

**ALTICE EUROPE N.V.-**

---

**REMUNERATION POLICY**

---

~~Dated June 27, 2019~~

## REMUNERATION POLICY OF THE BOARD OF DIRECTORS

This remuneration policy (the **Remuneration Policy**) ~~has been~~was adopted by ~~a resolution of~~ the general meeting (the **General Meeting**) of Altice Europe N.V. (the **Company**) on June ~~27, 2019. The~~26, 2020. This Remuneration Policy takes into account mandatory provisions of Dutch law, will replace the remuneration policy adopted by the General Meeting on June 27, 2019.

### 1 GENERAL

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~~is determined by the General Meeting with due observance of the remuneration policy adopted by the General Meeting.

The Company's remuneration philosophy and framework as laid down in this Remuneration Policy apply to the Executive Directors, including both in their capacity as Executive Director and their capacity as employee or provider of services forto 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 in such capacity 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.~~this Remuneration Policy.

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

### 2 CONTEXT OF THE REMUNERATION POLICY

As per the date of adoption of this Remuneration Policy, the core of the Group's strategy is customer, revenue, profitability and cash flow growth and, as a result, deleveraging.

In this context, the Group's key objectives are:

- (i) improving its operating and financial performance;
- (ii) delivering its customers the best quality services and the best content on proprietary state-of-the-art mobile and fixed infrastructure; and
- (iii) creating long-term shareholder value through exceptional operating and financial performance, mainly driven by its focus and investments to provide a superior customer experience at lower cost levels.

In addition, the Group's sustainability strategy is based on the United Nations Sustainable Development Goals ("SDG"). By incorporating the United Nations Global Compact Principles into

strategies, policies and procedures, the Group, in addition to assuming its basic responsibilities to people and the planet, ensures success and sustainability in a long-term perspective, stimulating innovation, investment and performance, as well as promoting more stable and committed relationships with its stakeholders, for example by:

- (i) using the Group's and its partners' expertise in technology and innovation to create, develop and implement unique solutions that contribute to the development of companies and to the well-being of citizens, based on a sustainable and integrated vision;
- (ii) creating a culture based on ethical, environmental and social criteria and integrating these criteria into the management and decision-making processes; and
- (iii) promoting the alignment of sustainability principles throughout its entire value chain and focusing on the SDG.

### **4.3 REMUNERATION PHILOSOPHY**

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

#### **3.1 ~~provide total remuneration that~~ **Objectives and principles****

The Remuneration Policy is designed to:

- (i) support the Group's strategic and business objectives by providing a remuneration package that:
  - ~~•(a)~~ attracts, motivates and retains candidates with the knowledge, expertise and experience required for ~~each specific role~~ leading the Group to achieve its strategic, business and sustainability objectives;
  - ~~•(b)~~ firmly is geared towards pay-for-performance, with an appropriate proportion of the overall package of the Executive Directors being delivered through variable remuneration elements linked to performance over both the short and long term;
- (ii) ~~encourage~~ contribute to the long-term performance of the Company and ~~reward~~ the Group by:
  - ~~•(a)~~ encouraging performance that will lead to long-term value creation; ~~and through the performance criteria geared for variable remuneration;~~
  - (b) discouraging Executive Directors to take into account (i) remuneration practices in unjustified risks that could have a positive effect on the markets in which short term but may not be beneficial for the Company operates and competes for talent the Group on the long term; and (ii) pay
  - (c) aligning the interests of the Executive Directors with the Company's and the Group's long-term development.

### ~~3.2~~ Pay ratios within the Group.

## ~~2.~~ REMUNERATION FRAMEWORK

The remuneration committee (the **Remuneration Committee**) of the board of directors (the Board of Directors (the Board)) makes proposals to the Board for the aggregate Group remuneration of individual Executive Directors () values internal consistency and other senior managers) annually for consideration by the Board. The Board then makes proposals to the General Meeting, which determines the aggregate Group has taken into account internal pay ratios when preparing this Remuneration Policy. The remuneration of Executive Directors is aligned with the remuneration of individual Executive Directors senior executives within the Group by applying a similar design of the remuneration elements and policies.

### ~~3.3~~ Other

The level of support in society for the Remuneration Policy is important and is taken into account when formulating the various elements of this Remuneration Policy. The Remuneration Committee has considered the external environment in which the Company and the Group operates, the relevant statutory provisions and provisions of the Dutch Corporate Governance Code as well as any guidance issued by organisations representing institutional investors.

## 4 REMUNERATION FRAMEWORK FOR THE NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive Directors is determined by the General Meeting on a proposal of the Board.

