



ALTICE N.V.

Public Limited Liability Company

(Naamloze Vennootschap)

PERFORMANCE STOCK OPTION PLAN

Dated 28 June 2017

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The board of directors (the **Board**) of Altice N.V. (the **Company**) and the general meeting of shareholders of the Company (the **Shareholders**) approved the establishment of this performance stock option plan (the **Performance SOP**) under the following terms.

I. Grant of Options

Each Option will entitle its Holder (as defined below) to acquire one Share, subject to the conditions set forth here below.

The date of grant (the **Grant Date**) shall be the date set out in the Grant Notification (as defined below).

The number of Options in issue shall at no time represent more than 10% of the then issued share capital of the Company on a fully diluted basis.

II. Participants

Any employee of the Group (including any executive director of the Board) is eligible to participate in the Performance SOP (each, a **Participant**). The **Group** means the Company and any of the Company's subsidiaries within the meaning of Section 2:24a of the Dutch Civil Code, meaning any legal entity in which the Company, either on its own or together with its subsidiaries, (i) holds, on its own or through a voting agreement, more than half of the voting rights or (ii) can name or dismiss more than half of the board members.

The general meeting of Shareholders may resolve to grant Options to executive directors of the Board as reward for their employment with or provision of services to Group companies and in that case determines the number and the applicable criteria, including the Target (as defined below), of such Options, based on a recommendation of the remuneration committee (the **Committee**).

Non-executive directors of the Board are not eligible for participation in the Performance SOP.

The Board, upon recommendation of the Committee, may grant Options to the other Participants. The Board may, to that effect, grant a power of attorney to one or several of its members to grant Options under the conditions set out in the Performance SOP. Options may be granted to an entity of a Participant as defined in Section VII A) (ii).

A Participant (including an entity as referred to in the previous paragraph) to whom Options are granted is defined as a **Holder**.

At the discretion of the Board, individuals not being employees of a Group company who, in view of their activities for the benefit of the Group, made an important contribution to the success of the business of the Group, may be granted Options under the Performance SOP. In such case they, and, if applicable, any entity controlled by them, will be considered as Participant.

III. Options

A) *Grant Notification*

Each Option shall be evidenced by a written notification (the **Grant Notification**), setting forth the terms and conditions pertaining to such Option. Grant Notifications shall, together and concurrently with the Performance SOP, govern the grant of Options in accordance with local legal and regulatory requirements. The Grant Notification may contain such other provisions as deemed desirable by the

Board, including without limitation, procedures to facilitate the payment of withholding taxes in accordance with Section V. Such Grant Notification shall specify, inter alia, the Grant Date, the number of Options, the Exercise Price (as defined below) and the Exercise Period (as defined below) and all such other information or specific terms and conditions as required by the Performance SOP.

B) Financial Performance Target

For the purpose of this Section B:

- **Adjusted EBITDA** means the Group's operating income before depreciation and amortization, non-recurring items (capital gain, non-recurring litigation, restructuring costs) and other adjustments (equity-based compensation expenses), as reported in the consolidated financial statements of the Company; and
- **CAPEX** means the Group's total capital expenditures, as reported in the consolidated financial statements of the Company.

The vesting of Options is subject to the achievement of the following financial performance target:

- the Adjusted EBITDA minus CAPEX of the third full financial year following the Grant Date being equal or superior to the target Adjusted EBITDA minus CAPEX as determined by the Board at the time of the grant of the Options (the **Target**).

In case of Options granted to executive directors of the Board, the Target and the achievement of the Target will be determined by the general meeting of Shareholders, who may delegate such authority in whole or in part.

The achievement of the Target shall be assessed by the Board (or the general meeting of Shareholders, as the case may be) in a reasonable manner, on the basis of the consolidated financial statements of the Group as of and for the third full financial year following the Grant Date.

The Board, based on a recommendation of the Committee (or the general meeting of Shareholders, as the case may be), may adjust the Target to reflect recapitalization events, acquisitions, divestitures, or any other corporate events or actions, which require an adjustment to the Target.

All Options shall lapse if the Group does not achieve the Target (including an adjusted Target as referred to in the previous paragraph).

C) Vesting

Options are subject to vesting conditions. For each Participant, all the Options such Participant holds will vest in full on the third business day following the date on which the Board assesses whether the Target is achieved (the **Vesting Date**), provided that:

- the Group achieves the Target; and
- the Participant is still employed or providing services to the Company or any Group company on the Vesting Date.

