

7. Corporate governance statement

Corporate governance can be defined as a framework of rules (laws, institutions and policies) and practices (processes and customs) ensuring the way a company is directed, managed and controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the Company is governed. The principal stakeholders are the shareholders, the board of directors, management, employees, customers, creditors, suppliers, the government and the community at large.

In this chapter, the board of directors discusses factual information regarding the current corporate governance policy at Telenet and relevant events which took place in the year ended December 31, 2016.

7.1 Reference code

The Corporate Governance Charter of the Company has most recently been updated on February 14, 2017, and can be consulted on the investor relations website of the Company (<http://investors.telenet.be>). In compliance with article 3 of the Law of April 6, 2010 and the Royal Decree of June 6, 2010, the Company has decided to adopt the Belgian Corporate Governance Code 2009 as reference code (<http://www.corporategovernancecommittee.be>). Except for a minor deviation in relation to provisions 7.17 and 7.18, the Company is fully compliant with the provisions of the Belgian Corporate Governance Code 2009. The deviations are indicated and explained in the relevant sections of this Statement.

7.2 Regulatory developments and their impact on Telenet

Belgium has broadly transposed the Regulatory Framework into law. According to the electronic communications law of June 13, 2005, the Belgisch Instituut voor Post en Telecommunicatie (the BIPT), the Belgian NRA, should perform a market analysis to determine which, if any, operator or service provider has Significant Market Power. In addition, the Federal Parliament prepared legislation to transpose the 2009 revisions to the Regulatory Framework, which became effective as of August 4, 2012.

Telenet has been declared an operator with Significant Market Power on the market for call termination on an individual fixed public telephone network. Since April 1, 2012, reciprocal termination rates have been imposed, which results in Telenet charging the interconnection rate of the incumbent telecommunication operator, Proximus. On August 30, 2016, the BIPT published its final decision regarding the wholesale tariffs for call termination on the public telephone network provided at a fixed location. As of November 1, 2016, the wholesale tariffs for call

termination on the fixed public telephone networks is set at 0.092 eurocent/minute. This decision has been appealed before the Court of Appeal in Brussels by Proximus and 3StarsNet and a judgment is expected during the first half of 2017.

Although no determination has been made on whether Telenet as an MVNO has Significant Market Power on the market for call termination on individual mobile networks, its rates have been affected by rate limitations implemented by BIPT. In June 2010, BIPT imposed a steep rate reduction that resulted in (1) an initial 45% decline effective August 1, 2010, over the then average rate and (2) a further decline in January 2013 that was approximately 79% less than the average rate implemented on August 1, 2010. As of January 1, 2013, mobile termination rates have been set by BIPT at €1.08 cents per minute, and to date, new rates have not been set. On September 14, 2015, BIPT published its draft decision on the relevant market for "call termination on individual mobile networks". Telenet, as an MVNO, has been designated in the draft decision as having Significant Market Power. Following its acquisition of BASE, Telenet will be designated as having a Significant Market Power by BIPT. In the draft decision, BIPT adopts a bottom-up long run incremental cost model to calculate tariffs for call termination on individual mobile networks, resulting in a nominal value of €0.81 per minute in 2015 and a declining glide path up and until 2020. BIPT organized public consultation on this draft decision, which was open until November 14, 2015. This draft decision has not yet been submitted to the E.U. Commission for notification. A final decision is expected during the first half of 2017.

In December 2010, BIPT and the regional regulators for the media sectors (together, the Belgium Regulatory Authorities) published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium. The Belgium Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (1) an obligation to make a resale offer at "retail minus" of the cable analog package available to third-party operators (including Proximus), (2) an obligation to grant third-party operators (except Proximus) access to digital television platforms (including the basic digital video package) at "retail minus", and (3) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Proximus).

In February 2012, Telenet submitted draft reference offers regarding the obligations described above, and the Belgium Regulatory Authorities published the final decision on September 9, 2013. Telenet has implemented the access obligations as described in its reference offers and, on March 1, 2016, Orange Belgium NV (Orange Belgium), formerly

known as Mobistar SA, launched a commercial offer combining a cable TV package and broadband internet access for certain of their mobile customers. In addition, as a result of the November 2014 decision by the Brussels Court of Appeal described below, on November 14, 2014, Proximus submitted a request to Telenet to commence access negotiations. Telenet contests this request and has asked the Belgium Regulatory Authorities to assess the reasonableness of the Proximus request. The timing for a decision regarding this assessment by the Belgium Regulatory Authorities is not known.

On December 14, 2015, the Belgium Regulatory Authorities published a draft decision, which amended previously-issued decisions, and sets forth the "retail minus" tariffs of minus 26% for basic television (basic analog and digital video package) and minus 18% for the bundle of basic television and broadband internet services during an initial two-year period. Following this two-year period, the tariffs would change to minus 15% and 7%, respectively. The draft decision was notified to the E.U. Commission and a final decision was adopted on February 19, 2016. A "retail minus" method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding value added tax (VAT) and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as costs for billing, franchise, consumer service, marketing and sales).

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet's appeal and accepted Proximus's claim that Proximus should be allowed access to Telenet's, among other operators, digital television platform and the resale of bundles of digital video and broadband internet services. On November 30, 2015, Telenet filed an appeal of the July decision with the Belgian Supreme Court. In 2014, Telenet and wireless operator Orange Belgium each filed an appeal with the Brussels Court of Appeal against the initial retail minus decision. These appeals are still pending. On April 25, 2016, Telenet also filed an appeal with the Brussels Court of Appeal challenging the February 19, 2016 retail minus decision. There can be no certainty that Telenet's appeals will be successful.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (1) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (2) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments.

7.3 Capital and shareholders

7.3.1 Capital and securities

The share capital of the Company amounted to €12,757,656.69 as of December 31, 2016 and was represented by 117,335,623 shares without nominal value. All shares are ordinary shares, listed on Euronext Brussels, with the exception of 30 Golden Shares and 94,843 Liquidation Dispreference Shares to which certain specific rights or obligations are attached, as described in the articles of association and the Corporate Governance Charter.

Details on the various stock option plans for employees and the Chief Executive Officer ("CEO"), issued before December 31, 2015, can be consulted in Telenet's 2015 Annual Report.

On March 22, 2016 the board of directors approved the Telenet Equity Plan, on the basis of which Telenet is able to grant its Senior Leadership Team and the Company's CEO (i) stock options (see "ESOP 2016" below) and (ii) performance shares (see "the 2016 Telenet Performance shares" below).

On March 22, 2016, the board of directors approved Telenet's General Stock Option Plan 2016 for the Company's Senior Leadership Team, one other manager and the CEO for a total number of 741,806 stock options on existing shares ("ESOP 2016"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 741,806 stock options, with an exercise price of €45.48 per stock option, occurred on April 14, 2016. On June 14, 2016 a total of 695,631 stock options were accepted.

The vesting of the stock options under the ESOP 2016 occurs quarterly over a period of 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

On October 25, 2016, the board of directors approved a new general stock option plan for employees, for a total number of 467,000 stock options on existing shares (the "ESOP 2016 bis"), to be granted to selected participants (excluding Senior Leadership Team as they were granted "ESOP 2016" see above) under the ESOP 2016 bis. Each of these stock options gives the right to acquire one existing share of the Company under the terms and conditions of the ESOP 2016 bis. The vesting of these stock options occurs quarterly over a period of 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters. The board of directors or the Remuneration & Nomination Committee can grant the stock options to selected beneficiaries. On November 7, 2016, the board of directors authorized a grant under ESOP 2016 bis to certain beneficiaries. More details on the outstanding stock options under the ESOP 2016 bis can be found in note 5.12.2 to the consolidated financial statements of the Company .

On April 15, 2016, the Company granted its Senior Leadership Team members, its CEO and one other manager a total of 119,842 performance shares ("the 2016 Telenet Performance Shares"). The

performance target applicable to the 2016 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Operating Cash Flow (under USGAAP), when comparing the OCF during the period started as of January 1, 2016 and ending on December 31, 2018 to the OCF for the period started on January 1, 2015 and ended on December 31, 2015. A performance range of 75% to 160% of the target Operating Cash Flow CAGR would generally result in award recipients earning 75% to 300% of their 2016 Telenet Performance Shares, subject to reduction or forfeiture based on service requirements. The earned 2016 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in stock-based compensation in the statement of profit or loss and other comprehensive income.

More details on previous grants, issued before December 31, 2015, to the SLT can be consulted in Telenet's 2015 Annual Report.

7.3.2 Evolution of the share capital of Telenet Group Holding NV

The following capital movements took place in the year ended December 31, 2016:

- On April 11, 2016, the share capital was increased by €739.47 through the exercise of 6,801 ESOP 2010 *ter* warrants, creating 6,801 new ordinary shares. An amount of €130,995.90 was recorded as issue premium.
- On July 12, 2016, the share capital was increased by €1,976.71 through the exercise of 18,180 ESOP 2010 *ter* warrants, creating 18,180 new ordinary shares. An amount of €350,169.89 was recorded as issue premium.
- On September 5, 2016, the share capital was increased by €3,472.40 through the exercise of 31,936 ESOP 2010 *ter* warrants, creating 31,936 new ordinary shares. An amount of €615,127.92 was recorded as issue premium.

7.3.3 Shareholders

Important movements in shareholdings

Transparency declarations

In the course of the year ended December 31, 2016, the Company received the following transparency declarations:

On January 11, 2016, Telenet received a notification from Liberty Global Plc in accordance with Article 6 of the Law of May 2, 2007. In this notification, Liberty Global Plc provided an update of its notification of August 21, 2015 in which it declared that Binan Investments B.V.'s shareholding in Telenet had exceeded 55% of the securities holding voting rights. This notification of August 21, 2015 was in turn an update of the prior notifications Telenet received on September 18, 2007, on August 28, 2008, on August 27, 2009, on August 31, 2010, on August 29, 2011, on August 28, 2012, on August 27, 2013, on August 22, 2014 and August 21, 2015.

In this notification of January 11, 2016 Liberty Global Plc reported a change in indirect shareholding of Telenet pursuant to a number of intra-group transactions which took place on November 23, 2015. As part of said intra-group transactions, the entire share capital in Binan Investments B.V. was first transferred from UPC Belgium B.V. to Liberty Global Europe Holding B.V., then from Liberty Global Europe Holding B.V. to Liberty Global Holding B.V., then from Liberty Global Holding B.V. to Liberty Global Europe LLC (previously known as Liberty Global Europe Inc.), and finally from Liberty Global Europe LLC to Liberty Global Broadband II Ltd. All transfers took place between 100% owned subsidiaries of Liberty Global Plc.

In addition, Liberty Global Plc declared that pursuant to certain intra-group transactions Liberty Global Plc is currently the ultimate parent company of Telenet.

Liberty Global Plc further reports that Binan Investments B.V. has not exercised any of the warrants it held in Telenet and that all such warrants have now expired.

This notification of January 11, 2016 did not report any change in the Telenet shareholding of Liberty Global Plc since its last notification of August 21, 2015.

On March 4, 2016, Telenet received a transparency notification from Norges Bank (the Central Bank of Norway) in accordance with Article 6 of the Law of May 2, 2007. This transparency notification showed that following the sale of shares holding voting rights in Telenet on March 2, 2016, Norges Bank holds 2.43% of the voting rights of Telenet. Norges Bank has therefore fallen below the 3% threshold.

On August 2, 2016, Telenet received a transparency notification from BlackRock, Inc. and its affiliated companies (hereafter "BlackRock") in accordance with Article 6 of the Law of May 2, 2007. This transparency notification showed that following the acquisition by BlackRock of shares holding voting rights in Telenet on July 28, 2016, BlackRock holds 3.54% of the voting rights of Telenet. BlackRock has therefore exceeded the 3% threshold.

On August 19, 2016, Telenet received a notification from Liberty Global Plc and its affiliate Binan Investments B.V. in accordance with Article 74, § 8 of the Law of April 1, 2007 on public take-overs. This notification provided an update of the notification submitted by Liberty Global Plc and its affiliate Binan Investments B.V. on August 21, 2015 according to which Binan Investments B.V. declared to hold an interest in Telenet exceeding 55% of the securities holding voting rights. On January 11, 2016, Telenet also received a notification from Liberty Global Plc in accordance with Article 6 of the Law of May 2, 2007, declaring a change in the indirect shareholding of Telenet as a result of a number of intragroup transactions. The notification of August 19, 2016 did not report any change in the Telenet shareholding of Liberty Global Plc since its notifications of August 21, 2015 and January 11, 2016.