Such proposals include The remuneration package of individual Non-Executive Directors comprises of the following components:

- ~~• (a) fixed remuneration~~ fixed elements: (i) an annual fixed cash compensation and (ii) optionally, a discretionary benefite;
- ~~• 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.~~

#### 4.1 Annual fixed cash compensation

The annual fixed cash compensation is currently set at €EUR 65,000 per annum per Non-Executive Director with further fixed compensation payable to reflect.

~~In addition, the Non-Executive Directors receive the following additional annual fixed cash compensation for their responsibilities and time commitment, such as chairmanship of Board committees. The~~ for specific roles and/or committee memberships:

- ~~(i) members of the Audit and Remuneration Committees of the Company currently~~ Committee receive additional compensation of ~~€EUR 20,000 and €5,000 per annum respectively. The chairmen;~~
- ~~(ii) members of the Audit and Remuneration Committees of the Company currently~~ Committee receive additional ~~compensation~~ compensations of ~~€30,000 and €20~~ EUR 5,000 per annum ~~respectively. The;~~
- ~~(iii) the chairman of the Board currently~~ Audit Committee receives additional compensation of ~~€EUR 30,000 per annum;~~
- ~~(iv) the chairman of the Remuneration Committee receives additional compensation of EUR 20,000 per annum; and~~
- ~~(v) the chairman of the Board receives additional compensation of EUR 25,000 per annum.~~

#### ~~4.2 In addition to the fixed annual~~ Discretionary cash ~~compensation granted to Non-Executive Directors, an~~

~~An~~ An additional discretionary cash compensation may be granted to one or more Non-Executive Directors in case of exceptional circumstances. ~~Such~~ The discretionary cash compensation will in general amount to no more than 50% of the Non-Executive Director's total annual fixed cash compensation as reflected in paragraph 4.1.

~~The~~ The additional discretionary cash compensation is granted to the Non-Executive Directors by the General Meeting upon a proposal of the Board.

## ~~5 2.2. COMPENSATION OF~~ REMUNERATION FRAMEWORK FOR THE ~~EXECUTIVE DIRECTORS~~

### ~~5.1~~ Summary and pay mix

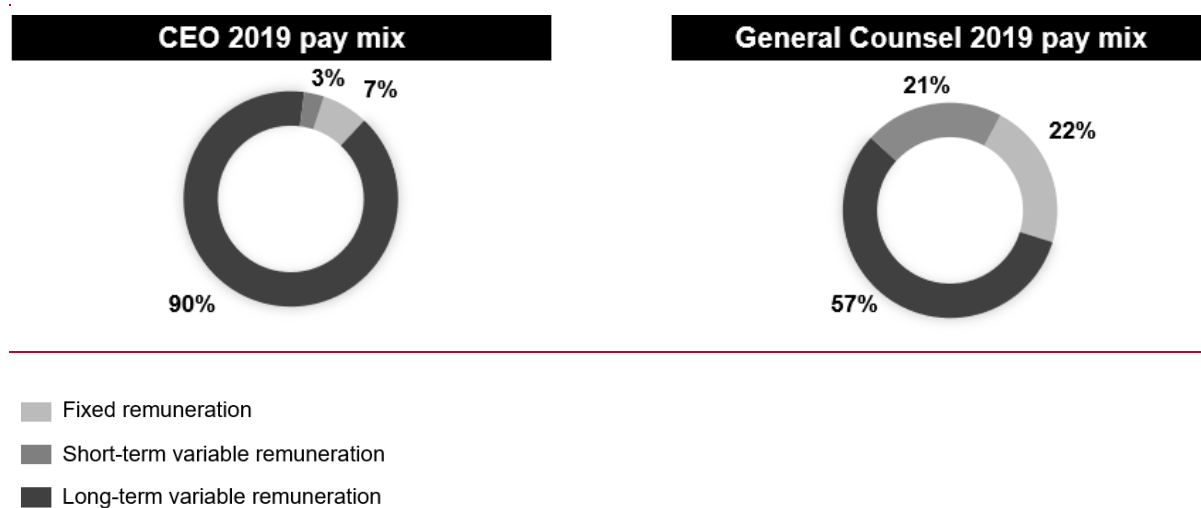
~~The Remuneration Committee makes proposals to the Board for the aggregate Group remuneration of individual Executive Directors. The Board then makes proposals to the General Meeting, which determines the aggregate Group remuneration of individual Executive Directors.~~

~~Executive Directors can be granted one or more of the following remuneration elements:~~

- ~~(i) fixed remuneration comprising:~~
  - ~~(a) annual fixed compensation; and/or~~
  - ~~(b) benefits;~~
- ~~(ii) variable remuneration comprising:~~

- (a) short-term incentives: (A) annual performance related cash bonuses and/or (B) discretionary cash bonuses; and/or
- (b) contributions to collective pension plans; and/or
- (c) long-term incentives: (A) cash performance bonuses, (B) other cash-based incentives and/or (C) equity-based incentives.

