



Dated 10 July 2018

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**ALTICE N.V.**  
**REMUNERATION POLICY**

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## REMUNERATION POLICY

This remuneration policy (the **Remuneration Policy**) has been adopted by a resolution of the general meeting (the **General Meeting**) of Altice N.V. (the **Company**) on 10 July 2018. The Remuneration Policy takes into account mandatory provisions of Dutch law.

Pursuant to Article 16.4 of the articles of association of the Company, the remuneration of the executive board members (the **Executive Directors**) and the non-executive board members (the **Non-Executive Directors**) shall be determined by the General Meeting with due observance of the remuneration policy adopted by the General Meeting.

The Company's remuneration philosophy and framework apply to the Executive Directors, including in their capacity as employee or provider of services for subsidiaries of the Company (together, the **Group**). The remuneration philosophy and framework also apply, with certain limitations, to a wider group of employees.

The remuneration of the Executive Directors as such is based on a fixed annual remuneration only. Under the employment or service agreements they have with entities within the Group, they will be eligible to both fixed and variable remuneration, including cash and equity-based incentives, in line with the remuneration policy for other senior managers.

The remuneration of the Non-Executive Directors is based on a fixed annual remuneration.

### 1. REMUNERATION PHILOSOPHY

The Company's remuneration philosophy for the Executive Directors (and other senior managers) is based on the following principles:

- provide total remuneration that attracts, motivates and retains candidates with the knowledge, expertise and experience required for each specific role;
- firmly geared towards pay-for-performance, with an appropriate proportion of the overall package being delivered through variable remuneration elements linked to performance over the short and long term;
- encourage and reward performance that will lead to long-term value creation; and
- take into account (i) remuneration practices in the markets in which the Company operates and competes for talent and (ii) pay ratios within the Group.

### 2. REMUNERATION FRAMEWORK

The remuneration committee (the **Remuneration Committee**) of the Board of Directors (the **Board**) makes proposals to the Board for the aggregate Group remuneration of individual Executive Directors (and other senior managers) annually for consideration by the Board. The Board then makes proposals to the General Meeting, which determines the aggregate Group remuneration of individual Executive Directors and the remuneration of Non-Executive Directors.

Such proposals include the following components:

- fixed remuneration - fixed annual compensation and benefits;

- short-term incentives - annual cash bonuses; and
- long-term incentives - cash and equity-based incentives.

The Group will not grant Executive Directors or Non-Executive Directors any personal loans or guarantees, unless in the normal course of business and on the terms applicable to all personnel and subject to prior approval of the Non-Executive Directors.

## 2.1. Compensation of Non-Executive Directors

The fixed annual compensation is currently set at €65,000 per annum per Non-Executive Director with further fixed compensation payable to reflect additional responsibilities and time commitment, such as chairmanship of Board committees. The members of the Audit and Remuneration Committees of the Company currently receive additional compensation of €20,000 and €5,000 per annum respectively. The chairmen of the Audit and Remuneration Committees of the Company currently receive additional compensation of €30,000 and €20,000 per annum respectively. The chairman of the Board currently receives additional compensation of €25,000 per annum.

In addition to the fixed annual compensation granted to Non-Executive Directors, an additional discretionary cash compensation may be granted to one or more Non-Executive Directors in case of exceptional circumstances. Such additional discretionary cash compensation is granted to the Non-Executive Directors by the General Meeting upon a proposal of the Board.

## 2.2. Compensation of Executive Directors

### *Fixed remuneration*

Elements of fixed remuneration, comprising annual fixed compensation and benefits (including retirement benefits), are set at appropriate levels taking into account various factors such as the nature of the role, the experience and performance of the individual, and local and sector market practice amongst peers of a similar size and scope to the Group. Fixed remuneration elements are reviewed by the Remuneration Committee annually to ensure they remain competitive.

### *Annual fixed compensation*

Notwithstanding any additional remuneration payable to the Executive Directors by certain of the Company's subsidiaries under this Remuneration Policy for services rendered to the Group, the following annual fixed compensation is payable by the Company to the Executive Directors:

- President	:	€200,000
- Vice President	:	€150,000
- CEO	:	€180,000
- CFO	:	€160,000
- COO	:	€150,000
- Other Executive Director	:	€150,000

### *Benefits*

In addition, certain benefits may be provided by the Group to Executive Directors (and, in certain cases, to other employees). These other benefits can include medical insurance, life assurance, retirement benefits, company car costs, travel expenses, representation allowances and/or a tax-gross-up on imputed income in relation to commuting usage.