On August 19, 2016, Telenet received a transparency notification from BlackRock in accordance with Article 6 of the Law of May 2, 2007. This transparency notification showed that following the acquisition by BlackRock of shares holding voting rights in Telenet on August 17, 2016, BlackRock holds 5% of the voting rights of Telenet. BlackRock has therefore crossed the 5% threshold.

These declarations can be consulted on the Company's investor relations website: <http://investors.telenet.be>.

Share Repurchase Program 2016

On February 10, 2016, the Company announced the initiation of a new share repurchase program, referred to as the "Share Repurchase Program 2016". Under this program, the Company could acquire from time to time up to a maximum of 1.1 million of its outstanding ordinary shares, for a maximum consideration of €50.0 million, within the six months following February 15, 2016. All repurchased shares are held by the Company to cover the Company's obligations under existing stock option plans.

Through August 3, 2016, the Company had acquired 1,072,548 own shares under the Share Repurchase Program 2016 for a total amount of €47.7 million, representing 1.59% of the total number of outstanding shares at that moment. Taking into account a par value of €0.11 per share on December 31, 2016, this represents an amount of €117,980 in the share capital of the company. Further information about the own shares held at December 31, 2016 can be found in Note 5.12.1 of the consolidated financial statements of the Company.

Share Repurchase Program 2017

On February 16, 2017, the Company announced the initiation of a new share repurchase program, referred to as the "Share Repurchase

Program 2017". Under this program, the Company can acquire from time to time up to a maximum of 1.1 million of its outstanding ordinary shares, for a maximum consideration of €60.0 million, within the six months following February 16, 2017. All repurchased shares will be held by the Company to cover the Company's obligations under existing stock option plans.

Through March 17, 2017, the Company had acquired 239,903 own shares under the Share Repurchase Program 2017 for a total amount of € million, representing 1.54% of the total number of outstanding shares at that moment. Taking into account a par value of €0.11 per share on December 31, 2017, this represents an amount of €26,389 in the share capital of the company.

Shareholder structure

The shareholder structure of the Company on December 31, 2016, based on (i) the shareholders' register of the Company, (ii) all transparency declarations received by the Company, (iii) as well as the latest notification of each relevant shareholder as notified to the Financial Services & Markets Authority ("FSMA"), is as follows:

Shareholders	Outstanding shares	Percentage	Outstanding warrants	Total (fully diluted)	Percentage (fully diluted)
Liberty Global Group ^(*)	66,342,037	56.54 %		66,342,037	56.54 %
BlackRock, Inc.	5,869,825	5.00 %		5,869,825	5.00 %
BNP Paribas Investment Partners SA	3,832,819	3.27 %		3,832,819	3.27 %
Employees	374,926	0.32 %	—	374,926	0.32 %
Own Shares	1,852,053	1.58 %		1,852,053	1.58 %
Public ^(**)	39,063,963	33.29 %		39,063,963	33.29 %
Total	117,335,623	100.00%	—	117,335,623	100.00%

(*) Including 94,827 Liquidation Dispreference Shares

(**) Including 16 Liquidation Dispreference Shares held by Interkabel Vlaanderen CVBA and 30 golden Shares held by the financing intermunicipalities

Relationship with and between shareholders

Please see Note 5.27 of the consolidated financial statements of the Company for an overview of the relationship of the Company with shareholders. Furthermore, the Company is not aware of any agreements between its shareholders.

7.3.4 General meeting of shareholders

According to the Company's articles of association, the annual meeting of shareholders takes place on the last Wednesday of the month of April at 3pm CET. In 2017, this will be on April 26.

The rules governing the convening, admission to meetings, their conduct and the exercise of voting rights, and other details can be found in the articles of association and in the Corporate Governance Charter, which are available on the Company's investor relations website (<http://investors.telenet.be>).

7.3.5 Consolidated information related to the elements referred to in article 34 of the Royal Decree of November 14, 2007

Article 34 of the Royal Decree of November 14, 2007 requires that listed companies disclose the relevant elements that may have an impact in the event of a take-over bid. The board of directors hereby gives the following explanations concerning the respective elements to be addressed under these rules:

- A comprehensive overview of the capital structure of the Company can be found in note 5.12 to the consolidated financial statements of the Company.
- Restrictions on the transfer of shares extend only to the 30 Golden Shares. The Company's articles of association provide that the Golden Shares can only be transferred to other partnerships (*samenwerkingsverbanden*) between municipalities and to municipalities, provinces or other public law entities or private companies that are controlled directly

or indirectly by public law entities. The Golden Shares can only be transferred per lot of three Golden Shares.

- Any major shareholdings of third parties that exceed the thresholds laid down by law and by the articles of association of the Company are listed in Section 7.3.3 of this Statement.
- On December 31, 2016, the Company had 94,843 Liquidation Dispreference Shares and 30 Golden Shares outstanding. The Liquidation Dispreference Shares can be converted into ordinary shares on a 1.04 to 1.00 ratio.
- The Golden Shares attribute to the financing intermunicipalities (who hold all 30 Golden Shares) the right to appoint representatives in the regulatory board (*regulatoire raad*), which supervises the so called “public interest guarantees”, and the right to appoint an observer in the board of directors of the Company, as further described in the articles of association and the Corporate Governance Charter of the Company.
- Warrant and share option plans are described in note 5.12 to the consolidated financial statements of the Company. The ESOP 2013, CEO SOP 2013, CEO SOP 2014 and CEO SOP 2014 *bis* all provide that all outstanding stock options would immediately vest upon a change of control, a de-listing of the Company or the launch of a squeeze-out offer in relation to the shares of the Company. The ESOP 2014, CEO SOP 2015, SSOP 2015, ESOP 2015, ESOP 2016 and ESOP 2016 *bis* provide that all outstanding stock options would immediately vest upon a change of control. All these provisions have been approved by or will be put for approval to the extraordinary general shareholders’ meeting in accordance with article 556 of the Belgian Company Code.
- The Company is not aware of any agreement with any shareholder that may restrict either the transfer of shares or the exercise of voting rights.
- Members of the board of directors are elected or removed by a majority of votes cast at the annual general meeting of shareholders. Any amendment to the articles of association requires the board of directors to propose that the shareholders’ meeting passes a resolution to that effect. For amendments to the articles of association, the shareholders’ meeting must comply with the quorum and majority requirements laid down in the articles of association and in the Belgian Company Code.
- The board of directors is authorized by the shareholders’ meeting of April 30, 2014 to repurchase shares of the Company up to the maximum number allowed in accordance with articles 620 and following of the Belgian Company Code, provided that the purchase price per share of the Company may be maximum 20% above, and may not be lower than 20% below, the average closing quotes of the shares of the Company, on a “per share” basis, as traded on Euronext Brussels (or any other regulated market or trading platform on which the shares of the Company are traded at that time at the Company’s initiative) during a period of 30 calendar

days prior to the acquisition of the shares by the Company. This authorization is valid for 5 years, i.e. until April 30, 2019.

- Certain provisions of the financing agreements of the Company’s subsidiaries would become effective or would be terminated in case of a change of control over the Company (e.g. following a public take-over bid). The relevant provisions were approved at the extraordinary shareholders’ meeting of the relevant subsidiaries of the Company in accordance with article 556 of the Belgian Company Code.
- The Performance Share Plan 2012, the Performance Share Plan 2013, the Performance Share Plan 2014, the Performance Share Plan 2015 and the Performance Share Plan 2016 (more details on these Performance Shares to be found in section 7.7.2.4 b) of this Statement), all concluded between the Company and certain members of the SLT and one other manager, also contain change of control wording. The Performance Share Plan 2016 was available for all the members of the SLT and one other manager, as well as the chief executive officer. The relevant provisions were approved or will be put for approval at the extraordinary shareholders’ meeting in accordance with article 556 of the Belgian Company Code.
- The Company is otherwise not party to any major agreement that would either become effective, be amended and/or be automatically terminated due to any change of control over the Company as a result of a public take-over bid. The Company notes however, that certain of its operational agreements contain change of control provisions, giving the contracting party the right, under certain circumstances, to terminate the agreement without damages.
- Other than the provisions relating to warrants and stock options, as set out above, the Company has not concluded an agreement with its members of the board of directors or employees, which would allow the disbursement of any special severance pay in the case of termination of employment as a result of a public take-over bid.

7.4 Internal control and risk management systems

7.4.1 General

The Company is exposed to various risks within the context of its normal business activities, which could have a material adverse impact on its business, prospects, consolidated results of operations and financial condition. Therefore, controlling these risks is very important to the Company. To support its growth and to help the SLT and the Audit Committee to manage the challenges the Company faces, the Company has implemented risk management and internal control systems. The purpose of risk management and internal control systems is to enable the Company to meet its risk management objectives. The most important components of this system are described in this section.

7.4.2 Components of the internal control and risk management systems

The board of directors has set out the mission, the strategy and the values of the Company (see also section 1 “Information on the Company” to the consolidated annual report of the board of directors). At the level of the board of directors and the Audit Committee, the general risk profile of the Company and the risk appetite of the Company are discussed.

Following the decision of the board of directors of July 29, 2014, and with effect as from 2015, the internal audit function has been performed by the independent internal audit department of Liberty Global. The internal auditor does not only report issues, but also provides the Company with information on the level of effectiveness of controls, formulates recommendations, and triggers the start of action plans for items that require improvement.

The risk management department focuses on internal control over financial reporting, revenue assurance and fraud. Specific teams were set up to oversee, coordinate and facilitate risk management activities within other risk areas (e.g. health & safety, business continuity and information security). In 2016, a dedicated compliance function was defined in the legal department, focusing on legal and regulatory compliance. The risk management department and the compliance function work closely together to develop and maintain the necessary instruments to guarantee the protection of personal data of Telenet’s customers, employees, visitors and suppliers. The Audit Committee monitors the effectiveness of the internal control and risk management system of the Company, and reviews it annually. In 2014, the Company and the Audit Committee agreed upon a risk governance strategy to align the risk management activities in key risk areas where appropriate and develop and execute a risk governance roadmap.

Liberty Global, the majority shareholder of the Company,, is subject to the requirements of the US Sarbanes-Oxley Act of 2002 (“SOX”). The Company has been part of Liberty Global’s assessment of internal control over financial reporting (“ICoFR”) since 2008, and has not reported any material weaknesses. The acquisition of Base Company NV (now Telenet Group BVBA) was closed in February 2016 and as a consequence Telenet Group will be included in the ICoFR risk and control framework, and in

the operational effectiveness testing of ICoFR by year-end 2017. Moreover the risk management teams of Telenet Group and Telenet were integrated to ensure continuity and a consistent approach for the other risk areas as well.

While the SOX requirements mainly cover risks relevant to financial reporting, the scope for internal audit is broader and also covers other objectives in the “COSO 2013” framework (Committee of Sponsoring Organizations of the Treadway Commission), such as compliance with rules and regulations, efficiency and effectiveness of operations.

Control environment

The internal control environment includes (i) the issuance of a Dealing Code handbook, (ii) a Code of Conduct for the SLT and senior management manual, (iii) a Corporate Governance Charter (available on the Company’s investor relations website www.investors.telenet.be), (iv) delegation of authority policies, and (v) a recruitment selection and performance evaluation system for employees.

Since 2008, a whistleblower procedure is in place. This mechanism allows employees of the Company to raise concerns about possible improprieties in accounting, internal control or audit matters in confidence via a telephone line or a reporting website. The employees can remain anonymous if requested. All complaints received through the telephone line or reporting website are handled by the Company’s Compliance Officer and the chairman of the Audit Committee. At the end of 2012, a Vendor Disclosure form was introduced to ensure vendors comply with the Telenet Code of Conduct (e.g. disclosure of conflicts of interest) and the Telenet Anti-Corruption policy. This Anti-Corruption policy is also communicated to all employees and published on the Company’s intranet. Controls for Telenet and Telenet Group will be aligned where appropriate.

The accounting principles used by the Company, and each change thereof, are presented to the Audit Committee and approved by the board of directors.

Risk Assessment

As part of Liberty Global’s compliance with the SOX legislation, Liberty Global reviews its scoping for ICoFR purposes, at various stages throughout the year to determine whether additional risks or controls at the Company need to be evaluated and assessed. In addition, for every change in products, services, processes and systems, the impact on management’s broader control framework is formally assessed by the Company and appropriate action is taken.