The mix between fixed and variable remuneration is illustrated below.<sup>1</sup> In these charts (i) fixed remuneration refers to annual fixed compensation and benefits and (ii) variable remuneration consists of the aforementioned short-term and long-term incentives.<sup>2</sup>



## 5.2 **Fixed remuneration**

Elements of fixed remuneration, comprising comprise annual fixed compensation and benefits (including retirement benefits), are for the capacity as Executive Director and/or the capacity of employee or service provider to a Group company. These fixed remuneration elements are set at appropriate levels taking into account various factors such as the nature of the role, and 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 and are reviewed by the Remuneration Committee annually to ensure they remain competitive.

### 5.2.1 **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: \_

<sup>1</sup> As per the date of adoption of this Remuneration Policy, the President and Vice-President receive only remuneration in capacity as Executive Directors. Hence, 100% of their remuneration is fixed as described in paragraph 5.2.1 below.

<sup>2</sup> Based on target performance and figures available as per December 31, 2019.

~~President : €200,000~~  
~~Vice President : €150,000~~  
~~CEO : €180,000~~  
~~CFO : €160,000~~

~~COO : €150,000~~

President EUR 200,000

Vice President EUR 150,000

CEO EUR 180,000

CFO EUR 160,000

COO EUR 150,000

Other Executive Director EUR 150,000

~~\_\_\_\_\_~~

~~Other Executive Director : €150,000~~

### **5.2.2 Benefits**

~~In addition, certain~~ 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 and/or representation allowances.

~~Furthermore, in addition to the annual fixed compensation and certain other benefits, 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.~~

### **5.2.3 Other**

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.

### **5.3 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~~ strategic and business objectives of the Group, contribute to the creation of

long-term value and support sustainability. 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 meet these intentions.

Variable remuneration covers both short-term incentives (annual performance related cash bonuses and/or discretionary cash bonuses) and long-term incentives (cash performance bonus, other cash incentives and/or equity incentives).

### **5.3.1 Annual performance related 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 on a proposal thereof the Board 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 the below 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 the below minimum performance thresholds are met.

The annual performance related cash bonus is determined for 2/3 based on financial performance criteria and for 1/3 based on personal performance criteria:

- (i) with respect to the personal performance criteria: each individual's personal objectives are determined every year and assessed at the end of each year;
- (ii) with respect to the financial performance criteria:
  - (a) the financial performance criteria are assessed at the Group level;
  - (b) the three indicators which are used are Revenues, Adjusted EBITDA and Adjusted EBITDA – CAPEX + change in Working Capital. The target level of each such indicator (the "Performance Target") is set based on the Group's annual budget for the relevant financial year, as approved by the Board. Depending on the actual amount of each such indicator, as set forth in the consolidated financial statements of the relevant financial year, the calculation could either result in the annual cash performance bonus to be nil or exceed the pre-agreed amount:

<u>Amount of each indicator compared to the Performance Target</u>	<u>Result for such indicator</u>
<u>Less than 95% of the Performance Target</u>	<u>0</u>



<u>95% of the Performance Target</u>	<u>50%</u>
<u>100% of the Performance Target</u>	<u>100%</u>
<u>110% of the Performance Target</u>	<u>150%</u>

Between such levels, a linear interpolation is applied. The average of the results of the three indicators constitute the multiplying factor to be applied to the pre-agreed amount of annual performance related cash bonus in order to determine the amount of the annual performance related cash bonus for the year.

The annual performance related cash bonus will be paid when performance over the previous year has been assessed.

### 5.3.2 Discretionary cash bonus

In addition to or instead of the annual performance related cash bonus, a discretionary ~~annual~~ cash bonus may be granted to the Executive Directors, in their capacity of employee or service-provider to Group entities. The discretionary cash bonus will in general not amount to more than the Executive Director's total annual fixed cash compensation as Executive Director and as employee or service provider to an entity within the Group. 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*

### 5.3.3 The Cash performance bonus

A cash performance bonus may be granted to the Executive Directors, as reward for in their employment with or provision capacity of services employee or service-provider to Group entities; and other employees of the Group are eligible to participate in any equity incentive plan the Group operates. Equity incentives are. Such cash performance 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.

Cash The Remuneration Committee will consider the Company's priorities during a financial year and therefore how it recommends to incentivize long-term performance. It will recommend the KPIs for the cash performance bonus, which can be selected from the following list:

- (i) the Company has generated an annual consolidated EBITDA (as reported on a consolidated basis and with constant perimeter and accounting standards) equal or in excess of the projected annual consolidated EBITDA in the 4-year business plan prepared by the Company; and/or
- (ii) certain corporate strategic projects of the Company approved by the Board have been successfully completed; and/or

(iii) the Executive Director successfully achieved the personal objectives which were assigned to him by the management of the Company.