D) Cessation of employment, and/or of service agreement

The Performance SOP does not form part of the Participant's employment or service agreement with the Company or any Group company, and shall not be construed to give any Participant the right to remain in the employ of or provide services to the Company or any Group company.

Participants who leave the Group before the Vesting Date will forfeit their Options. Such Options will lapse immediately upon leave without notice and without any compensation.

Participants who leave the Group after the Vesting Date will retain their Options. Such Options must be exercised within a period of 12 months of cessation (unless the Board, based on a recommendation of the Committee, determines otherwise, in a more favourable way for the Participants).

A grant of an Option under the Performance SOP cannot be considered a guarantee to the Participant that the employment or service relationship of the Participant with the Company or a Group company will continue.

Any benefits derived by the Participant under the Performance SOP shall not be taken into account for the purposes of determining the Participant's contribution or entitlement to benefits under any pension arrangement or for the purposes of determining any other claim for compensation the Participant may have against the Company or against any Group company.

The grant of an Option under the Performance SOP shall not entitle the Participant to receive any other grant under the Performance SOP or to participate in any other plan operated by the Company or any Group company now or in the future.

E) Exercise of the Option

(i) Exercise Price

No consideration is payable for the allocation of the Options.

The exercise price, i.e. the price to be paid by a Holder to acquire one Share (the **Exercise Price**) is equal to the weighted average price at which the Shares are traded on Euronext Amsterdam during a period of 30 days preceding (i) the date on which the decision was made to grant him Options, or (ii) an alternative date determined by the Board.

The Board, upon recommendation of the Committee, may adjust the Exercise Price (at the time of or after the grant of the Options) in a more favorable way for the Participants, unless such an adjustment would have the effect of creating a material detriment to the Shareholders.

The Committee may set out in advance certain specified circumstances and conditions under which the Board may adjust the Exercise Price without the recommendation of the Committee referred to in the preceding sentence.

(ii) Exercise Period

Vested Options can be exercised at any time by serving a written exercise notice (the **Exercise Notice**) to the Board until the 10th anniversary of the Grant Date (the **Exercise Period**). Options not exercised during the Exercise Period will lapse.

Options are deemed to be exercised on the date on which the Exercise Notice is delivered to the Board (the **Exercise Date**).

(iii) *Allotment of Shares*

For the purposes of this Section III E) (iii):

- **Share Price** means (i) the closing price at which a Share is traded on Euronext Amsterdam on the Exercise Date if the Exercise Notice is received prior to 5.30 p.m. CET on the Exercise Date or (ii) the closing price at which a Share is traded on Euronext Amsterdam on the trading day immediately following the Exercise Date if the Exercise Notice is received later than 5.30 p.m. CET on the Exercise Date;
- **Transaction Value** means the difference between the Share Price and the Exercise Price, multiplied by the number of Options exercised.

Upon receipt by the Company of an Exercise Notice, (i) if the Transaction Value equals or exceeds € 5,000,000, the President and the Vice-President, acting jointly, or (ii) if the Transaction Value is less than €5,000,000, the President, will, at their/his sole discretion, decide to settle the Options through a net share settlement, a standard share settlement or a cash settlement, as follows:

Net share settlement

The relevant Holder shall be awarded, at the choice of the Company, (A) existing treasury Shares or (B) newly issued Shares, as follows:

(A) in case of existing treasury Shares, a number of such Shares equal to:

$$\frac{N * (SP - EP)}{SP}$$

(B) in case of newly issued Shares, a number of such Shares equal to:

$$\frac{N * (SP - EP)}{SP} + \frac{N * (SP - EP)}{SP} * 0.01 * \sum_{i=1}^{10} \frac{1}{SP^i}$$

whereby:

N is the number of Options exercised;

EP is the Exercise Price;

SP is the Share Price;

with the number of Shares rounded down to the nearest round number;

and in the case of (B) only, against payment by the relevant Holder to the Company immediately prior to the issuance of the Shares of an amount in cash equal to such rounded down number of Shares times €0.01.

Standard share settlement

The relevant Holder shall be awarded a number of Shares corresponding to the number of Options that he has exercised and for which he has paid the Exercise Price in cash. Such Shares may be, at the choice of the Company, existing treasury Shares or new Shares issued by the Company.