In the area of revenue assurance and fraud, a structured risk management approach was established based upon a formal risk assessment. In 2016, a risk assessment for legal and regulatory compliance was performed by management. These assessments allow the Company to prioritize the in-depth review of relevant risk areas and properly document objectives, risks and controls. As a result of the risk governance project, the same approach is being implemented for other key risk areas like security and business continuity .

Control activities

Liberty Global established a framework for evaluating and assessing ICoFR, incorporating entity level, transaction and process level

components of the COSO 2013 framework as well as relevant information technology and operational components. The Company has aligned its ICoFR with this framework.

Controls over financial reporting are formally documented in a Governance, Risk and Compliance tool. The Company has implemented a tool called TRACE (“Track and Assure Control Execution”) that provides the control owners with information on all financial reporting controls and related tasks, driving timely control execution by using workflow mechanisms.

Liberty Global designed a framework defining the key elements of a privacy risk and control framework. The Company has already implemented controls to mitigate risks in the areas of amongst others governance policies, privacy by design, incident management, third party management, international data transfers, security and will continue to improve the privacy control environment where appropriate.

The Company has implemented a centrally managed risk management tool to support formal documentation and information sharing on objectives, risks and controls related to revenue assurance and fraud risk.

For other risk areas, each department has worked out specific control procedures covering the risks in their area. The Company has implemented TIM (“Telenet Identity Management”) to support authorized user management and automate access request management and periodic access rights certification for key applications. An ISMS (“Information Security Management System”) was implemented to support the risk management activities related to information security.

Information and communication

The Company has implemented a data warehouse and reporting platform, collecting all types of relevant transactional data. Utilizing the data warehouse and reporting platform, the Company’s business intelligence teams are able to provide the SLT with periodic and ad hoc operational and management reporting.

The Company maintains a central repository with all internal control issues and related actions plans to ensure proper resolution. In addition, all issues and actions are made available on a secured Sharepoint site and action plan owners provide management with monthly status updates.

The result of every internal audit or internal control review and the progress follow up thereof is reported to the SLT and the Audit Committee using a comprehensive scorecard.

On a quarterly basis, the risk management department reports to the SLT and the Audit Committee on the completeness and timeliness of the resolution of all outstanding issues.

Monitoring

A formal monitoring process is in place for internal control over financial reporting: a periodic management self-assessment on design and control effectiveness based upon the frequency of the control, a quarterly self-assessment validation by the risk management department

and annually a direct testing cycle by Liberty Global’s internal audit and group compliance.

For some specific risk areas (e.g. revenue assurance) second line monitoring has been established. In addition, a formal risk and control management self assessment approach was implemented in 2012.

In addition, a risk-based internal audit plan, including Telenet Group, and focusing on significant risk areas is proposed annually by Liberty Global’s internal audit and, after approval by the Company’s Audit Committee, is executed by Liberty Global’s internal audit. This internal audit plan is established on the basis of the Telenet Risk Assurance Map and a survey with all members of the SLT as well as on items raised by the Audit Committee, the board of directors, and Liberty Global’s internal audit itself.

Assurance

Although the above measures are designed to address the risks inherent to the Company’s business and operations to the extent practicable, the determination of the risk framework and the implementation of the control systems provide reasonable but not absolute certainty that these risks will be effectively mitigated.

7.4.3 Most important risks

For a description of the main risks to which the Company is exposed, please see section 3 “Risk factors” to the consolidated annual report of the board of directors.

For an overview of the most important financial risks to which the Company is exposed and the way the Company is dealing with these risks, please see note 5.3 Risk management to the consolidated financial statements of the Company.

7.5 Board of directors

7.5.1 Composition

a) General

On December 31, 2016, the board of directors of the Company was composed of 10 members. With the exception of the Managing Director (CEO), all directors are non-executive directors.

There are currently three independent directors within the meaning of article 526ter of the Belgian Company Code, the Belgian Corporate Governance Code and the articles of association of the Company: (i) IDw Consult BVBA (represented by its permanent representative Mr. Bert De Graeve), (ii) Ms. Christiane Franck, and (iii) JoVB BVBA (represented by its permanent representative Mr. Jo Van Biesbroeck).

These directors (as well as their permanent representatives) are considered independent directors since they all fulfill the independence criteria set out in the articles of association of the Company and in article 526ter of the Belgian Company Code.

The mandate of Mr. John Porter expires at the annual shareholders' meeting of 2017. The mandates of IDw Consult BVBA (represented by its permanent representative Mr. Bert De Graeve), Mr. Jim Ryan and Ms. Christiane Franck expire at the annual shareholders' meeting of 2018. The mandates of JoVB BVBA (represented by its permanent representative Mr. Jo Van Biesbroeck), Mr. Manuel Kohnstamm and Mr. Diederik Karsten expire at the annual shareholders' meeting of 2019. The mandates of the other directors expire at the annual shareholders' meeting of 2020.

At the meeting of the board of directors of February 9, 2016, Mr. Balan Nair resigned as member of the board. At the same meeting, Ms. Dana

Strong was co-opted as director of the Company with immediate effect. The annual meeting of shareholders of 27 April 2016 decided on her definitive appointment.

Upon advice of the Remuneration & Nomination Committee, the board of directors will present the following proposals for approval to the general shareholders' meeting:

- the (re)appointment of Mr. John Porter as director of the Company.

As of the general shareholders' meeting of April 25, 2012, Mr. André Sarens has been appointed as "observer" to the board of directors.

The directors have been appointed for a period of maximum four years. In principle, the mandate of the directors terminates at the date of the annual general shareholders' meeting at which time their mandate expires. The directors can be re-appointed.

The general shareholders' meeting (resolving by ordinary majority) can dismiss directors at any time.

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

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

On December 31, 2016, the board of directors of the Company was composed as follows:

Name	Function	Nominated by
Bert De Graeve (IDw Consult BVBA)	Chairman Bekaert NV	Independent director - CM
Jo Van Biesbroeck (JoVB BVBA)	Director of companies	Independent director
Christiane Franck	Director of companies	Independent director
John Porter	Chief Executive Officer & Managing Director Telenet	
Charles H. Bracken	Executive Vice President & Co-Chief Financial Officer (Principal Financial Officer) of Liberty Global	Liberty Global Group
Diederik Karsten	Executive Vice President, European Broadband Operations of Liberty Global	Liberty Global Group
Dana Strong	Senior Vice President & Chief Transformation Officer of Liberty Global	Liberty Global Group
Manuel Kohnstamm	Senior Vice President & Chief Policy Officer of Liberty Global	Liberty Global Group
Jim Ryan	Senior Vice President & Chief Strategy Officer of Liberty Global	Liberty Global Group
Suzanne Schoettger	Chief of Staff for the Office of the CEO	Liberty Global Group

CM: Chairman

Mr. Bart van Sprundel, Director Legal Affairs at the Company, acts as secretary of the board of directors and its committees.

b) Diversity

The Company strives for diversity within the board of directors, creating a mix of executive directors, non-executive directors and independent directors, their diverse competences and experience, their ages and nationality and their specific knowledge of the telecommunications and media sector.

At December 31, 2016, the board of directors included three female members: Ms. Christiane Franck, Ms. Suzanne Schoettger and Ms. Dana Strong. Telenet aimed at being in line with the gender composition requirements - at least one third of the opposite gender - of its board of directors by early 2017 at the latest. With the appointment of Ms. Dana Strong at the meeting of shareholders of 27 April 2016, Telenet reached this goal already early in 2016.

c) Biographies of directors

The following paragraphs set out the biographical information of the current members of the board of directors of the Company, including the members whose appointment should be confirmed at the next general shareholders' meeting, as well as information on other director mandates held by the members of the board of directors of the Company.

John Porter, Chief Executive Officer and Managing director (°1957)

For the biography of Mr. Porter, we refer to section 7.6 c) of this Statement.

Bert De Graeve, chairman of the board of directors and independent director (representing IDw Consult BVBA) (°1955)

Bert De Graeve is Chairman of the Bekaert Group since May 2014. He started his career in 1980 with Arthur Andersen & Co and joined Alcatel Bell in 1982. In 1991 he became General Manager Shanghai Bell Telephone Equipment Mfg. Co in Shanghai. In 1994 he was appointed Vice President, Director Operations, Alcatel Trade International and later Director International Affairs, Alcatel Alstom in Paris. In 1996 he became Managing Director of the Flemish Public Radio & TV Broadcaster (VRT) and joined Bekaert in 2002 as CFO, to become CEO from 2006 until 2014. Bert De Graeve holds a Master in Law from the University of Ghent (1980), studied Financial Management at IPO (Antwerp) and became Master in Tax Management at VLEKHO (Brussels). Bert De Graeve is also Chairman of the Board of Directors of Telenet BVBA and Sibelco NV, Independent Director of UCB, Member of the International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC) and Member of the Board of the Concours Reine Elisabeth.

Jo Van Biesbroeck, independent director (representing JoVB BVBA) (°1956)

Up to 2014, Jo Van Biesbroeck (59) has been Chief Strategy Officer of Anheuser-Busch InBev SA/NV (formerly known as InBev SA and Interbrew) where he also started his career in 1978. Anheuser-Busch InBev is the world's leading brewer and is amongst the world's top five companies operating consumer goods. Mr Van Biesbroeck held various positions in controlling and finance and was Senior Vice-President of Corporate Strategy, Chief Business Development Officer, Chief Strategy

and Business Development Officer, Chief Sales Officer, and Zone President Western Europe in that order. As of 1 September 2015, Jo Van Biesbroeck is manager of RSC Anderlecht. Jo Van Biesbroeck obtained a Master's degree in Economics at the Roman Catholic University of Leuven. He is also an independent and non-executive director of Kinepolis Group NV.

Ms. Christiane Franck, independent director (°1951)

Christiane Franck has been CEO of Vivaqua in Brussels since 2005, where she also started her career. At Vivaqua, she consecutively held the positions of ICT Manager, Commercial Manager of Distribution and Secretary General. Vivaqua, specialising in water production and distribution, serves over two million inhabitants throughout Belgium through close cooperation with the public authorities at local, regional and federal level. Christiane Franck brings a strong level of service company experience to Telenet. Christiane Franck has a Masters in Mathematics from the University of Brussels (ULB) and is a member of the board of the ULB and a member of the advisory committee of Ethias Mutual Insurance Company.

Charles Bracken, director (°1966)

Charles Bracken is Executive Vice President and Chief Financial Officer for Liberty Global with responsibility for Group Finance and Treasury operations, including tax and financial planning, procurement, and facilities as well as capital allocation and finance operations of our largest operations, and overseeing our accounting, external reporting, Investor Relations and Corporate Responsibility functions. He is responsible for overseeing Liberty Global's business plan and its focus on customer support systems. He is an executive officer of Liberty Global and sits on the Executive Leadership Team and the Investment Committee.

Diederik Karsten, director (°1956)

Diederik Karsten has served as a director of the Company since May 2007. He became Executive Vice President, Chief Commercial Officer for Liberty Global in August 2015. Previously Mr. Karsten served as Executive Vice President, European Broadband Operations. Before that he served as the Managing Director for Liberty Global's broadband operations in the Netherlands. Prior to joining Liberty Global, he held various management positions at PepsiCo and Procter & Gamble in the Netherlands, the United States, Germany and the United Kingdom. Mr. Karsten holds a degree in business economics from Erasmus Universiteit Rotterdam, with specializations in Marketing and Accountancy.

Manuel Kohnstamm, director (°1962)

Manuel Kohnstamm has served as a director of the Company since May 2007. Mr. Kohnstamm is Senior Vice President and Chief Corporate Affairs Officer for Liberty Global, responsible for regulatory strategy, government affairs and internal and external communications. Mr. Kohnstamm joined Liberty Global's predecessor in 1999 and held several positions in corporate affairs, public policy, and communications. He was appointed to his current position as an executive officer of Liberty Global in January 2012. Before he joined Liberty Global, Mr. Kohnstamm worked at Time Warner Inc., as Vice President of Public Affairs in Brussels and with the consulting group European Research Associates in Brussels. Mr. Kohnstamm has been President of the industry association Cable Europe since 2008, and a member of the Supervisory Board of Unitymedia GmbH, a Liberty Global subsidiary in Germany. Mr. Kohnstamm graduated in Political Science and holds a Doctorandus Degree in International and European Law from the University of

Amsterdam and a Postgraduate Degree in International relations from the Clingendael Diplomat School in The Hague. He also completed the Cable Executive Management Program from Harvard Business School, Boston (MA).