In addition, the Remuneration Committee will recommend the relative weighing (if applicable) of these KPIs and the performance targets and related pay-out levels. Performance targets determine: (i) the performance level below which no pay-outs will be made, (ii) the performance level at which 100% pay-out will be made and (iii) the performance level at which the maximum pay-out of up to 200% will be made.

The cash performance bonus will be paid when performance has been assessed and the grant has vested. However, the General Meeting can resolve on an interim payment on the proposal of the Board based on a recommendation of the Remuneration Committee. The Remuneration Committee can recommend an interim payment if the Company or an Executive Director, as applicable, is on track in achieving the applicable KPIs.

#### **5.3.4 Other 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 (including the applicable KPIs, relative weighing (if applicable) and targets for achievement) will be determined by the General Meeting upon a proposal of the Board based on a recommendation of the Remuneration Committee.

#### **5.3.5 Pension**

The Company operates no pension schemes for its Executive Directors. The Group, however, subscribed for a LPP collective plan (*La Prévoyance Professionnelle*) for all its employees, including Executive Directors, who are also employee of a Swiss Group company. The Swiss pension system is based on three pillars: a state pension, an occupational pension and a private pension provision, the aim of which is to maintain the accustomed standard of living for the employee and his family during retirement or in the event of disability or death. The LPP collective plan corresponds to the second pillar, i.e. the occupational pension. It provides for extra benefits compared to the minimum requirements imposed by Swiss law. It is based on contributions from the Swiss Group company as well as from the employee. The Swiss Group company may contribute to such collective pension plan a maximum of EUR 150,000 for each Executive Director benefitting from such plan.

The contributions to the LPP collective plan are considered as variable remuneration, as an Executive Director would only be entitled to such contributions during a given financial year if, during that financial year, its annual cash variable remuneration exceeds 30% of its annual cash fixed remuneration.

### 5.3.6 Equity incentives<sup>3</sup>

Equity incentives are intended to align the interests of the Executive Directors with the Company's and the Group's long-term development. Hence, the Executive Directors, as reward for their employment with or provision of services to Group entities 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.

Equity incentives granted under the stock option plans operated by the Company are subject to the following vesting scheme:

- (i) a first tranche of 50%: on the 2<sup>nd</sup> anniversary of the grant date;
- (ii) a second tranche of 25%: on the 3<sup>rd</sup> anniversary of the grant date; and
- (iii) a third tranche of 25%: on the 4<sup>th</sup> anniversary of the grant date.

Equity incentives granted under the long-term incentive plans operated by the Company are subject to a three-year vesting period.

No additional holding periods apply to equity incentives granted to Executive Directors.

### 5.4 Loans

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.

### 3.6 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)(i) 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;

<sup>3</sup> In addition to the equity incentives described in this paragraph, the Group granted the following equity incentives in the past that are not yet vested and/or exercised: (i) 30 million stock options to an entity controlled by Mr. P. Drahi as part of the brand license and services agreement pursuant to which the Group has the exclusive right to use the Altice brand for corporate identification purposes and commercial purposes in the telecommunication, content and media sectors in the territory defined in the agreement, (ii) (the right to acquire) up to 50 million preference shares B to Mr. A. Weill under the terms and conditions as determined by the General Meeting on July 10, 2018 and (ii) 1,855,664 preference shares B to Mr. A. Weill under the terms and conditions as amended by the General Meeting on July 10, 2018.

~~(b)(ii)~~ 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.

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.

#### **4.7 SERVICE AGREEMENTS**

The Board members will have a service agreement with the Company. ~~The, in principle with a term of four years (equalling the term of appointment). These service agreements with the Company contracts may be terminated by the Board member with a notice period of one month and~~ 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~~ agreement 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.

#### **8 DECISION MAKING PROCESS**

~~At least every four years, the Company will submit the remuneration policy for a vote to the General Meeting upon the proposal of the Board based on a recommendation of the Remuneration Committee. The roles and responsibilities of the Remuneration Committee regarding the remuneration policy are published on the Company's website (www.altice.net).~~

~~Amendments to the remuneration policy shall be accompanied by a description and explanation of all material changes and the decision-making process in accordance with Dutch law and the Corporate Governance Code. If the remuneration policy will not be adopted by the General Meeting, the present remuneration policy will remain in force. The Board will submit a revised policy to the General Meeting.~~

#### **9 DEROGATION**

~~In accordance with Dutch law, the General Meeting will, subject to a proposal of the Board made on the recommendation of the Remuneration Committee, be allowed to deviate from this Remuneration Policy in exceptional circumstances. Exceptional circumstances cover only situations in which the deviation from the Remuneration Policy is necessary to serve the long-term interests and sustainability of the Company and the Group or to assure its viability. This may concern all aspects of the Remuneration Policy.~~