

Altice Europe N.V.

Remuneration Report 2019



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The Netherlands

REMUNERATION REPORT 2019 – ALTICE EUROPE N.V.

(for the financial year ended December 31, 2019)

This remuneration report (the “**Remuneration Report**”) gives an overview of the remuneration of the Board and explains how the Company’s remuneration policy was applied in 2019. This Remuneration Report has been prepared in line with Article 2:135b DCC and best practice provision 3.4.1 of the Code, and is separately made available on the Company’s website.

Since the advisory vote of the General Meeting with respect to this Remuneration Report will apply for the first time in 2020, this Remuneration Report cannot yet describe how the General Meeting’s advisory vote has been taken into account when preparing this Remuneration Report.

1. Overview of the financial year ended December 31, 2019

2019 was another transformational year for the Group. The Group grew revenues and EBITDA during 2019, and continued to strengthen its capital structure through partially monetising its infrastructure assets and undertaking significant refinancing transactions:

- the Group continued to build on the successful commercial turnaround initiated in 2018, resulting in a significantly improved financial performance during 2019: on a constant currency basis, total revenues for the Group grew by 5.0% in 2019;
- the Group announced and closed several transactions crystallising the value of part of its infrastructure. This included a transformational fibre transaction in France, which consisted in the sale of a 49.99% equity stake in SFR FTTH in France in March 2019, as well as the agreement signed with Morgan Stanley Infrastructure Partners to create a nationwide fibre wholesaler in Portugal in December 2019 in which its subsidiary PT Portugal will sell a minority equity stake of 49.99% based on an enterprise value of €4.63 billion¹ on a 100% basis (on a debt free cash free basis) representing a pro forma 2019 EBITDA multiple of 20x; and
- the Group undertook significant refinancing activity in 2019 with €5.35 billion of debt refinancing and €1.5 billion of permanent debt repayment. In September 2019, the Group announced it expected to reduce annual cash interest costs by up to €700 million in the medium term through a combination of average cost reduction as well as debt reduction. Material progress was made in 2019 already, as the Group realized €140 million of annual cash interest cost savings from successful refinancing activity in May and September 2019. As a result of this refinancing activity, the Group’s weighted average cost of debt was reduced to 5.4% and its average maturity of debt as at December 31, 2019 was 5.8 years.

The above-mentioned achievements have been taken into account by the Remuneration Committee, when making recommendations to the Board, and by the Board, when making proposals to the General Meeting with respect to the remuneration of the Executive Board Members, as further explained below.

2. Remuneration policy

The remuneration policy was adopted by a resolution of the General Meeting on June 27, 2019 and is made available on the Company’s website (the “**Remuneration Policy**”). Pursuant to the Articles of Association, the remuneration of the Executive and Non-Executive Board Members is determined by the General Meeting in accordance with the Remuneration Policy.

In line with article 2:135a DCC, the Company will submit a new Remuneration Policy to the General Meeting in the 2020 AGM for adoption. Pursuant to the explanatory notes to the Decree on implementation of the Shareholder Rights Directive Implementation Act dated November 25, 2019, this Remuneration Report cannot yet take into consideration the items that must be mentioned in the (new) Remuneration Policy pursuant to article 2:135a DCC but that have not yet been included in the (current) Remuneration Policy.

¹ Payment terms are as follows, on a 49.99% basis: €1,565 million in 2020; €375 million in December 2021 and €375 million in December 2026 subject to some performance ratchets.

2.1 *Remuneration philosophy*

The Company's remuneration philosophy and framework apply to (i) the Executive Board Members, including in their capacity as employee or service provider to Group Companies and (ii) with certain limitations, to a wider group of employees. This remuneration philosophy 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;
- provide remuneration 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 remuneration practices in the markets in which the Company operates and competes for talent and pay-ratios within the Group.

