Questions from DWS to Telenet Group Holding NV

The Telenet board of directors welcomes constructive shareholder feedback and through its Investor Relations program the Company will continue to actively engage with both current and prospective investors on a broad range of topics during upcoming investor meetings, conferences and roadshows.

Question	**Draft answer**
Question 1: *When can we expect the company to increase the independence of the Board of Directors to more than 50%*	In line with Article 18.1 of the Articles of Association of the Company, as published on the Company's website, the Belgian Code of Companies and Associations and the Belgian Corporate Governance Code, the board of directors of Telenet Group Holding counts three independent directors. At the present shareholders' meeting it is proposing to add a fourth independent director. If approved, the board of directors will be composed of eleven directors of which four will be independent directors. In addition, Article 18.1 of the Articles of Association of the Company also provides that any Shareholder that owns more than 50 percent of the total capital of the Company shall have the right to nominate the candidates for at least a majority of the members of the board of directors for election. In sum, Telenet Group Holding NV fully respects and complies with, from a governance and legal perspective, the requirements regarding the number of independent directors. Finally, it is also not the standard for Belgian listed companies, including those with a controlling or reference shareholder, to have a majority of independent directors.
Question 2: *Why did Mr. Enrique Rodriguez, Mr. Charles Bracken and Ms. Severina Pascu only attend 11 out of 15 Board meetings last year?*	The respective members attended all seven board meetings scheduled in 2021 planned at the beginning of the financial year. In 2021 also eight additional ("ad hoc") board meetings were convened, four of which the respective members were unable to attend. As these additional board meetings are convened in short timings, it's not uncommon – in any Belgian listed company – that board members are not able to free up their agenda. It is to be noted however that the directors diligently considered the agenda and (as the case may be) pre-discussed the matter with a colleague director who represented them at the meeting by a proxy who was able to take any concerns and or comments on board for the deliberation in the Board.

<u>Question 3</u>: *When do you plan to update the CVs of the directors with regard to the aforementioned points?*	While the company fully complies with Belgian law and there is no fixed market practice among Belgian listed companies, we continuously review, and welcome feedback on, how to improve our website. The biographies of the directors on our Investor Relations website will be updated in early May after the Annual General Shareholders' Meeting and the publication of the Company's first quarter 2022 results. Currently, all biographies mention the year when their mandate became effective, and we also look to add to the biographies the year when they expire for full disclosure. Currently, this information is available on a separate section of our Investor Relations website.
<u>Question 4</u>: *We note that Telenet Group Holding N.V. is not transparent enough for shareholders regarding executive remuneration for some time. When can we expect more granular detail from Telenet Group Holding NV on the executive remuneration?*	Information on executive remuneration, as well for fixed remuneration (base salary & other benefits), variable remuneration (one-year & multi-year), other share-based remuneration and group insurance, can be found in our remuneration report, which should be read together with the Company's Executive Remuneration policy which was approved by the ASM of April 2020 and is similarly available at our IR website. The company's remuneration report fully complies with Belgian law as well as the existing guidelines on remuneration reporting that were issued by the Belgian Corporate Governance Committee. We are always open to enter in any dialog with our shareholders to listen to concerns.
<u>Question 5</u>: *When will you set more precise non-financial KPIs for executive remuneration, which are also transparent on how they are measured.*	Detailed non-financial KPI's and their measurement have been determined within the boundaries of the Remuneration policy in the Telenet Remuneration & Nomination Committee and approved by the board. Information on the non-financial KPI's, including their relative weight, can be found in the section 8.3.7.4 of the remuneration report. The company's remuneration report fully complies with Belgian law as well as the existing guidelines on remuneration reporting that were issued by the Belgian Corporate Governance Committee.
<u>Question 6</u>: *How much weighting have you linked to non-financial KPIs in all variable remuneration plans?*	As to the weighting of the non-financial KPI's , we stayed within the boundaries set within our remuneration policy. This policy can be consulted at our corporate website. As mentioned in response to the previous question, information on the non-financial KPI's, including their relative weight, can be found in the section 8.3.7.4 of the remuneration report. The company's remuneration report fully complies with Belgian law as well as the existing guidelines on remuneration reporting issued by the Belgian Corporate Governance Committee. As set out in the annual report, as regards non-financial KPI's, these include among other things (i) the implementation and success of the sustainability strategy, and (ii) people development and engagement, each with a weight of 10%, but also include a 91% gender pay gap target.