Jim Ryan, director (°1965)

Jim Ryan has served as a director of the Company from May 2007 until April 2013. Mr. Ryan was appointed director during the shareholders' meeting of April 30, 2014 for a term of four years. Mr. Ryan has been with Liberty Global Europe Holding BV and its predecessors since 2000 as Managing Director of Strategy and Corporate Development, a position he has held until December 2011. Since January 2012, he is Senior Vice President & Chief Strategy Officer and is responsible for the global strategy and strategic planning across all regions of Liberty Global's operations. He holds a degree in Politics, Philosophy and economics from St. John's College, Oxford University.

Suzanne Schoettger, director (°1968)

Suzanne Schoettger has worked with Liberty Global and its predecessors since April 1999. Currently Ms. Schoettger holds the position of Managing Director, Chief of Staff for the CEO Office. Prior to this position Ms. Schoettger held the position of Liberty Global's Chief Audit & Compliance Officer. Before that, she held various positions in financial reporting, auditing and internal controls working across Liberty Global's global footprint. Before joining Liberty Global, Ms. Schoettger worked in the audit practice of Arthur Andersen. Ms. Schoettger holds a Masters in Professional Accounting from the University of Texas at Austin and a Bachelor of Arts in Economics from Hastings College. In addition, she has completed Harvard Business School's General Management Program.

Dana Strong, director (°1970)

In January 2015 Dana was appointed Senior Vice President, Chief Transformation Officer at Liberty Global. In this role she is a member of the Executive Leadership Team, and works with Liberty Global's President and CEO Mike Fries on identifying the strategic and operational opportunities that will shape the future success of the business. From July 2013, Dana worked as Chief Operating Officer at Virgin Media where she oversaw a major restructure of parts of the business following Liberty Global's acquisition of Virgin Media. This followed two years as Chief Executive Officer of UPC Ireland, overseeing that operation's strong growth, improved customer satisfaction, and successful track record of product innovation. Before joining UPC Ireland, Dana served as the Chief Operating Officer of AUSTAR Communications in Australia for Liberty Global. Dana is a dual degree graduate from the University of Pennsylvania with a Bachelor of Science in Economics from The Wharton School of Business and a Bachelor of Arts in History from the College of Arts and Sciences.

André Sarens, observer (°1952)

André Sarens has served as a director of the Company since December 2003. Since April 2012, he has been appointed as observer to the board of directors. Mr. Sarens is currently Grid Participations Manager at Engie, having previously held numerous senior finance and administration positions related to Electrabel's utility service distribution activities in Belgium. In these capacities, he has represented Electrabel and the mixed intermunicipalities in their business dealings with Telenet NV from 1999. Mr. Sarens served on the board of directors of several of the mixed

intermunicipalities in Belgium, and holds several board positions in Electrabel affiliates as eg. Electrabel Green Projects Flanders.

7.5.2 Functioning of the board of directors

The board of directors determines the values and strategy of the Company, supervises and monitors the organization and execution thereof, decides on the risk profile and key policies of the Company, decides on the executive management structure and determines the powers and duties entrusted to the executive management.

The board of directors convenes as often as the interest of the Company requires and in any case at least four times a year. The functioning of the board of directors is regulated by the articles of association and the provisions of the Corporate Governance Charter.

The board of directors has installed a number of committees to assist the board with the analysis of specific issues. These committees advise the board on the relevant topics, but the decision authority remains with the board of directors as a whole.

In the year ended December 31, 2016, six scheduled board of directors meetings and three non-scheduled board of directors meetings took place. Three meetings were held by conference call.

In principle, the decisions are taken by a simple majority of votes. However, the board of directors strives to take the resolutions by consensus.

In accordance with the Corporate Governance Charter the directors are deemed to avoid, to the extent possible, to perform any actions, to defend certain positions, and to pursue certain interests, if this would conflict, or would give the impression of conflict, with the interests of Telenet. If such conflicts of interest would occur, the director concerned shall immediately inform the chairman hereof. The directors shall then comply with the applicable legal provisions of the Belgian Company Code and, in particular, to the extent legally required, abstain from deliberation and voting on the transaction in which the conflict situation arises. The director shall inform the statutory auditor in writing about the conflict of interest. The minutes shall contain the required information and an excerpt shall be published in the annual report. In 2016, article 523 of the Belgian Company Code was applied once. More information can be found in section 7.5.6 of this Statement.

In accordance with the Corporate Governance Charter, transactions and/or business relationships between directors and one or more companies of the Telenet Group, which do not strictly fall under the application of article 523 of the Belgian Company Code, should always take place at normal market conditions. The director concerned informs the chairman hereof, in advance of such transactions.

7.5.3 Evaluation of the board of directors

On a regular basis, the board of directors assesses its functioning and its relation with the Company's executive management. The evaluation exercise is usually performed by means of a questionnaire, to be filled out by all board members. The completed questionnaires are collected by the Company's corporate secretary, and the results thereof are presented to the Remuneration & Nomination Committee and the board of directors. Appropriate action is taken on those items that require improvement. The last evaluation took place in December 2015 and the Remuneration and Nomination Committee and the board of directors of April 2016 assessed and discussed the results of the same. Once a year, the non-executive directors make an evaluation of their interaction with the executive management, whereby they meet in the absence of the executive director and the management of the Company.

The Remuneration & Nomination Committee regularly reviews the composition, the size and the functioning of the board of directors of the Company, its main subsidiaries and the different committees within the board of directors. The latest assessment took into account different elements, amongst others the composition and functioning of the board of directors and its committees, the thoroughness with which material subjects and decisions are prepared and discussed, the actual contribution of each director in terms of presence at board and/or committee meetings and the constructive involvement in the deliberation and resolutions, the evaluation whether the effective composition corresponds with the desirable or ideal composition, the application of the corporate governance rules within the Company and its bodies, and an evaluation of the specific roles such as chairman of the board and chairman or member of a board committee.

Given the increasing impact and importance of corporate social responsibility and sustainability on Telenet's business, the board of directors decided in 2013 that the design, implementation and monitoring of Telenet's corporate and social responsibility program would be discussed and approved at full board level. The board of directors also formally reviews and approves the Company's sustainability report and ensures that all material aspects are covered.

7.5.4 Board Committees

In accordance with the relevant legal requirements, the board of directors has established an Audit Committee and a Remuneration & Nomination Committee. On December 31, 2016, the two board committees were composed as follows:

Name	Audit Committee	Remuneration & Nomination Committee
Bert De Graeve (IDw Consult BVBA)		CM
Jo Van Biesbroeck (JoVB BVBA)	CM	•
Charles H. Bracken		•
Christiane Franck	•	
Suzanne Schoettger	•	

CM: Chairman

The Audit Committee

The principal tasks of the Audit Committee include regularly convening to assist and advise the board of directors with respect to the monitoring of the financial reporting by the Company and its subsidiaries, the monitoring of the effectiveness of the systems for internal control and risk management of the Company, monitoring of the internal audit and its effectiveness, monitoring of the statutory audit of the annual accounts and the consolidated accounts including follow-up on questions and recommendations of the statutory auditor and assessment and monitoring of the independent character of the statutory auditor, taking into account the delivering of additional services to the Company. The Audit Committee also meets at least annually with the external auditor without the presence of the executive management.

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 Company Code regarding the composition of Audit Committees within listed companies, as introduced in December 2008, and the Corporate Governance Code 2009. The meetings of the Audit Committee are also attended by Mr. André Sarens in his capacity of observer to the board of directors. With regard to the competences of the members of the Audit Committee, particular reference is made to the biography of Mr. Jo Van Biesbroeck, chairman of Telenet's Audit Committee, in section 7.5.1 c) of this Statement. Further reference is made to the biographies of Ms. Suzanne Schoettger and Ms. Christiane Franck, members of the Audit Committee, in section 7.5.1. c) of this Statement.

In the year ended December 31, 2016, the Audit Committee convened six times, to review and discuss the quarterly, semi-annual and annual financial statements before submission to the board of directors and, subsequently, publication. At all of these meetings, apart of the meeting of 5 December 2016, the external and internal auditors were invited in order to discuss matters relating to internal control, risk management and any issues arisen from the audit process. The Audit Committee further discussed and advised the board of directors about procedures for and monitoring of financial reporting to its majority shareholder Liberty Global.

The Company has established a whistleblowing procedure, which has been reviewed by the Audit Committee and approved by the board of directors. The Company implemented the whistleblowing procedure in December 2008. This policy allows employees of the Company to raise concerns about possible improprieties in accounting, internal control or audit matters in confidence via a telephone line or a reporting website. The employees can remain anonymous if requested. Complaints received through the telephone line or reporting website are handled by the Company's compliance officer and the chairman of the Audit Committee.

The chairman of the Audit Committee reports on the matters discussed in the Audit Committee to the board of directors after each meeting and presents the recommendations of the Audit Committee to the board of directors for decision-making.

The Remuneration & Nomination Committee

The principal tasks of the Remuneration & Nomination Committee include formulating proposals to the board of directors with respect to the remuneration policy of non-executive directors and executive management (and the resulting proposals to be presented by the board of directors to the shareholders), the individual remuneration and severance pay of directors and executive management, including variable remuneration and long term performance bonuses, whether or not related to shares, in the form of stock options or other financial instruments (and the resulting proposals to be presented by the board of directors to the shareholders where applicable), the hiring and retention policy, the nomination of the CEO, assisting the CEO with the appointment and succession planning of executive management, the preparation of the remuneration report to be included in the corporate governance statement by the board of directors and the presentation of this remuneration report at the annual general shareholders' meeting.

Furthermore, the Remuneration & Nomination Committee's tasks include designing an objective and professional (re-) appointment procedure for directors, the periodic evaluation of the scope and composition of the board of directors, searching for potential directors and submitting their applications to the board of directors and making recommendations with respect to candidate-directors.

The Committee is composed exclusively of non-executive directors and has three members. Two members are independent directors of the Company. The chairman of the board of directors also serves as chairman of the Remuneration & Nomination Committee. The members of the Committee have ample experience in remuneration matters, amongst other things because they have taken up senior executive roles in large companies in other stages of their careers.

The members of the Remuneration & Nomination Committee as of the date hereof were: (i) IDw Consult BVBA (represented by its permanent representative Mr. Bert De Graeve), chairman; (ii) Mr. Charles Bracken, and (iii) JoVB BVBA (represented by its permanent representative Mr. Jo Van Biesbroeck).

In the year ended December 31, 2016, the Remuneration & Nomination Committee met five times in the presence of the CEO (except for matters where the CEO was conflicted). Among other matters, the Committee addressed the evaluation of the functioning of the board of directors and its relation with the SLT, the determination of the remuneration package of the CEO and the SLT, the composition of the different board committees, the granting of stock options to the CEO, the granting of stock options and performance shares to the SLT, the granting of stock options to selected employees and the possibility to pay bonuses to employees through warrants.

The chairman of the Remuneration & Nomination Committee reports on the matters discussed in the Committee to the board of directors after each meeting and presents the recommendations of the Remuneration & Nomination Committee to the board of directors for decision-making.

7.5.5 Attendance

Please find below the attendance overview of the board and committee meetings. In this overview, all meetings are presented (not exclusively the annually pre-scheduled meetings).

Name	Board of Directors (9)	Audit Committee (6)	Remuneration & Nomination Committee (5)
Bert De Graeve (IDw Consult BVBA)	8 of (9) CM		5 of (5) CM
John Porter	6 of (9)		
Jo Van Biesbroeck (JoVB BVBA)	8 of (9)	5 of (6) (CM)	5 of (5)
Christiane Franck	9 of (9)	5 of (6)	
Charles H. Bracken	9 of (9)		5 of (5)
Diederik Karsten	5 of (9)		
Manuel Kohnstamm	6 of (9)		
Jim Ryan	6 of (9)		
Dana Strong	8 of (9)		
Suzanne Schoettger	5 of (9)	6 of (6)	
André Sarens (Observer)	9 of (9)	5 of (6)	

CM: Chairman

7.5.6 Application of legal rules regarding conflicts of interest

During the meeting of the board of directors of February 9, 2016, article 523 of the Belgian Company Code was applied.