2.2 *Remuneration for Non-Executive Board Members*

The compensation of Non-Executive Board Members is currently set at €65,000 per annum per Non-Executive Board Member with further fixed compensation payable to reflect additional responsibilities and time commitment, such as chairmanship of Board committees. The members of the Audit Committee and the Remuneration Committee currently receive additional compensation of €20,000 and €5,000 per annum respectively. The chairmen of the Audit Committee and the Remuneration Committee 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 Board Members, an additional discretionary cash compensation may be granted to one or more Non-Executive Board Members in case of exceptional circumstances. Such additional discretionary cash compensation is granted to the Non-Executive Board Members by the General Meeting upon a proposal of the Board.

2.3 *Remuneration for Executive Board Members*

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 Board Members by certain of the Group Companies under the Remuneration Policy for services rendered to the Group, the following annual fixed compensation is payable by the Company to the Executive Board Members:

Executive Board Member	Amount (€)
President	200,000
Vice-President	150,000
CEO	180,000
Other Executive Board Member(s)	150,000

- *Benefits*

In addition, certain benefits may be provided by the Group to Executive Board Members. These other benefits can include medical insurance, life assurance and retirement benefits and/or representation allowances.

Furthermore, in addition to the annual fixed compensation and certain other benefits, the Executive Board Members benefit from collective pension plans implemented by the Group Companies with whom they have entered into an employment or service agreement, in line with local practices. Group Companies may contribute to such collective pension plans a maximum of 15% of the total compensation (both as Executive Board Member and as employee or service provider to Group Companies) of each Executive Board Member benefitting from such plans.

The Company may indemnify an Executive Board Member against all expenses, financial effects of judgments, 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 Board Member or as board member, officer, employee or service provider of any Group Company.

Variable remuneration

Variable remuneration elements are intended to motivate the Executive Board Members, in their capacity of employee or service provider to Group Companies 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 Board Members, in their capacity of employee or service provider to Group Companies. Performance-related cash bonuses will be a percentage of an Executive Board Member's aggregate annual base salary (both as Executive Board Member and as employee or service provider to Group Companies) 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 Board Member's seniority. The annual performance-related cash bonuses will be determined based upon the achievement of certain pre-determined key performance indicators 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 or instead of the annual performance related cash bonus, a discretionary annual cash bonus may be granted to the Executive Board Members. Such discretionary annual cash bonus is granted to the Executive Board Members by the General Meeting upon a proposal of the Board based on a recommendation of the Remuneration Committee.

- *Equity incentives*

The Executive Board Members, as reward for their employment with or provision of services to Group Companies, 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 Board Members by the General Meeting upon a proposal of the Board based on a recommendation of the Remuneration Committee.

- *Cash incentives*

The Executive Board Members, as reward for their employment with or provision of services to Group Companies, 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.

Adjustments to variable remuneration

Pursuant to Dutch law, the variable remuneration of Board Members may be reduced or Board Members may be obliged to repay (part of) their variable remuneration to the Company if certain circumstances apply:

- test of reasonableness and fairness – pursuant to Dutch law, any variable remuneration payable to an Executive Board Member (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; or
- claw back – the Board will have the authority under Dutch law to recover from an Executive Board Member (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 Board Members (in any capacity whatsoever within the Group) prior to the Merger, or Shares or options which were allotted by the Company in exchange for shares or options of Altice S.A. pursuant to the Merger.

2.4 Service agreements

The Board Members have a service agreement with the Company. The service agreements with the Company do not contain severance provisions. The Executive Board Members may have an employment or service agreement with a Group Company. Such employment or service agreement may include a severance provision if the Group Company terminates the contract pursuant to which the Executive Board Member 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 Company.

3. Remuneration of the Board in 2019

3.1 Total remuneration of the Board in 2019

The table below provides an overview of the total remuneration of each Board Member for the financial year ended December 31, 2019 and is split out by component. The amounts mentioned in the table are gross amounts, before the impact of social security or income tax deductions, which have been recorded in the statement of income of the Company or a Group Company, as the case may be, for the financial year ended December 31, 2019.