<u>**Question 7**</u>: *What are the sub-categories of the Environment, Social, Governance metric of the performance conditions of Mr. John Porter?*	The metrics for Environment, Social & Governance KPI's for Mr. John Porter are set in line with Telenet's sustainability ambition, people strategy & its position on corporate social responsibility. ESG targets have also been included in the company-wide objectives for 2021 and 2022, which define the variable remuneration and bonus schemes of all Telenet employees. In May 2021, the Board of Directors also approved the new CEO Remuneration Plan, which includes a dedicated ESG target based on a qualitative assessment of the implementation status of the 2021-2025 sustainability strategy, with intermediate progress and impact measurements in 2023, 2024 and 2025. The ESG target accounts for 20 percent of the CEO Remuneration Plan. Finally, in July 2021, the Remuneration Committee has approved the new Long-term Incentive Plans for Senior Leaders, rewarding the successful implementation of the new sustainability strategy, with a key focus on (i) strengthening the employee engagement and preventing stress-related absenteeism, (ii) increasing the Company's environmental responsibility by reducing the greenhouse gas emissions, and (iii) adopting a stricter protection of the customer's privacy and data.
<u>**Question 8**</u>: *Why are you proposing to repurchase and issue shares without pre-emptive rights for such large amounts over extended time periods, which are not in minority shareholders' best interests and also out of line with best practice?*	We successfully obtained shareholder approval to increase our authorized capital up to €5.0 million in April 2017, for a period five years and hence expiring in April 2022. The resolution for this year's EGM is unchanged from the resolution approved by the company's shareholders in 2017 and in 2012. The Company benchmarked the percentage of authorized capital versus its outstanding share capital amongst a diverse peer group of Belgian companies and concluded that the percentage of the authorized capital as compared to the outstanding capital of the company (i.e. 39%) was in line with the average of this peer group. In both 2017 and 2019, Telenet issued a small number of shares under this resolution for the implementation of an employee stock purchase plan ("ESPP"), allowing the Company's employees to purchase shares of Telenet Group Holding NV at an attractive discount, but otherwise did not use the authorization granted to it. As set out in the board report, this authorization is granted to give the board of directors the necessary flexibility if and when needed. Finally, the maximum amount of the authorized capital allowed under the Belgian Code of Companies and Associations is 100% of the outstanding capital of the company, which is substantially above the amount requested by the board of directors. In respect of the authorization to repurchase shares, this authorization is in terms of amount unchanged from the resolution approved by the company's shareholders in 2019 and is aimed at allowing the board of directors to fulfil its shareholder remuneration policy as announced in 2018 and supported by the company's shareholders.

<u>Question 9</u>: *Did you consult shareholders before submitting these proposals?*	We published the Convening Notice for our April 2022 AGM and EGM on our Investor Relations website at the end of March and have been reaching out to shareholders and proxy advisory firms since then to discuss these proposed resolutions and their interpretation thereof. We did not consult shareholders prior to submitting these proposals to the board of directors and to the AGM/EGM. However, as mentioned in response to the previous question, the authorised capital proposed resolution is unchanged from the authorisations that have been approved by the company's shareholders in 2017 and in 2012. The share buy-back authorization is in terms of amount unchanged from the resolution approved by the company's shareholders in 2019 and is aimed at allowing the board of directors to fulfil its shareholder remuneration policy as announced in 2018 and supported by the company's shareholders.

<u>Questions from Lucerne to Telenet Group Holding NV</u>

<u>Appointment of Directors:</u> *"Upon advice of the Remuneration & Nomination Committee, the board of directors has presented inter alia (i) the appointment of Ms. Lieve Creten as candidate independent director of the Company, (ii) the appointment of Mr. Dirk Van den Berghe (representing Dirk JS Van den Berghe Ltd.) as candidate independent director of the Company, and (iii) the appointment of Mr. John Gilbert as candidate independent director of the Company.* a) *For each of these proposed appointments could you please explain how the Remuneration and Nomination Committee reached its conclusion that these persons have the right profiles and competences to serve as Telenet independent directors and meet the criteria provided for in article 7:87 of the Belgian Code of Companies and Associations, article 3.5 of the Belgian*	We confirm that the Remuneration & Nomination Committee decided to recommend, based on the agreed procedure (with the involvement of a renowned Executive Search firm) to select and nominate the independent directors referred to. In general, it is noted that the Committee defined distinct profiles for the recruitment taking in account governance requirements (including several face to face interviews with potential candidates and skill set evaluations). During the process, the Committee has extensively considered the independence of the proposed independent directors, including by discussions with and obtaining written statements by the respective nominated directors. The Remuneration Committee has built a thorough record to support the recommendations made and confirms positive recommendations for each of them, but as the disclosure of the advice of the Remuneration & Nomination Committee is not legally required nor market practice, it will not be disclosed. Mr. De Graeve has requested the Board that no proposal be submitted to the annual meeting to extend his mandate as independent chairman for personal reasons. At the age of 68 Mr De Graeve indicated not to pursue an additional term (conscious of the fact that during any potential additional term he