At the meeting of February 9, 2016, the board of directors discussed, amongst other items, the determination of the bonus and merit for the CEO and the determination of the achievement of performance criteria under the CEO SOP 2013, the CEO SOP 2014, the CEO SOP 2014 *bis* and the CEO SOP 2015. The minutes of that meeting mention the following in this respect:

"Prior to the reporting on the discussions held within the Remuneration & Nomination Committee meeting of 8 February 2016 and 9 February 2016 and deliberating and resolving on some of these items (in particular (i) the determination of bonus & merit for the CEO, and (ii) the determination of achievement of performance criteria under the CEO SOP 2013, the CEO SOP 2014, the CEO SOP 2014bis and the CEO SOP 2015), Mr John Porter (CEO and Managing Director) informs the Board that he has a (potential) financial conflict of interest regarding this decision in the meaning of Article 523 of the Belgian Companies Code.

Mr John Porter declares that he will inform the Company's auditor of this conflict of interest. He then leaves the meeting for this specific agenda item."

The chairman of the Remuneration & Nomination Committee reports on the discussions held on the bonus and merit of the CEO within the meeting of the Remuneration & Nomination Committee meeting of February 9, 2016. The Committee decided that:

- that the bonus targets for the CEO for 2015 have been fully achieved;
- that the CEO will be awarded a bonus of 100% of his annual remuneration, (i.e. over and above 75% target) i.e. a bonus of €630,000;
- to unanimously advise the board of directors to approve this bonus amount for the CEO;
- that in terms of overall CEO compensation and merit, the chairman of the Committee will take the lead to evaluate the CEO package and shall - in consultation with Mr. Charles Bracken (member of the Committee) - come up with a proposal to be submitted to the Committee and the board of directors. The Committee unanimously mandates the chairman accordingly.

After discussion and taking into account the recommendation of the Remuneration & Nomination Committee, the board decides to confirm, approve and endorse, to the extent necessary, the decisions of the Remuneration & Nomination Committee as set out above.

The chairman of the Remuneration & Nomination Committee reports on the discussions held on the determination of the achievement of the performance criteria under the CEO SOP 2013, the CEO SOP 2014, the

CEO SOP 2014 *bis* and the CEO SOP 2015. The Committee decided that:

- In accordance with the power granted to the Remuneration & Nomination Committee under the relevant stock option plans in relation to the management of the plans and the determination of the achievement of the performance criteria, the Committee advises the board of directors that the relevant performance targets for the performance year 2015 have been achieved under the CEO SOP 2013, CEO SOP 2014, CEO SOP 2014 *bis* and CEO SOP 2015.

After discussion and taking into account the advice of the Remuneration & Nomination Committee, the board decides to confirm, approve and endorse, to the extent necessary, the achievement of the performance criteria under the CEO SOP 2013, CEO SOP 2014, CEO SOP 2014 *bis* and CEO SOP 2015.

At the meeting of February 14, 2017, the board of directors discussed, amongst other items, (i) the determination of the bonus and merit for the CEO, (ii) the determination of the achievement of performance criteria under the CEO SOP 2014, the CEO SOP 2014bis and the CEO SOP 2015 and (iii) the revised proposal to be submitted to the annual meeting of shareholders as regards the remuneration for the independent directors.

"Prior to the reporting on the discussions held within the Remuneration & Nomination Committee meeting of 14 February 2017 and resolving on some of these items (in particular (i) the determination of bonus & merit for the CEO, and (ii) the determination of the achievement of the performance criteria under the CEO SOP 2014, the CEO SOP 2014bis and the CEO SOP 2015), Mr. John Porter (CEO and Managing Director) informs the Board that he has a (potential) financial conflict of interest regarding this decision in the meaning of Article 523 of the Belgian Companies Code.

Mr. John Porter declares that he will inform the Company's auditor of this conflict of interest. He then leaves the meeting for this specific agenda item."

The chairman of the Remuneration & Nomination Committee reports on the discussions held on the bonus and merit of the CEO within the meeting of the Remuneration & Nomination Committee meeting of February 14, 2017. The Committee decided that:

- the bonus targets for the CEO for 2016 have been fully achieved;
- the CEO will be awarded a bonus of 100% of his annual remuneration, i.e. a bonus of €630,000;
- to unanimously advise the board of directors to approve this bonus amount for the CEO;

- in terms of overall CEO compensation and merit, the chairman of the board of directors, will take the lead to evaluate the CEO package and shall - in consultation with the Committee members - come up with a proposal to be submitted to a following Committee meeting and the board of directors. The Committee unanimously mandates the chairman of the board of directors accordingly and ask management to liaise with the chairman in providing necessary data.

After discussion and taking into account the recommendation of the Remuneration & Nomination Committee, the board decides to confirm, approve and endorse, the extent necessary, the decisions of the Remuneration & Nomination Committee as set out above.

The chairman of the Remuneration & Nomination Committee reports on the discussions held on the determination of the performance criteria under the CEO SOP 2014, the CEO SOP 2014bis and the CEO SOP 2015. The Committee decided that:

- in accordance with the powers granted to the Committee under the relevant stock option plans in relation to the management of the plans and the determination of the achievement of the performance criteria, the Committee advises the board that the relevant performance targets for the performance year 2016 have been achieved under the CEO SOP 2014, CEO SOP 2014bis and CEO SOP 2015.

After discussion and taking into account the advice of the Remuneration & Nomination Committee, the board decides to confirm, approve and endorse, to the extent necessary, the achievement of the performance criteria under the CEO SOP 2014, the CEO SOP 2014bis and the CEO SOP 2015.

***“Prior to the reporting on the discussions held within the Remuneration & Nomination Committee meeting of 14 February 2017 and resolving on some of these items (in particular the remuneration of the independent directors), each of the independent directors, IDw Consult BVBA (with Bert De Graeve as permanent representative), JoVB BVBA (with Jo Van Biesbroeck as permanent representative) and Christiane Franck, declared to have a (potential) personal and conflicting interest falling within the scope of Article 523 of the Belgian Company Code with the proposed decision as the decision would entail a proposal by the board of directors to the shareholders’ meeting for an amendment of each such independent director’s level of (variable and/or fixed) remuneration.*”**

After this declaration and prior to any discussion or deliberation on this point of the agenda, each of the independent directors confirmed that it would inform the Company’s auditor and left the meeting.”

In the absence of the Chairman, Mr. John Porter, as invitee on specific topics, of the Company’s remuneration committee, explained to the Board that the remuneration committee, at its 14 February 2017 meeting, examined a benchmarking study in relation to the various levels of remuneration of independent directors of Bel20 companies. On this basis and taking into account the manner the independent directors fulfil their role for the Company, the remuneration committee recommends to the Board to increase the (fixed and/or variable) levels of remuneration to match the level of the peer group, as follows:

- to set the fixed annual remuneration of the chairman of the board at €120,000;

- to set the attendance fee for board meetings for the independent directors at €3,500 with a maximum of €24,500 per year;
- to set the attendance fee for the chairman of the Audit Committee for Audit Committee meetings at €4,000 per meeting;
- to set the attendance fee for the other independent directors participating in the Audit Committee at €3,000 per meeting;
- to set the attendance for independent directors participating in the Remuneration & Nomination Committee at €2,000

The Board then examined and discussed the study, considering that the Company needs to attract and continue to attract the highest quality of independent directors given its complexity and its continued demand on directors’ time. The Board therefore considered that it was justified and in the Company’s best interest that it would align the independent directors’ compensation with that of the relevant peer group and taking into account the manner the independent directors fulfil their role, proposed to submit to the general shareholders’ meeting to increase in compensation as follows:

- to set the fixed annual remuneration of the chairman of the board at €120,000;
- to set the attendance fee for board meetings for the independent directors at €3,500 with a maximum of €24,500 per year;
- to set the attendance fee for the chairman of the Audit Committee for Audit Committee meetings at €4,000 per meeting;
- to set the attendance fee for the other independent directors participating in the Audit Committee at €3,000 per meeting;
- to set the attendance for independent directors participating in the Remuneration & Nomination Committee at €2,000.

Assuming an equal number of Committee meetings this proposal entails an overall aggregate increase of the level of independent directors’ remuneration in an amount of maximum €89,000, which will be submitted for approval to the shareholders’ meeting to be held on 26 April 2017, and to be included, in the aggregate and per independent director, in the remuneration report to be submitted for approval to the shareholders’ meeting to be held on 26 April 2017. For good order, the remuneration for other directors shall remain as is and unaffected (see 7.7.1).

7.5.7 Comments on the measures taken to comply with the legislation concerning insider dealing and market manipulation (market abuse)

The Company adopted a Dealing Code which intends to ensure that any persons who are in possession of inside information at any given time, do not misuse, and do not place themselves under suspicion of misusing inside information (e.g. by buying or selling shares or other securities of the Company on the basis of inside information) and to ensure that such persons maintain the confidentiality of such inside information and refrain from market manipulation. The Dealing Code

is addressed to all employees, temporary staff, members of the boards of directors (or equivalent), managers, consultants and advisers of the Company and its subsidiaries.

The legal basis for this Code is Regulation No 596/2014 on market abuse (the Market Abuse Regulation), together with its implementing regulations and ESMA and FSMA guidance.

Any dealings in Company securities by persons discharging managerial responsibilities and persons closely associated, must be reported as soon as possible to the FSMA and the General Counsel as compliance officer responsible for supervising compliance with the market abuse rules and regulations and the Dealing Code. The Company's Dealing Code was last revised on February 14, 2017.

7.6 Daily management

7.6.1 General

The CEO is responsible for the daily management of the Company. The CEO is assisted by the executive management ("SLT"), of which he is the chairman, and that does not constitute a management committee within the meaning of article 524bis of the Belgian Company Code.

On April 1, 2013, Mr. John Porter was appointed as CEO of the Company.

Mr. Veenod Kurup, Chief Information Officer of Telenet and member of the Senior Leadership Team took up the role of Chief Information Officer within the Liberty organization as of 1 April 2016. Ms. Sam Lloyd replaced Mr. Kurup as Chief Information Officer of Telenet and member of the Senior Leadership Team as of 1 March 2016.

Following this reorganization, the SLT was composed as follows on December 31, 2016:

Name	Year of birth	Position
John Porter	1957	Chief Executive Officer
Birgit Conix	1965	Chief Financial Officer
Luc Machtelinckx	1962	Executive Vice President - General Counsel
Micha Berger	1970	Chief Technology Officer
Sam Lloyd	1974	Chief Information Officer
Patrick Vincent	1963	Chief Transformation Officer
Jeroen Bronselaer	1978	Senior Vice President Residential Marketing
Martine Tempels	1961	Senior Vice President Telenet Business
Claudia Poels	1967	Senior Vice President Human Resources
Dieter Nieuwdorp	1975	Senior Vice President Strategy & Corporate Development
Ann Caluwaerts	1966	Senior Vice President Public Affairs & Media Management
Benedikte Paulissen	1969	Chief Customer Officer

The Chief Executive Officer is authorized to legally bind the Company acting individually within the boundaries of daily management and for specific special powers that were granted to him by the board of directors. In addition, the board of directors has granted specific powers to certain individuals within the Telenet Group. The latest delegation of powers has been published in the Annexes of the Belgian Official Journal on November 25, 2016.

7.6.2 Conflicts of interest

Pursuant to the Corporate Governance Charter, the members of the SLT are deemed to avoid, to the extent possible, to perform any actions, to defend certain positions, and to pursue certain interests, if this would conflict, or would give the impression to conflict, with the interests of the Company. If such conflicts of interest would occur, the concerned

member of the SLT shall immediately inform the CEO hereof, who will in turn inform the chairman of the board of directors.

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

7.6.3 Biographies of the members of the SLT

The following paragraphs set out the biographical information of the current members of the SLT of the Company:

John Porter, Chief Executive Officer

John Porter is the Chief Executive Officer of Telenet Group Holding NV a Belgian public limited liability company. In this capacity, he is responsible for the day-to-day operations of the Company, spanning over 2 million customers and accounting for EUR 2 billion of annualized revenue. Telenet's track record of substantial innovation around the customer relationship has delivered some of the lowest churn and highest net promoter scores in the industry. Prior to joining Telenet in 2013, Mr. Porter served as the Chief Executive Officer of AUSTAR United Communications Ltd., at the time a Liberty Global subsidiary and an Australian public company that was a leading provider of subscription television and related products in regional Australia. He held this position until AUSTAR was acquired by Foxtel, a joint venture between News Corporation and Telstra, in May 2012. Mr. Porter led the growth of AUSTAR since inception, becoming its CEO at the time of its 1999 initial public offering. Previously, he served as the Chief Operating Officer for the Asia/Pacific region for a predecessor company of Liberty Global. From 1989 to 1994, Mr. Porter was President, Ohio Division, of Time Warner Communications. He started his career at Group W Broadcasting and Cable, as Director Government Relations before becoming General Manager of Westinghouse Cable Systems in Texas and Alabama. Mr. Porter serves as the Chairman and a non-executive director on the board of the publicly listed company Enero, a diversified marketing services company Australia's. Mr Porter has a Bachelor of Arts from Kenyon College.