Name and position	Fixed remuneration				Variable remuneration		Pensions	Share-based compensation		Total remuneration ⁽⁸⁾	Percentage of fixed and variable remuneration: ⁽⁹⁾	
	Annual fixed compensation	Additional compensation for services rendered to the Group ⁽¹⁾	Committee membership	Benefits ⁽²⁾	Annual cash bonus ⁽³⁾	Cash performance bonus ⁽⁴⁾	LPP collective plan ⁽⁵⁾	Stock options / Preference Shares B expenses ⁽⁶⁾	Gross cash compensation ⁽⁷⁾		Fixed	Variable
P. Drahi President	€200,000	-	N/A	-	-	-	N/A	€1,522,195	€3,792,964	€5,515,159	4%	96%
A. Weill CEO	€180,000	€2,108,514 ⁽¹⁰⁾	N/A	-	€1,000,000 ⁽¹¹⁾	-	N/A	€27,496,900	N/A	€30,785,414 ⁽¹⁰⁾	7%	93%
A4 S.A. ⁽¹²⁾ Vice-President	€150,000	-	N/A	N/A	-	-	N/A	N/A	N/A	€150,000	100%	0%
N. Marty Executive Board Member	€150,000	€53,038	N/A	€10,387	€200,000 ⁽¹³⁾⁽¹⁴⁾	€500,000 ⁽¹⁴⁾⁽¹⁵⁾	€132,956 ⁽¹⁶⁾	€3,035	€26,992	€952,163	22%	78%
J. van Breukelen Non-Executive Board Member Chairman	€108,900 ⁽¹⁷⁾	N/A	€40,333 ⁽¹⁷⁾	N/A	N/A	N/A	N/A	N/A	N/A	€149,233 ⁽¹⁷⁾	100%	0%
T. Sauvare Non-Executive Board Member Chairman of the Audit Committee ⁽¹⁸⁾	€65,000	N/A	€46,667	N/A	N/A	N/A	N/A	N/A	N/A	€111,667	100%	0%
P. Besnier Non-Executive Board Member	€65,000	N/A	€25,000	N/A	N/A	N/A	N/A	N/A	N/A	€90,000	100%	0%
N. Paulmier Non-Executive Board Member Chairman of the Remuneration Committee	€65,000	N/A	€45,000	N/A	N/A	N/A	N/A	N/A	N/A	€110,000	100%	0%

(1) Payable to the Executive Board Members by a Group Company as employee or service provider to such Group Company.

(2) Benefits include health and welfare benefit plans (medical, dental, vision, life insurance and disability coverage). No loans have been made by the Company or a Group Company to a Board Member in 2019.

(3) The Group operates an annual performance-related cash bonus plan for the Executive Board Members, in their capacity as employee or service provider to Group Companies. For more details on the annual performance-related cash bonus plan, please refer to sections 2 “Remuneration policy” and 6.1 “Annual cash bonus”.

(4) Please see section 6.2 “Cash performance bonus”.

⁽⁵⁾ Please see section 8 “Pension schemes”.

⁽⁶⁾ This refers to the expense recorded in the consolidated statement of income for the year ended December 31, 2019 with regards to the stock options and Preference Shares B granted to the Executive Board Members. Please see section 7.1 “Stock options” for a summary of the grants of stock options to the Executive Board Members under the SOP, the LTIP and the 2017 SOP and section 7.2 “FPPS” for a summary of the grants of Preference Shares B to Mr. Weill.

⁽⁷⁾ In connection with the Separation, the exercise price of the stock options granted under the Stock Option Plans was adjusted and a gross cash compensation corresponding to the value of a stock option on 0.4163 Altice USA share, multiplied by the number of stock options held by the Executive Board Member under the relevant Stock Options Plan, was granted to the Executive Board Members who had unexercised stock options under the Stock Option Plans, subject to vesting of the relevant stock options.

⁽⁸⁾ For calculation purposes, the average exchange rate of Swiss Francs and U.S. dollar into euros for the year ended December 31, 2019 was used (CHF1 = €0.89888; \$1 = €0.89327).