Corporate Governance Code 2020 and Article 18.2 of the articles of association? b) *Could you please disclose the underlying advice of the Remuneration and Nomination Committee?"* c) *"Could you please elaborate on the reasons why (i) Mr. De Graeve requested the board that no proposal be submitted to the annual meeting to extend his mandate as independent chairman of the board and (ii) Mr. Van Biesbroeck will only serve as Mr. De Graeve's successor ad interim up to one year, before Mr. Van den Berghe would pick up the function of chairman? As far as the latter is concerned, why do you feel it is appropriate for Mr. Van Biesbroeck to only serve for such an interim term when the company intends to pursue strategic opportunities"*	would reach the maximum permitted age to be part of the Board of Directors, as stipulated in the company's Corporate Governance Charter). As indicated in the press release of 24 March 2022, the Company is extremely pleased that Mr. Van Biesbroeck will take on the chairmanship of the company following the next general meeting. Mr Van Biesbroeck was not seeking a longer term. In any event, being a prime mover at Telenet and highly experienced, he will be able to guarantee continuity and a seamless transition to a new Chair. Mr. Van den Berghe will initially join the Board as an independent director, following which the Board of Directors intends to appoint him Chair of the company. This has been explained in the press release of 24 March 2022 published on the Company's website https://press.telenet.be/telenet-board-of-directors-welcomes-new-talent
<u>Sale of tower business and strategic transactions:</u> *"Section 1.7 of the Annual Report highlights that the board decided in FY 2021 to commence a strategic review of Telenet's telecommunications tower business, including a preliminary market assessment, amidst strong demand for telecommunications infrastructure assets generally and as the case may be broader strategic transactions.* a) *Please explain what these strategic transactions and opportunities are, and*	At the end of October last year, Telenet announced that its board of directors had commenced a strategic review of its mobile telecommunications tower business, holding all the passive infrastructure, including a preliminary market assessment. The board's decision was amongst others driven by continued strong demand for telecommunications infrastructure assets generally (as evidenced by the attractive multiples paid in such divestment processes) and as the case may be broader strategic transactions. At that time, Telenet was still actively pursuing the acquisition of the Walloon cable operator VOO, which could have been funded through existing cash, additional debt, the net proceeds from a tower transaction and/or a combination thereof. At the end of November, Nethys (VOO's controlling shareholder) announced its intention to enter into exclusive negotiations with Orange Belgium for the sale of VOO to the latter, which was signed at the end of December last year.

whether the board's decision to retain the proceeds of the sale of Telenet's telecommunications tower business is driven by any contemplated future M&A transactions and in particular a potential merger between VodafoneZiggo and Telenet?	Given strong market appetite for our well-positioned tower portfolio and the underlying valuations that could be achieved through a potential transaction, the board of directors unanimously decided to continue the competitive M&A process, which was completed at the end of March this year, and leading to a full sale to DigitalBridge for a total cash consideration of €745 million, equivalent to 25.1x EV/EBITDAal (after leases) 2021.
b) *What are the intentions in terms of shareholder remuneration, as the case may be?"*	As mentioned in our March 25, 2022 press release, Telenet intends to initially retain the net proceeds from the transaction, awaiting the achievement of certain accretive strategic transactions, including amongst others the NetCo JV with Fluvius by the end of the second quarter and the upcoming multiband spectrum auction starting in June this year, and the impacts thereof on the Company's financial and leverage profile, as well as other potential strategic opportunities that could arise in the future. At present, the Company is not pursuing large-scale M&A opportunities other than the ongoing discussions with Fluvius about the "data network of the future", including Fiber to the Home ("FttH") technology. The network of the future will be fully open, ultra-performant, accessible to businesses and families, both in urban and rural areas, and built at the lowest societal cost. Both companies intend to create a new self-funding independent infrastructure company ("NetCo"), contributing their existing HFC and fiber assets as well as developing new build fiber assets in the future. NetCo intends to operate a fully open access network and is expected to enjoy a high network utilization rate from the start driven by Telenet's existing customer relationships and the incremental traffic generated by wholesale partners. It is intended to be a multiparty partnership, i.e. open to further partnering with both strategic and/or financial parties to develop this ambitious "data network of the future". Telenet expects to enter into final legal agreements by the end of the second quarter this year. Telenet's board of directors remains highly committed to deliver on the Company's shareholder remuneration policy, as detailed during the December 2018 Capital Markets Day and as strengthened in October 2020 with the introduction of a €2.75 gross dividend per share floor. In the absence of any material acquisitions and/or significant changes in its business or regulatory environment, Telenet intends to maintain Net Total Debt to Consolidated Annualized Adjusted EBITDA ("net total leverage") around the 4.0x mid-point through an attractive and sustainable level of shareholder disbursements as per the Company's current shareholder remuneration policy. At December 31, 2021, the Company's net total leverage ratio was 4.0x, in line with the aforementioned policy.