Birgit Conix, Chief Financial Officer

Birgit Conix joined Telenet as Chief Financial Officer in October 2013. Ms. Conix has over 20 years of experience in finance across multiple industries, including fast moving consumer goods, medical devices and pharmaceuticals. Prior to joining Telenet, Ms. Conix was Regional Head of Finance for Heineken's Western European organization and a member of Heineken's Western European Management team and Global Finance Leadership team. Prior to joining Heineken in 2011, Ms. Conix held different top-level international positions at Johnson & Johnson in finance, strategy and business operations. Prior to Johnson & Johnson, she worked at Tenneco and Reed-Elsevier. Ms. Conix holds a Master of Science in Business Economics from Tilburg University in the Netherlands and an MBA from the University of Chicago Booth School of Business, USA.

Luc Machtelinckx, Executive Vice President and General Counsel

Luc Machtelinckx joined Telenet as Director Legal Affairs in February 1999. In this function, he was closely involved in the initial commercial steps, as well as the further development of Telenet's telephony and

internet offerings. After the acquisition of the cable assets of the mixed intermunicipalities, Mr. Machtelinckx specialized in cable television legal affairs and more specifically, he played an important role in the iDTV project. In January 2007, Mr. Machtelinckx was appointed Vice President and General Counsel and as of January 2008 Senior Vice President and General Counsel. Since April 2009, Mr. Machtelinckx was appointed Executive Vice President and General Counsel. Prior to joining Telenet, Mr. Machtelinckx worked for 11 years at Esso Benelux in various legal and HR functions as well as for three 3 years at BASF Antwerp as Legal Manager and as Communication Manager.

Micha Berger, Chief Technology Officer

Micha Berger joined the Telenet Group in July 2013 and he leads the activities of the Engineering Department, the Service Assurance Group and Mobile Services as Chief Technology Officer ("CTO") since that time. As of July 1, 2013, he also joined Telenet's SLT, reporting directly to the Company's CEO. Mr. Berger has worked for Liberty Global since 2006, initially as Manager of the Engineering Department at UPC Nederland. As Vice President at Liberty Global since 2010, he has been responsible for Horizon Next Generation digital TV development and product roll-out. Before these endeavors, he gained his first experience in the cable industry at HOT Israel, where he was responsible for the development of the interactive digital service platform and the roll-out of video-on-demand.

Sam Lloyd, Chief Information Officer

Sam Lloyd joined Telenet in February 2016 to run the IT function for the combined Telenet and Base group. This division is responsible for running all of the IT systems across Telenet and the newly acquired Base company covering all software and hardware - including websites / Portals, Sales, CRM, Billing, OSS, middleware, BI, Big data and Enterprise / ERP. Responsibilities include all operational support and run & maintain activities, systems security, all software development, and testing of all new releases and technology. Prior to joining Telenet, Sam held the position of Director Development & Delivery at Virgin Media in the UK (a 4.6bn revenue company) where she ran a team of circa 700 FTE and was accountable for all IT applications support, development and project delivery. Sam has more than 20 years experience in the IT sector running and developing IT environments across the Utilities and Telecoms industries. In 2015 she was nominated for Woman of the Year Technology in the Worldwide 12th Annual Stevie Awards for Women in Business held in New York, USA and achieved Silver. Sam has a degree in Business and during her career has undertaken numerous management, people leadership and negotiation training courses.

Patrick Vincent, Chief Transformation Officer

Patrick Vincent joined Telenet in September 2004 as Customer Service & Delivery Director. In 2007 he became EVP Sales & Customer operations. In 2013, Chief Customer Officer. He is currently Chief Transformation Officer in charge of the integration of the Base Company including guidance for new operating models. Mr. Vincent started his career in 1989 in the food industry as Business Unit Manager of the cash and carry division at NV Huyghebaert. From 1994 to 1998, he was responsible for the sales division and in 1998 was promoted to Commercial Director. From 2000 to 2004, he worked at Tech Data, an IT distribution & service company, as Sales Director for Belgium and Luxembourg, and in 2002 was promoted to the role of Country Manager for Belgium and Luxembourg.

Jeroen Bronselaer, Senior Vice President Residential Marketing

Jeroen Bronselaer joined the Telenet Group in September 2010 and was first responsible for the negotiations and relations with broadcasters and content suppliers. Later he took on broader roles managing Telenet's premium sport and movie channels and was named Vice President Product Entertainment, responsible for the entire entertainment product portfolio of Telenet. In September 2015, Jeroen joined the Senior Leadership Team as Senior Vice President Residential Marketing. Prior to joining the Telenet Group, Jeroen Bronselaer worked at the Flemish public broadcaster VRT, where he started out as a TV producer but quickly evolved into more business driven roles within the Media department of VRT. Jeroen Bronselaer holds a Master degree as Commercial Engineer and Post-graduate degree in Communication from the KU Leuven.

Martine Tempels, Senior Vice President Telenet for Business

Martine Tempels joined the Telenet Group in January 2009. She is responsible for the Telenet Group's business-to-business division and joined the Senior Leadership Team in October 2010. Ms. Tempels started her career at NCR (AT&T) and moved to EDS in 1996 to become Account Manager, subsequently assuming additional responsibilities as Business Unit Manager for the financial and commercial sector. In 2007, Ms. Tempels was appointed Application Service Executive for the Northern and Central Region EMEA. Ms. Tempels holds a Master in Business and Economics from Vrije Universiteit Brussel.

Claudia Poels, Senior Vice President Human Resources

Claudia Poels joined the Telenet Group in May 2008 as Vice President Human Resources. Since June 15, 2009, she joined the SLT as Senior Vice President Human Resources. Prior to joining the Telenet group, Ms. Poels worked since 1992 at EDS, where she gained extensive experience working within various human resources disciplines. In 2002, Ms. Poels was promoted to HR Director of the Belgian and Luxembourg entity, and in 2006 she became the HR Operations Director for Northern Europe. Ms. Poels holds a Master degree in Law from KU Leuven and a DEA & DESS Degree in European Law from Université Nancy II (France).

Dieter Nieuwdorp, Senior Vice President Strategy & Corporate Development

As of May 1, 2014, Dieter Nieuwdorp joined the SLT as Senior Vice President Strategy & Corporate Development. Besides the development of the general strategy of the company and the structuring of M&A transactions and other partnerships, his function also includes the Project Portfolio Management Office and - since 2016 - the New Business Department. Mr. Nieuwdorp joined Telenet in 2007 as Corporate Counsel and Corporate Secretary and became VP Corporate Counsel & Insurance in 2010. He started his career as a lawyer with Loeff Claey's Verbeke (later Allen & Overy) in 1998. Mr. Nieuwdorp holds a Master of Law degree from KU Leuven and a LL.M from the University of Pennsylvania Law School.

Ann Caluwaerts, Senior Vice President Corporate Affairs & Communication

Ann Caluwaerts, Senior Vice President Corporate Affairs and Wholesale, has got more than 20 years of experience in the international telecom and local media industry. Before she began working at Telenet, Ann gained experience at BT and Lernout & Hauspie Speech Products. Her

expertise is mainly focused on strategic communications, regulatory affairs, strategy development, change management, marketing and wholesale. Ann graduated as civil engineer and followed different courses at (a.o.) Insead and the London Business School. She regularly speaks at conferences and academic organizations.

Benedikte Paulissen, Chief Customer Officer

Benedikte Paulissen studied Applied Economics at the KU Leuven and obtained a post-graduate degree in European law at the UCL. She also worked for Flanders Technology International, a non-profit organization established by the Flemish government to promote technology, innovation and science. In 1998, she switched to Telenet and worked at the communication department and the marketing division to promote Telenet to the general public. In 2004, she was made responsible for all direct sales channels, including telesales and sales via indirect sales channels, including own shops, dealers and Telenet Centres. From 2011 she was also responsible for all customer service activities.

7.7 Remuneration report

7.7.1 Remuneration of directors

The general meeting of shareholders of the Company approved the remuneration principles of the non-executive directors of the Company in its meetings of April 28, 2010, April 24, 2013, April 29, 2015 and April 27, 2016. Each non-executive director's remuneration consists of an annual fixed fee, increased with an attendance fee per attended meeting of the board of directors. All directors, except the CEO and the directors appointed upon nomination of the Liberty Global Group, receive an annual fixed fee of €45,000 each. The chairman of the board of directors receives an annual fixed fee of €100,000. For each attended scheduled meeting of the board of directors, these directors receive an amount of €2,500. The directors appointed upon nomination of the Liberty Global Group, receive an annual fixed fee of €12,000 each. For each attended scheduled meeting of the board of directors, they receive an amount of €2,000. The annual fixed fees are only due if the director attends at least half of the scheduled board meetings. No additional remuneration is awarded for (attending) committee meetings. The observer to the board of directors of Telenet is paid in the same fashion as the independent directors of the Company.

The CEO, who is the only executive director, is not remunerated for the exercise of his mandate as member of the board of directors of any of the Telenet companies.

For the year ended December 31, 2016, the aggregate remuneration of the members of the board of directors (including the observer) amounted to €456,000 for the Company (see table below for individual remuneration).

None of the directors (except the CEO of the Company) receives: variable remuneration within the meaning of the Law of April 6, 2010, and any profit-related incentives, option rights, shares or other similar fees.

Pursuant to Belgian legislation and regulations, all board members (or persons related to them or entities fully controlled by them) must report details of their (transactions in) stock options and shares of the Company to the Belgian Financial Services and Markets Authority.

The individual remuneration paid for each member of the board of directors and the observer to the board in 2016 is set out in the table below.

Name	Remuneration 2016
Bert De Graeve (IDw Consult BVBA) (CCM)	€117,500
John Porter	-
Christiane Franck	€65,000
Jo Van Biesbroeck (JoVB BVBA)	€62,500
Charles H. Bracken	€28,000
Diederik Karsten	€22,000
Manuel Kohnstamm	€24,000
Jim Ryan	€24,000
Dana Strong	€26,000
Suzanne Schoettger	€22,000
André Sarens *	€65,000

CCM: Current Chairman - in function as of 30/04/2014

(*): Observer

The Company expects the remuneration principles of the directors of the Company for the next two financial years to be consistent with the current remuneration policy. Except for the proposal made by the board of directors of 14 February 2017 (item 13 on the AGM agenda) i.e.: to (i) increase the fixed annual remuneration of the chairman of the board of directors from €100,000 to €120,000, (ii) increase the attendance fee for board meetings for the independent directors from €2,500 to €3,500, but with a maximum of €24,500 per year, (iii) introduce an attendance fee for the chairman of the Audit Committee for Audit Committee meetings at €4,000 per meeting, (iv) introduce an attendance fee for the other independent directors participating in the Audit Committee at 3,000 per meeting, and (v) to introduce an attendance fee for independent directors participating in the Remuneration & Nomination Committee at €2,000. All other remunerations remain unaffected.

7.7.2. Remuneration of Executive Management (Senior Leadership Team)

1. General remuneration principles

The determination and evolution of the Company's remuneration practices are closely linked with the growth, results and success of the Company as a whole. The Company's remuneration policy is built around internal fairness and external market competitiveness. These principles are executed through HR tools like function classification, career paths, and external benchmarking. The Company's strategy aligns competitive pay with the interests of shareholders and other stakeholders, aiming for an optimal balance between offering competitive salaries and avoiding excessive remuneration, while maintaining focus on performance and results. This implies that the Company's policies are reviewed periodically and adapted where needed.

The Company strives for an optimal mix between the different components of the remuneration package, balancing elements of fixed pay and variable pay. As examples, the Company's policy on fringe benefits offers good social support in terms of extra-legal pension, life and disability coverage and medical insurance; all of the Company's

employees can benefit from price concessions or additional benefits for Telenet products; and share ownership of the Company is encouraged via employee stock purchase plans and other long-term incentive plans. The Company's experience has shown that this balanced remuneration policy helps to attract and retain top talent.