The Executive Directors benefit from collective pension plans implemented by the Group entities with whom they have entered into an employment or service agreement, in line with local practices. Group entities may contribute to such collective pension plans a maximum of 15% of the total compensation (both as Executive Director and as employee or service-provider to Group entities) of each Executive Director benefitting from such plans.

The Company may indemnify an Executive Director against all expenses, financial effects of judgements, fines and amounts paid in settlement actually and reasonably incurred by him in connection with an action, suit or proceeding against him in his capacity as Executive Director or as board member, officer, employee or service-provider of any Group entity.

### ***Variable remuneration***

Variable remuneration elements are intended to motivate the Executive Directors, in their capacity of employee or service-provider to Group entities (and other senior managers) towards the achievement of Group-wide and personal objectives which ultimately promote delivery of the corporate strategy and the creation of long-term value. The form and structure of variable remuneration elements are reviewed at regular intervals to ensure they continue to support the objectives of the Group and the creation of long-term value. Further details regarding each of the variable remuneration elements currently operated are provided below.

#### *Annual cash bonuses*

The Group operates an annual performance related cash bonus plan for the Executive Directors, in their capacity of employee or service-provider to Group entities (and other senior managers). Performance related cash bonuses will be a percentage of an employee's aggregate annual base salary (both as Executive Director and as employee or service-provider to Group entities) and will be determined by the General Meeting. The Board makes a proposal thereto based upon a recommendation of the Remuneration Committee.

Different percentages may apply depending upon the Executive Director's (or senior manager's) seniority. The annual performance related cash bonuses will be determined based upon the achievement of certain pre-determined KPIs based on Group, regional, divisional and individual performance, as appropriate. The annual performance related cash bonus will be paid only if certain minimum performance thresholds are met.

In addition to the annual performance related cash bonus, a discretionary annual cash bonus may be granted to the Executive Directors. Such discretionary annual cash bonus is granted to the Executive Directors by the General Meeting upon a proposal of the Board based on a recommendation of the Remuneration Committee.

### *Equity incentives*

The Executive Directors, as reward for their employment with or provision of services to Group entities, and other employees of the Group are eligible to participate in any equity incentive plan the Group operates. Equity incentives are granted to the Executive Directors by the General Meeting upon a proposal of the Board based on a recommendation of the Remuneration Committee.

### *Cash incentives*

The Executive Directors, as reward for their employment with or provision of services to Group entities, can earn a cash incentive which vests after a certain period of time if certain pre-determined KPIs are achieved. The cash incentive will be determined by the General Meeting upon a proposal of the Board based on a recommendation of the Remuneration Committee.

## **3. ADJUSTMENTS TO VARIABLE REMUNERATION**

In line with Dutch law, the variable remuneration of the Executive Directors (in any capacity whatsoever within the Group) may be adjusted, (partly) recovered or reduced if certain circumstances apply:

- (a) test of reasonableness - pursuant to Dutch law, any variable remuneration payable to an Executive Director (in any capacity whatsoever within the Group) may be adjusted by the Board to an appropriate level if payment of the variable remuneration were to be unacceptable according to the criteria of reasonableness and fairness;
- (b) claw back - in addition, the Board will have the authority under Dutch law to recover from an Executive Director (in any capacity whatsoever within the Group) any variable remuneration paid on the basis of incorrect financial or other data;
- (c) deduction of value increase of shares in the capital of the Company (the **Shares**) – in case of a Share price increase due to a public offer on the Shares, Dutch law prescribes to reduce the remuneration of an Executive Director (in any capacity whatsoever within the Group) by an amount equal to the value increase of the Shares. Only Shares received by means of remuneration are subject to deduction - Shares that the Executive Director has purchased are not. Similar provisions apply in the situation of an intended legal merger or demerger, or in other significant transactions.

These rules did not apply to Altice S.A. and the Company will accordingly not apply these rules to any variable remuneration, shares and options which were paid or granted to Executive Directors (in any capacity whatsoever within the Group) prior to the merger between New Athena B.V. (converted into the Company pursuant to the merger) as acquiring company and Altice S.A. as disappearing company (the **Merger**) (the **SA Remuneration**), or Shares and options which are allotted by the Company in exchange for the SA Remuneration pursuant to the Merger.

#### **4. SERVICE AGREEMENTS**

The Board members will have a service agreement with the Company. The service agreements with the Company do not contain severance provisions. The Executive Directors may have an employment or service agreement with a Group entity. Such employment or service agreement may include a severance provision if the Group entity terminates the contract pursuant to which the Executive Director is entitled to a maximum severance payment which is limited to 52 weeks of the fixed annual compensation as employee or service-provider to a Group entity.