Cash settlement

The relevant Holder shall receive a cash amount equal to the difference between the Share Price and the Exercise Price, multiplied by the number of Options exercised.

In the case where the President exercises Options with a Transaction Value of less than €5,000,000, the Vice-President will, at his sole discretion, decide to settle such Options through a net share settlement, a standard share settlement or a cash settlement.

IV. Adjustments on Options

A) Reduction for malus/clawback

The Board, based on a written and reasoned opinion of the Committee, may, in its absolute discretion, determine at any time prior to the exercise of an Option to:

- cancel Options; and/or
- impose further conditions on the Options.

Such decision can only be taken in the following circumstances:

- a material misstatement of the Company, any Group company or business unit; or
- any act or omission by the Holder which has contributed to serious reputational damage or serious misconduct, fraud or negligence or, undermining the Company's effective risk management;
- if the Option award would be unacceptable according to the criteria of reasonableness and fairness or was based on incorrect financial or other data, as provided under Dutch law.

Furthermore, Dutch law prescribes that, in case the value of the Shares (including rights to subscribe for Shares) granted to executive directors of the Board as part of their remuneration increases during a period in which a public offer is made on the Shares, the remuneration of these executive directors will be reduced by the amount by which the value of the Shares granted to such director has increased. Similar provisions apply in the situation of an intended legal merger or demerger, or if the Company intends to enter into certain transactions that are of such significance to the Company that the Board requires the approval of the general meeting of Shareholders (as provided in Section 2:107a of the Dutch Civil Code).

B) Adjustments

In the event of a variation of the Company's share capital or a demerger, delisting, dividend, special dividend, rights issue or other similar event, which may, in the Board's opinion, based on a recommendation of the Committee, affect the current or future value of shares, the number of Shares subject to an Option and/or the Exercise Price may be adjusted.

V. Tax and social security

All applicable taxes and (employee) social security contributions in respect of the implementation of the Performance SOP, as well as the vesting, execution and/or transfer of Options or Shares, shall be borne by the Participant.

The Participant (or in the event of his death, his heirs) shall permit the Company and any Group company to withhold and account for a cash amount or number of Shares equal to any wage or income tax, (employee's) social security contributions liability and any other liabilities for which the Company or a Group company (as the case may be) has an obligation to withhold and account.

The Performance SOP is governed by the applicable tax and social security legislation and regulations prevailing at the Adoption Date (as defined below). If any tax and/or social security legislation or regulations are amended at any time after the Adoption Date and any tax or (employee) social security levies become payable, the costs and risks related thereto shall be borne by the Participant.

For the avoidance of doubt, the provisions of this Section V shall apply to a Participant's liabilities that may arise on the Grant Date, vesting and exercise of an Option in any jurisdiction.

Any tax, (employee) social security contributions or similar liabilities arising out of the disposal of the Shares and/or the Options shall be the responsibility of the Participant alone.

VI. Costs

Any costs relating to the exercise of Options shall be borne by the Participant. The Participant (or in the event of his death, his heirs) shall permit the Company and any Group company to withhold and account for a cash amount or number of Shares equal to such costs.

VII. Miscellaneous

A) Form and transfer of Options

Options will be issued in registered form.

Options are not transferable other than:

- (i) by reason of death;
- (ii) by transfer to an entity that is for 100% directly or indirectly owned by the Participant or member of the Participant's Immediate Family. The Immediate Family shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and shall include adoptive relationships;
- (iii) pursuant to the terms of a domestic relations order or official marital settlement agreement;
- (iv) by written prior approval from the Board.

B) Adoption and amendment to the Performance SOP

The Performance SOP has been approved by a resolution adopted by the general meeting of Shareholders held on 28 June 2017 (the **Adoption Date**).

Amendments to the Performance SOP can be validly resolved by the Board upon recommendation of the Committee unless such amendments would have the effect of creating a material detriment to the Holders.

C) *Governing law and jurisdiction*

The Performance SOP shall be governed by and shall be construed in accordance with the laws of the Netherlands.

The Company and the Participants irrevocably submit, in respect of any suit, action or proceeding related to the interpretation or enforcement of the Performance SOP, including but not limited to any Grant Notification and any exercise of Options or disposal of the Shares and/or the Options to the exclusive jurisdiction of the courts in the Netherlands.