Performance management and the achievement of results is another anchoring element in the Company's total rewards strategy: the vast majority of its employees are evaluated on and rewarded according to (i) the achievement of individual and/or corporate objectives and (ii) individual performance being in line with the Company's Competence and Leadership Model. Throughout the Company's remuneration policy, customer loyalty (measured by means of a Net Promotor Score ("NPS") - see further below) plays a pivotal role.

2. Remuneration principles for executive management (Senior Leadership Team)

a) General

The Remuneration & Nomination Committee prepares a proposal for the remuneration principles and remuneration level of the CEO and submits it for approval to the board of directors.

The Senior Vice President Human Resources prepares a proposal for determining the remuneration principles and remuneration level of the members of the SLT (other than the CEO) for submission to the Remuneration & Nomination Committee. The Remuneration & Nomination Committee discusses (and possibly amends) the proposal and submits it for approval to the board of directors.

The remuneration policies of the CEO and the members of the SLT are based on principles of internal fairness and external market competitiveness. The Company endeavors to ensure that the remuneration of the Senior Leadership Team consists of an optimal mix between various remuneration elements.

Each member of the SLT is remunerated by taking into account (i) his/her personal functioning and (ii) pre-agreed (company-wide and individual) targets. For the year ended December 31, 2016, 50% of management's bonuses (other than the CEO) depend on financial and operational targets, the other 50% on individual and departmental objectives. The functioning of each member of the SLT is assessed on the basis of the Company's Competence and Leadership Model.

Within the limits of the existing stock option and warrant plans approved by the general shareholders' meeting, the board of directors, upon recommendation of the Remuneration & Nomination Committee, can also grant warrants and/or stock options to the members of the SLT.

The Performance Shares Plans 2016, 2015, 2014 and 2013 for members of the SLT contain a provision regarding "claw back" of variable remuneration granted in case of restatement of the Company's financial statements. None of the Company's other share-based compensation plans, including those with the CEO, have such "claw back" features.

In accordance with Belgian legislation and regulations, details of (transactions in) stock options and shares held by all members of the SLT (or persons related to them or entities fully controlled by them) are reported to the FSMA in Belgium.

In 2011, the variable remuneration of the CEO and the members of the SLT of the Company was reviewed in order to comply with the binding provisions of the Law of April 6, 2010 and the relevant principles of the Belgian Corporate Governance Code on executive remuneration. The general shareholders' meeting of April 27, 2011 and April 2014 approved these remuneration principles of the CEO and the other members of the SLT. The Company expects the remuneration principles of the members of the SLT of the Company for the next two financial years to be consistent with the current remuneration policy.

b) Remuneration principles for the CEO

The CEO's annual remuneration package consists of a fixed part, a variable part, and includes premiums paid for group insurance and benefits in kind.

The variable cash remuneration of the CEO is based on his general performance over the year. Every year, the Remuneration & Nomination Committee formulates a bonus and salary proposal for approval by the board of directors. For 2016, the Remuneration & Nomination Committee proposed to the board of directors (i) to grant a cash bonus to the CEO for 2016 equal to €630,000; (ii) to determine his fixed compensation for 2016 to be €630,000 on an annual basis; (iii) to determine the maximum cash bonus for 2016 to be 100% of the 2016 annual fixed compensation.

The CEO is eligible for share-based remuneration. For details on the share-based remuneration of the CEO (including the share-based remuneration received in 2016), please see section 3.b) below.

c) Remuneration principles for the members of the SLT (excluding the CEO)

The annual remuneration of the members of the SLT (excluding the CEO) consists of a fixed salary (including holiday pay and thirteenth month), a variable remuneration part, and includes premiums paid for group insurance and benefits in kind.

The agreements with the members of the SLT (excluding the CEO) do not contain specific references to the criteria to be taken into account when determining variable remuneration, which deviates from provision 7.17 of the Belgian Corporate Governance Code 2009. The Company sets out the principles of variable remuneration in a general policy because it believes that there should be sufficient flexibility in the determination of the variable remuneration principles that allows for the consideration of prevailing market circumstances.

The variable cash remuneration depends on performance criteria relating to the respective financial year. With respect to the bonus for each member of the SLT (excluding the CEO) for performance year 2016, 100% was linked to the Company's financial and operational targets, an additional multiplier was linked to the individual performance score based on achieving the success of the individual and departmental objectives. Upon advice of the CEO, the Remuneration & Nomination Committee decides on the achievement of the performance criteria of each member of the SLT as leader of their department and as an individual.

For the year ended December 31, 2016, the board of directors approved to grant a total variable remuneration package to the CEO, the members of the SLT and one other manager, composed of a cash bonus and performance shares (the "2016 Telenet Performance Shares"). These

performance shares will only be definitively acquired by the beneficiaries after a period of three years, subject to the achievement of certain performance criteria over those three years. These performance shares are contractual rights to receive, subject to certain performance based criteria, existing ordinary shares for free from the Company.

In addition, the payout of the cash bonus to members of the SLT (excluding the CEO) will be linked to meeting certain predetermined performance criteria over a one-year period. When these performance criteria are met, the acquired cash bonus will be paid out in the year following the performance year (and no longer be deferred over a period of 3 years as was the case until 2013). All performance criteria will be determined by the CEO and the Remuneration & Nomination Committee and validated by the board of directors.

The members of the SLT (excluding the CEO) are eligible for share-based remuneration. For details on the share-based remuneration of the members of the SLT (including the share-based remuneration received in 2016), please see section 4.b) below.

The general shareholders' meeting of the Company approved the relevant terms of this remuneration package on April 27, 2011 and April 2014, in accordance with the provisions of the Law of April 6, 2010.

3. Remuneration CEO

a) Cash-based remuneration

The Company's CEO was granted the following remuneration in the year ended December 31, 2016: (i) a fixed remuneration of €630,000, (ii) a variable remuneration of €630,000, and (iii) benefits in kind valued at €150,036.85. As mentioned in section 7.7.1, the CEO is not remunerated for the exercise of his mandate as director of the Company or any other Telenet companies.

The relative weight these components for the year ended December 31, 2016 was: (i) fixed remuneration 44.7%, (ii) variable remuneration 44.7%, and (iii) benefits in kind 10.6%.

This cash-based variable remuneration, together with the relevant part of the share-based variable remuneration under the CEO SOP 2013, the CEO SOP 2014, CEO SOP 2014 *bis*, CEO SOP 2015 and ESOP 2016 (see below), constitutes the total variable remuneration of the CEO for purposes of the Law of April 6, 2010, as approved by the general shareholders' meeting of April 27, 2011.

The benefits in kind include insurances for medical costs, life and disability, a company car, school fees for his children and a travel allowance up to certain maximum annual amounts. The CEO further receives a price concession with respect to Telenet products and services he orders.

He receives no benefits in cash linked to a performance period of longer than one year.

b) Share-based remuneration

The Company's CEO did not receive shares or warrants of the Company during the last financial year.

On July 4, 2013, the CEO received 200,000 stock options under the CEO Stock Option Plan 2013 ("CEO SOP 2013"). These stock options are of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.

The term of the stock options is five years, such that, all of the stock options granted under the CEO SOP 2013 have an expiration date of July 4, 2018. The stock options vest in three installments, on July 4, 2014, July 4, 2015 and July 4, 2016, respectively, subject to the achievement of certain performance criteria. All stock options that vest pursuant to the CEO SOP 2013, become exercisable during defined exercise periods as from July 4, 2016.

The exercise price of these stock options is equal to €34.33.

The vesting is performance based. The annual performance based vesting conditions were determined by the Remuneration & Nomination Committee, in consultation with the CEO. Upon a change of control over the Company, a de-listing of the Company or the start of a squeeze-out offer in relation to the shares of the Company, all stock options vest immediately and automatically.

The shares that can be acquired upon the exercise of the stock options are furthermore subject to the following retention features (applicable to each separate exercised tranche): (i) in the 90 days following the exercise of the stock options, the respective shares can only be sold up to an amount required to recover the tax and exercise price related to the exercised stock options, (ii) in the subsequent period of 270 days, a maximum of 50% of the remaining shares acquired upon the exercise of the respective stock options may be sold, and (iii) the balance of the shares may only be sold following the end of the 18th month following the month in which the respective exercise period ended.

The performance based conditions relate to the Adjusted EBITDA of the Telenet Group on a consolidated basis, the customer loyalty/satisfaction achieved by the Telenet Group and the product and services innovation within the Telenet Group. On February 11, 2014, the Remuneration & Nomination Committee determined that these performance criteria had been achieved for 2013, which resulted in the vesting of a first installment of 50,000 stock options on July 4, 2014. On February 10, 2015, the Remuneration & Nomination Committee determined that the performance criteria had also been achieved for 2014, which resulted in the vesting of a second installment of 100,000 stock options on July 4, 2015. On February 9 2016, the Remuneration & Nomination Committee determined that the performance criteria had been met for 2015, which results in the vesting of a third installment of 50,000 stock options on July 4, 2016.

On November 8, 2013, the CEO received 185,000 stock options under the CEO Stock Option Plan 2014 ("CEO SOP 2014"). These stock options are of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.

The term of the stock options is seven years, such that all of the stock options granted under the CEO SOP 2014 have an expiration date of June 26, 2020. The stock options vest in two installments, on respectively June 26, 2016 and on March 1, 2017, subject to the achievement of certain performance criteria. All stock options that vest pursuant to the CEO SOP 2014 become exercisable during defined exercise periods following June 26, 2016.

The exercise price of these stock options is equal to €38.88.

The vesting is performance based. The annual performance based vesting conditions were determined by the Remuneration & Nomination Committee, in consultation with the CEO. Upon a change of control over the Company, a de-listing of the Company or the start of a squeeze-out offer in relation to the shares of the Company, all stock options vest immediately and automatically.

The shares that can be acquired upon the exercise of the stock options are furthermore subject to the following retention features (applicable to each separate exercised tranche): (i) in the 90 days following the exercise of the stock options, the respective shares can only be sold up to an amount required to recover the tax and exercise price related to the exercised stock options, (ii) in the subsequent period of 270 days, a maximum of 50% of the remaining shares acquired upon the exercise of the respective stock options may be sold, and (iii) the balance of the shares may only be sold following the end of the 18th month following the month in which the respective exercise period ended.

The performance based conditions for the first installment of 138,750 stock options relate to the Adjusted EBITDA of the Telenet Group on a consolidated basis and the customer loyalty/satisfaction achieved by the Telenet Group over the period January 1, 2014 through December 31, 2014 and the period January 1, 2015 through December 31, 2015; the performance based conditions for the second installment of 46,250 stock options relate to the Adjusted EBITDA of the Telenet Group on a consolidated basis and the customer loyalty/satisfaction achieved by the Telenet Group over (i) the period January 1, 2014 to December 31, 2015 and (ii) the period January 1, 2016 through December 31, 2016. On February 9, 2016, the Remuneration & Nomination Committee determined that the performance criteria with respect to the first installment had been achieved for 2015, which results in the vesting of the first installment of 138,750 stock options on June 26, 2016. Also on February 9, 2016 the Remuneration & Nomination Committee determined that the performance criteria for the second installment for the period January 1, 2015 through December 31, 2015 have been achieved. On February 14, 2017, the Remuneration and Nomination Committee determined that the performance criteria had been met for 2016, which resulted in the vesting of a second installment of 46,250 stock options on March 1, 2017.

On July 15, 2014, the CEO received 180,000 stock options under the CEO Stock Option Plan 2014 bis ("CEO SOP 2014 bis"). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.

The term of the stock options is five years, such that all of the stock options granted under the CEO SOP 2014 bis have an expiration date of July 15, 2019. The stock options vest in three installments, on July 15, 2015, July 15, 2016 and July 15, 2017, respectively, subject to the achievement of certain performance criteria. All stock options that vest pursuant to the CEO SOP 2014 bis become exercisable during defined exercise periods as from July 15, 2017.

The exercise price of these stock options is equal to €39.38.

The vesting is performance based. The annual performance based vesting conditions were determined by the Remuneration & Nomination Committee, in consultation with the CEO. Upon a change of control over the Company, a de-listing of the Company or the start of a squeeze-

out offer in relation to the shares of the Company, all stock options vest immediately and automatically.

The shares that can be acquired upon the exercise of the stock options are furthermore subject to the following retention features (applicable to each separate exercised tranche): (i) in the 90 days following the exercise of the stock options, the respective shares can only be sold up to an amount required to recover the tax and exercise price related to the exercised stock options, (ii) in the subsequent period of 270 days, a maximum of 50% of the remaining shares acquired upon the exercise of the respective stock options may be sold, and (iii) the balance of the shares may only be sold following the end of the 18th month following the month in which the respective exercise period ended.