⁽⁹⁾ The percentage of fixed remuneration is calculated by dividing the fixed remuneration by the total remuneration, multiplied by 100. The percentage of variable remuneration is calculated by dividing the variable remuneration by the total remuneration, multiplied by 100. The contributions to the LPP collective plan are considered as variable remuneration, as the beneficiaries are only entitled to such contributions during a given year if, during that year, their annual cash variable remuneration exceeds 30% of their annual cash fixed remuneration.

⁽¹⁰⁾ Including 20% VAT on fees paid by NextRadioTV to News Participations S.A.S., a company controlled by Mr. Weill.

⁽¹¹⁾ Mr. Weill’s annual cash bonus will be paid out in April 2020 as an advance on the annual cash bonus that he might be entitled to for the financial year 2019. The final amount of Mr. Weill’s annual bonus is to be determined by the 2020 AGM.

⁽¹²⁾ The permanent representative of A4 S.A. on the Board is Mr. Okhuijsen. Pursuant to a services agreement entered into between the Company, A4 S.A. and Mr. Okhuijsen, the fixed remuneration to which A4 S.A. is entitled as an Executive Board Member is paid by the Company directly to Mr. Okhuijsen. In addition, Mr. Okhuijsen, as employee of a Group Company, received in 2019 a fixed remuneration of €121,888, benefits of €47,163 and an annual cash bonus of €350,000, and contributions were made by the relevant Group Company to the LPP collective plan for an amount of €57,589. As at December 31, 2019, Mr. Okhuijsen has been granted the following stock options:

Stock Option Plan	Grant date	Tranches	Number of options granted	Current status	Exercise price at the grant date (€)	Adjusted exercise price (€)	Gross cash compensation	Value at the grant date (€)	Value at vesting (€)	Stock option expenses (€)	Vesting
SOP	January 31, 2015	First (50%)	733,810	Vested	13.6275	3.32	\$2,073,458	3,594,201	4,881,671	2,488	January 31, 2017
		Second (25%)	366,905	Vested	13.6275	3.32		1,797,100	0		January 31, 2018
		Third (25%)	366,905	Vested	13.6275	3.32	\$691,153	1,797,100	0		January 31, 2019
LTIP	January 31, 2017	N/A	129,104	Unvested	19.3642	4.71	\$219,278	118,233	N/A	24,019	January 31, 2020
2017 SOP	January 31, 2018	First (50%)	2,500,000	Unvested	N/A	2.00	N/A	0	N/A	319,530	January 31, 2020
		Second (25%)	1,250,000	Unvested	N/A	2.00	N/A	0	N/A		January 31, 2021
		Third (25%)	1,250,000	Unvested	N/A	2.00	N/A	0	N/A		January 31, 2022
PSOP	January 31, 2017	N/A	516,416	Unvested	19.3642	4.71	N/A	0	N/A	92,729	2021 (subject to performance conditions)

⁽¹³⁾ Ms. Marty’s annual cash bonus was paid out in March 2020 as an advance on the annual cash bonus that she might be entitled to for the financial year 2019. The final amount of Ms. Marty’s annual bonus is to be determined by the 2020 AGM.

⁽¹⁴⁾ Subject to the deduction of the contributions to be made to the LPP collective plan (please refer to section 8 “Pension schemes” for more details on the LPP collective plan).

⁽¹⁵⁾ This amount was paid to Ms. Marty as an advance on the Interim Payment on the cash performance bonus she might be entitled to. The Interim Payment is subject to a resolution of the General Meeting that will be put on the agenda of the 2020 AGM (please refer to section 6.2 “Cash performance bonus” for more details on the cash performance bonus).

⁽¹⁶⁾ Including the amount contributed to the LPP collective plan that is deducted from the annual cash bonus or the cash performance bonus, as the case may be (please refer to section 8 “Pension schemes” for more details on the LPP collective plan).

⁽¹⁷⁾ Including 21% VAT.

⁽¹⁸⁾ Since April 10, 2019.

For comparison purposes, the table below provides an overview of the remuneration of each Board Member for the financial year ended December 31, 2018. For every amount specified, the amount includes gross amounts, before the impact of social security or income tax deductions.

