPV (Net Present Value) heeft. Neem ik aan dat deze positieve NPV slechts enkele honderdduizenden Euro's is en dat uw business case een periode van 5 jaar of langer bestrijkt?
- 25) Klopt het dat Telenet nu wel blootgesteld is aan een restwaarde risico dat uiteindelijk kan leiden tot een negatieve NPV? Of sluit u dat risico uit?

b. Answers

<u>Question number</u>	<u>Answer</u>
1.	This is correct.
2.	A combination of different components is concerned, among which interest deduction. In addition, we refer to the answers to our written questions (1b) (Annex 2).
3.	No.
4.	It has facilitated our dividend policy.
5.	Logically, we have investigated this, practically, however, this is at this point in time not executable, for a variety of reasons.
6.	No, we refer in this regard also to the answers to the written questions (1b)(Annex 2).
7.	No, this is not related to a legal group structure.
8.	Here we refer to the answers to the written questions (1a)(Annex 2).
9.	In relation to your questions 9, 10 and 11 taken together, we respond as follows. A plan is a plan, and management and the board monitor the progress thereof in detail and steer where necessary to implement. We always have confidence in the plans we announce. Of course, we always try to indicate at the same time that there are always uncertainties, which we do not control (such as e.g. the regulatory framework) and which we try to mention as well.
10.	
11.	
12.	This question does not relate to the agenda, but for good measure we can disclose that the registered office of Telenet Group Holding SA/NV will move to Rue Neerveld 107, 1200 Brussels as of 5 May.
13.	A procedure to appoint an expert is concerned. However, we have nothing to add to our statement in the annual report 2018 (especially item 5.26, p. 164). Any subsequent events will be disclosed in due course.
14.	In relation to your questions 14, 15, 16 and 17 taken together, we respond as follows. In the past we have already answered, in detail, on the scope of exchange of information with LG and the conditions under which this takes place, and hence we refer to the answers which we provided to Lucerne on 26 September 2018 as well as in the framework of the answers to the written questions provided today. We are not going to start all that again where we are going and what we are giving under the framework that we have disclosed, along those questions, with Liberty, we think that we have done that at the extraordinary general assembly of 26 September 2018 and in answer to the written
15.	
16.	
17.	

	questions that we have received previously and even today.
18.	In relation to your questions 18 and 19 taken together, we respond as follows. In general, a framework was approved in this regard by the board of directors, as the case may be tuned to specific items and where the management has the responsibility to execute it properly and for which they have our absolute protection.
19.	
20.	Good governance has always been on the agenda of the board of directors. It is e.g. in October 2016 that we have given instructions on how this had to be handled.
21.	Telenet drafts the investment budget, this is then approved by the board of directors, under its responsibility.
22.	No, the board of directors of Telenet has the end responsibility, and carries the full responsibility.
23.	In relation to your questions 23, 24 and 25 taken together, we respond as follows. This question was extensively answered in the shareholders' meeting of 26 September 2018 and in publicly available information, and we refer to the answers provided in such documentation, as these are still pertinent. This was a Telenet decision, taken in the interest of the stakeholders on the basis of the information available at that time. Residual value risk is indeed with Telenet, and market conditions can change - each investment decision carries certain risks and such have been taken into account at the relevant time.
24.	
25.	

2. Questions raised by Lucerne (as defined below)

Question: *can you, in relation to our written question on the advice of the nomination- and remuneration committee, discuss the considerations regarding the appointment of Mr Enrique Rodriguez?*

Answer: *It basically is a no brainer, when you have a board where you need quite a bit of competences and when you are looking for complementary competences you will clearly see that the man has an outstanding competence on the technical field, he is the CTO of Liberty Global. It is very hard to go out and hire the CTO of a competitor. You need that specific knowledge clearly on your board and it is an active knowledge. It is not a matter of a question of someone who had knowledge three or five years ago, so from that point of view it definitely is the profile if you have not thought about it you should have had to.*

Question: *Information exchange: does Telenet share information with Liberty Global in the framework of a potential M&A transaction?*

Answer: *Although this question does not relate to the agenda, we can comment that a company such as Telenet continuously reviews M&A opportunities - large and small - but Telenet does not comment on M&A opportunities.*

Question: *But if you are constantly scanning M&A opportunities, but you do not comment on it, what information is then provided to Liberty?*

Answer: *Telenet gathers its information on M&A opportunities from the market and reports on gathered information to its board of directors which then discusses it. If anything specifically would have to be mentioned or shared then that falls again under the rules that we have determined before, where it is necessary and where we can get the advantage from. To the benefit of Telenet, that is the only thing that counts.*

Question: *In relation to towers and infrastructure transactions, are such transactions considered and are you sharing information with Liberty Global in this regard?*

Answer: *We analyse such opportunities which are clearly a trend in the market, but at the time we last investigated, these did not seem to our benefit. The market is however evolving and we remain attentive.*

Question: *Did you share information with Liberty Global in this regard?*

Answers: *We do not understand what information should be shared here. All information is publicly available. These sort of transactions are concerned with scale. If there would be scale, we can investigate such transaction.*

Question: *Is that also true for the cable network?*

Answer: *On the cable network, we are absolutely not considering it at this point in time and part of it is not even ours (it's leased), but you can tell from our capital market day and our presentation that we consider that the cable network and its performance review is a core operating principle. It is a very valid question, but we have looked at it and not seen the merits of it in the Telenet case. We are not excluding that the merits could come.*

Question: *But an evolving landscape is concerned, with different models, reason for which we are asking this?*

Answers: *But again, you have to make sure that you look at everything in that model, that it's not just a financial spreadsheet, but that it also reflects an operational reality.*

After the oral questions were completed, Mr Jaap Pannevis, acting as attorney-in-fact of Lucerne Capital Management LP (also acting on behalf of Lucerne Capital Master Fund LP, Lucerne Special Opportunity Fund Ltd, HF Fund STD - Lucerne Co - INV en Lucerne Focus Fund I, LP) (**Lucerne**) provides a short statement to the shareholders' meeting and the board of directors, so as to:

- stress that Lucerne is very pleased with the operational management of the Company, being Mr John Porter and his team, and that it is also very pleased with the progress made in relation to shareholders' remuneration. Lucerne added that it looks forward to more concrete and binding proposals in 2019;
- to clarify that insofar as it is concerned, many of its questions remain regarding the corporate governance of the Company, the lack of concrete answers to its questions, e.g. in relation to the integration of the supply chain with Liberty Global, the information-exchange with Liberty Global and the audit by the statutory auditor;
- indicate that Lucerne does not agree with the nomination procedure of Mr Enrique Rodriguez.

The above leads to Lucerne stating that it does not have confidence that its minority shareholders' rights are respected today, and that it will continue to address that in the future.