The performance based conditions relate to the Adjusted EBITDA of the Telenet Group on a consolidated basis. On February 10, 2015, the Remuneration & Nomination Committee determined that the performance criteria had been achieved for 2014, which resulted in the vesting of a first installment of 45,000 stock options on July 15, 2015. On February 9, 2016, the Remuneration & Nomination Committee determined that the performance criteria had been achieved for 2015, which results in the vesting of a second installment of 67,500 stock options on July 15, 2016. On February 14, 2017, the Remuneration and Nomination Committee determined that the performance criteria had been met for 2016, which results in the vesting of a third installment of 67,500 stock options on July 15, 2017.

On March 13, 2015, the CEO received 180,000 stock options under the CEO Stock Option Plan 2015 ("CEO SOP 2015"). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.

The term of the stock options is five years, such that all of the stock options granted under CEO SOP 2015 have an expiration date of March 13, 2020. The stock options vest in three installments, on March 13, 2016, March 13, 2017 and March 13, 2018 respectively, subject to the achievement of certain performance criteria. All stock options that vest pursuant to the CEO SOP 2015 become exercisable during defined exercise periods as from March 13, 2018.

The exercise price of these stock options is equal to €50.57.

The vesting is performance based. The annual performance based vesting conditions were determined by the Remuneration & Nomination Committee, in consultation with the CEO. Upon a change of control over the Company, all stock options vest immediately and automatically. The shares that can be acquired upon the exercise of the stock options are furthermore subject to the following retention features (applicable to each separate exercised tranche): in the 90 days following the exercise of the stock options, the respective shares can only be sold up to an amount required to recover the tax and exercise price related to the exercised stock options, in the subsequent period of 270 days, a maximum of 50% of the remaining shares acquired upon the exercise of the respective stock options may be sold, and the balance of the shares may only be sold following the end of the 18th month following the month in which the respective exercise period ended.

The performance based conditions relate to the OCF under US GAAP of the Telenet Group on a consolidated basis. On February 9, 2016, the Remuneration & Nomination Committee determined that the performance based conditions had been achieved for 2015, which resulted in the vesting of a first installment of 55,000 stock options on

March 13, 2016. Also on February 14, 2017, the Remuneration and Nomination Committee determined that the performance criteria for the second installment for the period January 1, 2016 through December 31, 2016 have been achieved, which resulted in the vesting of a second installment on March 13, 2017.

On April 15, 2016 the CEO received 244,209 stock options under the ESOP 2016 plan (see also 7.3.1). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.

The term of the stock options is five years, such that all of the stock options granted under the ESOP 2016 plan, have an expiration of April 15, 2021. The stock options vest in quarterly installments.

During 2016, the CEO did not exercise any stock options nor were any of his stock options forfeited.

As of December 31, 2016, Mr. Porter had been granted the following stock options:

Name Plan	Number of stock options outstanding	Exercise price	Vesting	Expiration date
CEO SOP 2013				
first installment	50,000	€34.33	July 4, 2014	July 4, 2018
second installment	100,000	€34.33	July 4, 2015	July 4, 2018
third installment	50,000	€34.33	July 4, 2016	July 4, 2018
CEO SOP 2014				
first installment	138,750	€38.88	June 26, 2016	June 26, 2020
second installment	46,250	€38.88	March 1, 2017	June 26, 2020
CEO SOP 2014 bis				
first installment	45,000	€39.38	July 15, 2015	July 15, 2019
second installment	67,500	€39.38	July 15, 2016	July 15, 2019
third installment	67,500	€39.38	July 15, 2017	July 15, 2019
CEO SOP 2015				
first installment	55,000	€50.57	March 13, 2016	March 13, 2020
second installment	63,000	€50.57	March 13, 2017	March 13, 2020
third installment	62,000	€50.57	March 13, 2018 (*)	March 13, 2020
ESOP 2016				
	244,209	€45.48	quarterly	April 15, 2021

(*) Vesting subject to achievement of performance based conditions in previous financial year/years

c) Termination arrangements

The CEO has a termination arrangement in his contract with the Company, providing that in case of early termination, the CEO is entitled to a maximum total cash remuneration equal to 12 months remuneration.

4. Remuneration Senior Leadership Team

a) Cash-based remuneration

In 2016, the aggregate remuneration paid to the other members of the SLT (excluding the CEO), amounted to €6,390,233. All members of the SLT (excluding the CEO) have an employment agreement with Telenet BVBA.

This amount is composed of the following elements (for all members jointly, excluding the CEO): (i) a fixed salary of €2,856,117, a variable salary of €2,968,664.57 (constituting 100% of the total cash bonus of 2016 and the vested performance shares), (iii) paid premiums for group insurance for an amount of €344,222.14 and (iv) benefits in kind valued

at €221,229.68. All amounts are gross without employer's social security contributions.

The members of the SLT (excluding the CEO) benefit from a defined benefit pension scheme. The plan is financed by both employer and employee contributions. The total service cost (without contributions of the employees) amounted to €232,066.16.

The benefits in kind include insurance for medical costs, a company car, representation allowance, luncheon vouchers and for some members housing and travel expenses.

The members of the SLT (excluding the CEO) further receive a price reduction with respect to Telenet products or services they order.

The members of the SLT receive no benefits in cash linked to a performance period of longer than one year.

b) Share-based compensation

The members of the SLT (excluding the CEO) and one other manager received performance shares of the Company during 2016 (the "2016

Telenet Performance Shares"). The performance target applicable to the 2016 Telenet Performance Shares is the achievement of an OCF CAGR under US GAAP. A performance range of 75% to 160% of the targeted OCF CAGR would generally result in award recipients earning between 75% to 300% of their 2016 Performance Shares.

The 2016 Telenet Performance Shares Plan contains a provision regarding "claw back" of variable remuneration granted in case of restatement of the Company's financial statements.

An overview of the number of 2016 Telenet Performance Shares granted for the year ended December 31, 2016 to (and accepted by) the members of the SLT can be found below:

Name	Number of performance shares granted and accepted
Berger Micha	12,992
Lloyd Sam	5,342
Caluwaerts Ann	5,342
Conix Birgit	9,744
Machtelincx Luc	5,342
Poels Claudia	5,342
Tempels Martine	5,342
Vincent Patrick	7,146
Nieuwdorp Dieter	5,342
Paulissen Benedikte	7,146
Bronselael Jeroen	7,146

On February 9, 2016, the board of directors determined that the performance targets applicable to the 2013 Telenet Performance Shares were met, resulting in the vesting of these performance shares on October 25, 2016. On October 25, 2016 the Remuneration & Nomination Committee decided to settle the vested performance shares in cash instead of in shares of the Company. This particular performance share plan was paid out in cash for an amount of €1.6 million following the specific decision of the Remuneration & Nomination Committee. As this was the second year in a row that a similar performance share plan has been settled in cash, it was decided upon that the historical track record of cash settlements of these particular equity awards did trigger a modification of the equity classification of all performance shares outstanding. As a result, all similar performance share plans have been considered to be cash settled share base payment plans and as a result,

the Company represented the related share based compensation expense recognized as liability and no longer in equity. As the performance shares have been fair-valued, the cash paid to settle the 2013 performance share plan did not exceed the fair value of the award on the settlement date, the amount of cash paid to repurchase the equity award was charged to equity and consequently has been presented as a cash outflow from financing activities in the consolidated statement of cash flows.

An overview of the numbers of 2013 Telenet performance shares vested in favor of (current) members of the Senior Leadership Team can be found below:

Name	Number of 2013 performance shares vested
Berger Micha	3,478
Caluwaerts Ann	2,631
Conix Birgit	3,451
Kurup Veenod*	3,478
Machtelincx Luc	3,009
Poels Claudia	2,552
Smidts Inge*	2,737
Tempels Martine	2,542
Vincent Patrick	3,308

* Ms. Inge Smidts and Mr. Veenod Kurup left the Company in 2015, but are entitled to Performance Shares

On December 31, 2016, the current members of the SLT (excluding the CEO) held in aggregate 236,000 stock options under the ESOP 2013, 180,000 under the ESOP 2014, 81,000 under the ESOP 2015 and 139,126 under the ESOP 2016. Each stock option can be exercised for one share. The vesting of these stock options occurs progressively (per quarter) over a period of four years. The stock options become exercisable after vesting.

During 2016, the members of the SLT also received stock options under the ESOP 2016. An overview of the stock options granted to (and accepted by) the current members of the SLT (excluding the CEO) during 2016 can be found in the table below:

Name	Grant	Number of stock options granted	Number of stock options accepted	Exercise price
Berger Micha	ESOP 2016	81,403	40,000	€45.48
Bronselael Jeroen	ESOP 2016	44,772	40,000	€45.48
Caluwaerts Ann	ESOP 2016	33,471	33,471	€45.48
Conix Birgit	ESOP 2016	61,052	61,052	€45.48
Lloyd Sam	ESOP 2016	33,471	33,471	€45.48
Machtelincx Luc	ESOP 2016	33,471	33,471	€45.48
Nieuwdorp Dieter	ESOP 2016	33,471	33,471	€45.48
Paulissen Benedikte	ESOP 2016	44,772	44,772	€45.48
Poels Claudia	ESOP 2016	33,471	33,471	€45.48
Tempels Martine	ESOP 2016	33,471	33,471	€45.48
Vincent Patrick	ESOP 2016	44,772	44,772	€45.48

An overview of the warrants and stock options exercised by the members of the SLT (excluding the CEO) during 2016, while they were members of the SLT, can be found in the table below:

Name	Number of warrants/ stock options exercised	Exercise Price	Plan
Caluwaerts Ann	2,003	19.37	ESOP 2010 ter
Bronselaer Jeroen	1,914	19.37	ESOP 2010 ter

c) Termination arrangements

The employment agreements of some members of the SLT, all concluded before July 2009, contain termination arrangements providing for a notice period which can exceed twelve months in case of termination by Telenet BVBA (other than for cause):

Mr. Luc Machtelinckx has a contractual termination clause, providing for the performance during a notice period in case of termination by the Company (except for cause) to be calculated on the basis of the 'formula Claeys', which may be replaced (with the prior agreement of Mr. Machtelinckx) by an indemnification payment (without performance).

The employment agreement with Ms. Martine Tempels, concluded when she was not yet a member of the SLT (and before May 4, 2010, i.e. the date of entry into force of the Law of April 6, 2010), does contain specific provisions relating to early termination, although it does not contain a clause specifying that severance pay in the event of early termination should not exceed 12 months' remuneration, which for the latter point deviates from provision 7.18. of the Belgian Corporate Governance Code 2009. The Company did not conclude a new agreement with her at the occasion of her appointment as member of the SLT.

The employment agreement with Mr. Dieter Nieuwdorp, and Ms. Benedikte Paulissen concluded when they were not yet members of the SLT (and before May 4, 2010, i.e. the date of entry into force of the Law of April 6, 2010) do not contain specific provisions relating to early termination.

The employment agreements with Mr. Patrick Vincent, Mr. Jeroen Bronselaer, Ms. Sam Lloyd and Ms. Claudia Poels do not contain specific provisions relating to early termination.

The agreements with Ms. Ann Caluwaerts, Mr. Micha Berger and Ms. Birgit Conix, all concluded after May 4, 2010, contain clauses specifying that severance pay in the event of early termination shall not exceed the maximum amount foreseen by law.

Each new agreement concluded with members of the SLT after May 4, 2010, comply with the legal provisions of the Law of April 6, 2010 and the Belgian Corporate Governance Code 2009.

7.8 Audit of the company

7.8.1 External audit by statutory auditors

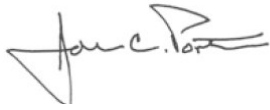
For details on the audit and non-audit fees paid to the auditor in 2016, we refer to note 5.30 to the consolidated financial statements of the Company.

7.8.2 Internal audit

For the year ended December 31, 2016, the Company's internal audit function was performed by the internal audit department of Liberty Global plc. The internal audit activities are carried out on the basis of a plan annually approved and monitored by the Audit Committee. These internal audit activities cover a wide range of topics and aim at the evaluation and improvement of the specific control environment.

Brussels, March 20, 2017

On behalf of the board of directors



John Porter
Chief Executive Officer



Bert De Graeve
Chairman