Name	Fixed compensation	Additional compensation for services to the Group ⁽¹⁾	Committee membership	Annual cash bonus	Discretionary one-time cash bonus	401(k) Savings Plan / LPP collective plan ⁽²⁾	Other benefits ⁽³⁾	Total ⁽⁴⁾
P. Drahi ⁽⁵⁾ President	€112,698	-	N/A	-	-	-	-	€112,698
A. Weill ⁽⁶⁾ CEO	€85,909	€996,829 ⁽⁷⁾	N/A	€500,000 ⁽⁸⁾	-	-	-	€1,582,738 ⁽⁷⁾
A4 S.A. ⁽⁹⁾ Vice-President	€150,000	-	N/A	-	-	N/A	N/A	€150,000
N. Marty ⁽¹⁰⁾ Executive Board Member	€71,591	€24,167	N/A	€200,000 ⁽¹¹⁾⁽¹²⁾	€100,000 ⁽¹²⁾⁽¹³⁾	€88,447 ⁽¹⁴⁾	€4,522	€407,499
D. Goet ⁽¹⁵⁾ President Executive Board Member	€146,825	€182,367	N/A	€2,032,080 ⁽¹⁵⁾	-	€7,816	€6,323	€2,375,411
D. Okhuijsen ⁽¹⁶⁾ CFO	€133,333	€156,157	N/A	-	€1,000,000 ⁽¹²⁾⁽¹⁷⁾	€124,054 ⁽¹⁴⁾	€35,481	€1,334,384
J. van Breukelen Non-Executive Board Member Chairman Chairman of the Audit Committee	€108,900 ⁽¹⁸⁾	N/A	€73,944 ⁽¹⁸⁾	N/A	€60,500 ⁽¹⁸⁾⁽¹⁹⁾	N/A	N/A	€243,344 ⁽¹⁸⁾

Name	Fixed compensation	Additional compensation for services to the Group ⁽¹⁾	Committee membership	Annual cash bonus	Discretionary one-time cash bonus	401(k) Savings Plan / LPP collective plan ⁽²⁾	Other benefits ⁽³⁾	Total ⁽⁴⁾
T. Sauvaire ⁽²⁰⁾ Non-Executive Board Member	€31,023	N/A	€10,606	N/A	-	N/A	N/A	€41,629
P. Besnier ⁽²¹⁾ Non-Executive Board Member	€7,403	N/A	€2,847	N/A	-	N/A	N/A	€10,250
N. Paulmier ⁽²²⁾ Non-Executive Board Member	€7,403	N/A	€5,125	N/A	-	N/A	N/A	€12,528
S. Matlock ⁽²³⁾ Non-Executive Board Member Chairman of the Remuneration Committee	€34,247	N/A	€23,710	N/A	€50,000 ⁽¹⁹⁾	N/A	N/A	€107,957
J.-L. Allavena ⁽²⁴⁾ Non-Executive Board Member	€34,247	N/A	€13,172	N/A	€50,000 ⁽¹⁹⁾	N/A	N/A	€97,419

⁽¹⁾ Payable to the Executive Board Members by Group Companies for services rendered to the Group.

⁽²⁾ Please see section 8 “Pension schemes”.

⁽³⁾ Other benefits include health and welfare benefit plans (medical, dental, vision, life insurance and disability coverage). No loans have been made by the Company or a Group Company to a Board Member in 2018.

⁽⁴⁾ For calculation purposes, the average exchange rate of U.S. dollars and Swiss Francs into euros for the year ended December 31, 2018 was used (\$1.00 = €0.8467; CHF1 = €0.8657).

⁽⁵⁾ The General Meeting appointed Mr. Drahi as Executive Board Member on May 18, 2018. Mr. Drahi’s appointment as Executive Board Member and President was effective as of June 8, 2018. Amounts disclosed relate to remuneration received as from the date of appointment.

⁽⁶⁾ The General Meeting appointed Mr. Weill as Executive Board Member on July 10, 2018. Mr. Weill’s appointment as CEO was effective as of the same date. Amounts disclosed relate to remuneration received as from the date of appointment or to which he was entitled as from the date of appointment and which were paid to him in 2019.