Related party transactions *"Section [8.5.6.2](#) of the annual report mentions that the board applied the intra-group conflict procedure set out in article 7:97 of the Belgian Companies and Associations Code to the renewal of a license agreement with Liberty Global B.V. concerning the Horizon 4 video platform and that the committee of independent directors reached the conclusion that the transaction:* i. *"is not of a nature to cause the Company a disadvantage which, in light of the strategy of the Company, is manifestly illegitimate; and* ii. *is in the interest of the Company and does not cause a disadvantage to the Company which would not be outweighed by benefits for the Company."* *Lucerne's questions in this respect are as follows:* a) *"Could you please elaborate on the underlying reasons why, and the underlying methodology how, the committee and the independent expert appointed by it came to the conclusion that the terms of this agreement were at arm's length?* b) *Could you please make the latter's opinion available to the general meeting so that the shareholders can make an informed decision whether the committee of independent directors duly complied with its obligations*	a) In line with Article 7:97 BCCA the Committee of Independent Directors together with the Independent Expert, had the necessary and obligatory interactions to come to the foresaid conclusion. The conclusion was phrased in accordance with the wording of Article 7:97 BCCA. Article 7:97 BCCA has been followed meticulously and the Company has communicated transparently on the same through a press release of 20 December 2021 on the Company's website and in the financial report 2021, in compliance with the disclosure requirements of Article 7:97 BCCA, which now requires both a press release and a mention in the annual report. The Independent Expert used the methodology and applied the benchmarks that it deemed appropriate and suited for the proposed transaction without any interference by any stakeholder. b) All necessary and obligatory information is disclosed in the Financial Report 2021 and the Press Release of 20 December 2021, in compliance with the disclosure requirements of Article 7:97 BCCA. The disclosure of the advice of the Committee of Independent Directors and the Independent Expert is not legally required nor market practice. c) + d) The license agreement is a prolongation of the agreement referred to in the Financial Report 2019, which was subjected to former article 524 BCC. As previously explained during the general shareholder meeting of the company in 2018, proposed intragroup transactions are submitted to the Audit & Risk Committee to consider whether Article 7:97 BCCA applies to the transaction or whether any exceptions as provided in Article 7:97 BCCA apply. As also explained during the general shareholder meeting of the company in 2018, all potential related party transactions are discussed and monitored in depth at the Audit and Risk Committee and also closely followed up by the board of directors, who based upon well documented files, consider whether Article 7:97 BCCA applies to the transaction or whether any exceptions as provided in Article 7:97 BCCA apply.The company's internal audit and compliance teams as well as the company's external auditor closely monitor the same. This procedure complies with the requirements of Article 7:97 BCCA.

pursuant to article 7:97 of the Belgian Companies Code? c) *Could you please explain how the board reached the conclusion that this transaction was subject to article 7:97 of the Belgian Companies Code while section 5.27 of the annual report indicates that several other related party transactions took place during FY 2021 with the Liberty Global Consortium?* d) *Finally, how did the board determine that the related party transactions with the Liberty Global Consortium that were in its view not subject to article 7:97 of the Belgian Companies Code, mainly – but not exclusively? – consisted of transactions within the company's normal course of business?"*	