⁽⁷⁾ Including 20% VAT on fees paid by NextRadioTV to News Participations S.A.S., a company controlled by Mr. Alain Weill.

⁽⁸⁾ Mr. Weill was granted a discretionary annual cash bonus of €500,000 for the financial year 2018. Such bonus was paid in April 2019.

⁽⁹⁾ The permanent representative of A4 S.A. on the Board until October 31, 2018 was Mr. Bonnin. As from October 31, 2018, Mr. Okhuijsen has been the permanent representative of A4 S.A. on the Board. Both Mr. Bonnin and Mr. Okhuijsen have entered into services agreements with the Company and A4 S.A. that entitles Mr. Bonnin and Mr. Okhuijsen to the fixed remuneration to which A4 S.A. is entitled as Executive Board Member. In 2018, such remuneration was paid pro rata to Mr. Bonnin and Mr. Okhuijsen.

⁽¹⁰⁾ Ms. Marty was appointed as Executive Board Member on July 10, 2018. Amounts disclosed relate to remuneration received as from the date of appointment.

⁽¹¹⁾ The Group operates an annual performance-related cash bonus plan for the Executive Board Members, in their capacity as employee or service provider to Group Companies. Ms. Marty’s annual cash bonus was paid out in March 2019 as an advance on the annual cash bonus that she was entitled to for the financial year 2018. The final amount of Ms. Marty’s annual bonus was determined by General Meeting on June 27, 2019.

⁽¹²⁾ Subject to the deduction of the contributions to be made to the LPP collective plan (please refer to section 8 “Pension schemes” for more details on the LPP collective plan).

⁽¹³⁾ This amount was granted to Ms. Marty prior to her appointment to the Board but was paid in December 2018 at the time Ms. Marty was an Executive Board Member.

⁽¹⁴⁾ Including the amount contributed to the LPP collective plan that is deducted from the annual cash bonus or discretionary one-time cash bonus, as the case may be (please refer to section 8 “Pension schemes” for more details on the LPP collective plan).

⁽¹⁵⁾ Mr. Goei occupied the position of President until June 8, 2018. He stepped down as Executive Board Member on October 31, 2018. Amounts disclosed relate only to the period in which he has served as Executive Board Member and, with respect to amounts paid by Altice USA, to the period from January 1, 2018 to June 8, 2018, which was the date of the Separation (except for the annual cash bonus for 2018 which was determined by the compensation committee of Altice USA after the Separation and was paid by Altice USA in March 2019).

⁽¹⁶⁾ Mr. Okhuijsen stepped down as Executive Board Member on October 31, 2018. Amounts disclosed relate only to the time he has served as Executive Board Member.

⁽¹⁷⁾ On May 18, 2018, the General Meeting granted this amount to Mr. Okhuijsen as an exceptional variable gross compensation as employee of Altice Management International S.A.

⁽¹⁸⁾ Including 21% VAT.

⁽¹⁹⁾ This amount, which was paid in 2018 as an additional one-time discretionary cash compensation given the additional work performed in respect of, and his substantive contribution, to the Separation, was approved by the annual General Meeting on June 27, 2019.

⁽²⁰⁾ Mr. Sauvaire was appointed as Non-Executive Board Member on July 10, 2018. Amounts disclosed relate to remuneration received as from the date of appointment.

⁽²¹⁾ Mr. Besnier was appointed as Non-Executive Board Member on November 20, 2018. Amounts disclosed relate to remuneration received as from the date of appointment.

⁽²²⁾ Mr. Paulmier was appointed as Non-Executive Board Member on November 20, 2018. Amounts disclosed relate to remuneration received as from the date of appointment.

⁽²³⁾ Mr. Matlock stepped down as Non-Executive Board Member on July 10, 2018. Amounts disclosed relate only to the time he has served as Non-Executive Board Member.

⁽²⁴⁾ Mr. Allavena stepped down as Non-Executive Board Member on July 10, 2018. Amounts disclosed relate only to the time he has served as Non-Executive Board Member.

3.2 Implementation of the Remuneration Policy in 2019

The principles described in the Remuneration Policy have been applied in 2019 since all remuneration items mentioned in section 3 “Remuneration of the Board in 2019” are reflected in and in line with the Remuneration Policy.

The total remuneration package of the Executive Board Members is designed to retain, motivate and attract executives who are capable of leading the Group to achieve its strategic and business objectives and to contribute to the long-term performance of the Company and the Group. Such remuneration package aims to (i) discourage Executive Board Members to take unjustified risks that could have a positive effect on the short term but may not be beneficial for the Company and the Group on the long term and (ii) align the interests of the Executive Board Members with the Company's and the Group's long-term development. Therefore a significant proportion of the remuneration package of the Executive Board Members is variable and depends for a large part on long-term performance of the individual Executive Board Member and the Group:

- the variable remuneration of the Executive Board Members represents more than 75% of their total remuneration (please see the proportion of fixed and variable remuneration mentioned in the table included in section 3.1 "*Total remuneration of the Board in 2019*");
- the annual performance-related cash bonuses are linked to the achievement of pre-determined performance conditions based on financial and non-financial objectives which are in line with the Group's strategy and contribute to the long-term value creation (please section 6.1 "*Annual cash bonus*" for more details on the performance criteria applied for annual cash bonuses);
- the long-term cash incentives granted to the Executive Board Members are based on multiple-year financial and strategic targets (please see section 6.2 "*Cash performance bonus*" for a summary of cash performance bonuses granted to Executive Board Members);
- the package of the Executive Board members includes equity-based compensation in order to link an important portion of their remuneration with the long-term share price performance the Company's Common Shares A and to align their personal interests with those of the shareholders of the Company (please see section 7.1 "*Stock options*" for a summary of the grants of stock options to the Executive Board Members under the SOP, the LTIP and the 2017 SOP and section 7.2 "*FPPS*" for a summary of the grants of Preference Shares B to Mr. Weill).

The Remuneration Committee ensures that the relationship between the chosen performance criteria for the variable remuneration components (which must be realistic and sufficiently stretching) and the strategic objectives applied, as well as the relationship between remuneration and performance, are properly reviewed and accounted for, both ex-ante and ex-post.

The Remuneration Committee regularly reviews whether the Remuneration Policy or the way it is implemented should be adjusted. For example, in 2019, the Remuneration Committee assessed the need for the amendment of the Remuneration Policy to provide for the possibility to grant (i) Non-Executive Board Members an additional discretionary cash compensation in case of exceptional circumstances and (ii) Executive Board Members a discretionary annual cash bonus, irrespective of the grant of a performance-related annual cash bonus.

In 2020, the Remuneration Committee will continue to assess whether the amount and components of the remuneration package of the Executive Board Members is appropriate and is in the best interests of the Company and its stakeholders on a long-term basis.

4. Scenario analyses

The Remuneration Committee regularly reviews the remuneration framework for the Executive Board Members to determine if any adjustments are required, for example to adapt such remuneration to market developments or if the mix between fixed remuneration, variable remuneration and long-term incentives would no longer be set at an appropriate level given the evolution of the Group. If so, the Remuneration Committee would make a recommendation to the Board in that respect. In that context, the Remuneration Committee may conduct pay scenario analysis modelling on an ad hoc basis, which may, for example, assess the pay-out quantum for Executive Board Members under different performance scenarios. This modelling may be undertaken to ensure that the Remuneration Policy links directly to the Company's performance and contributes to the Company's long-term performance.

5. Change in remuneration, Company's performance and pay ratios

5.1 Change in remuneration

The table below provides an overview of the annual compensation of each Board Member for the financial years 2015 to 2019. The amounts mentioned in the table are gross amounts, before the impact of social security or income tax deductions.

	2015 ⁽¹⁾	2016	Change in percentage (2016 vs. 2015)	2017	Change in percentage (2017 vs. 2016)	2018	Change in percentage (2018 vs. 2017)	2019	Change in percentage (2019 vs. 2017)
Executive Board Members									
P. Drahi ⁽²⁾	€4,121,929 ⁽⁴⁾	€6,633,625 ⁽³⁾⁽⁴⁾	61%	N/A	N/A	€47,846,484 ⁽³⁾⁽⁴⁾	N/A	€5,515,159 ⁽⁴⁾	(88%)
A. Weill ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	€23,129,038 ⁽⁴⁾⁽⁶⁾	N/A	€30,785,414 ⁽⁴⁾⁽⁶⁾	33%
A4 S.A. ⁽⁷⁾	€50,000	€150,000	200%	€150,000	0%	€150,000	0%	€150,000	0%
N. Marty ⁽⁸⁾	N/A	N/A	N/A	N/A	N/A	€474,280 ⁽⁴⁾	N/A	€952,163 ⁽⁴⁾	101%
D. Goei ⁽⁹⁾	€7,122,546 ⁽⁴⁾	€12,039,495 ⁽³⁾⁽⁴⁾	69%	€34,293,703 ⁽³⁾⁽⁴⁾	185%	€43,163,779 ⁽³⁾⁽⁴⁾	26%	N/A	N/A
D. Okhuijsen ⁽¹⁰⁾	€1,719,778 ⁽⁴⁾	€2,005,616 ⁽⁴⁾	17%	€1,048,263 ⁽⁴⁾	(48%)	€4,409,615 ⁽⁴⁾	197%	N/A	N/A
J. Bonnin ⁽¹¹⁾	€2,076,221 ⁽⁴⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
M. Combes ⁽¹²⁾	N/A	€7,963,764 ⁽⁴⁾	N/A	€9,800,455 ⁽⁴⁾	23%	N/A	N/A	N/A	N/A
Non-Executive Board Members⁽¹³⁾									
J. van Breukelen ⁽¹⁴⁾	€63,525 ⁽¹⁵⁾⁽¹⁶⁾	€127,050 ⁽¹⁵⁾	100%	€175,450 ⁽¹⁵⁾	38%	€243,344 ⁽¹⁵⁾	39%	€149,233 ⁽¹⁵⁾	(39%)
T. Sauvaire ⁽¹⁷⁾	N/A	N/A	N/A	N/A	N/A	€41,629 ⁽¹⁸⁾	N/A	€111,667	168%
P. Besnier ⁽¹⁹⁾	N/A	N/A	N/A	N/A	N/A	€10,250 ⁽²⁰⁾	N/A	€90,000	778%
N. Paulmier ⁽²¹⁾	N/A	N/A	N/A	N/A	N/A	€12,528 ⁽²²⁾	N/A	€110,000	778%
S. Matlock ⁽²³⁾	€95,000	€95,000	0%	€110,000	16%	€107,957 ⁽²⁴⁾	(2%)	N/A	N/A
J.L. Allavena ⁽²⁵⁾	€85,000	€85,000	0%	€90,000	6%	€97,419 ⁽²⁶⁾	8%	N/A	N/A
M. Combes ⁽²⁷⁾	€40,384 ⁽²⁸⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Full time employees⁽²⁹⁾									
Average pay per FTE	€32,714	€39,537	21%	€47,654 / €35,025 ⁽³⁰⁾	21%	€34,364	(2%)	€33,372	(3%)

⁽¹⁾ For every amount specified, the amount includes payments from Altice S.A. in 2015 up to the date of the Merger.

⁽²⁾ Mr. Drahi stepped down from his position as Executive Board Member and President of the Company on September 6, 2016 and returned as Executive Board Member and President on June 8, 2018 following the implementation of the Separation.

⁽³⁾ Including (i) the expense recorded in the consolidated statement of income of Altice USA with regards to the Class C units in the US limited partnership which was set up as part of the long-term equity incentive plan implemented by Altice USA for certain members of its management team and (ii) as from 2018, the expense recorded in the consolidated statement of income of Altice USA with regards to the stock options granted by Altice USA under the long-term incentive plan adopted by Altice USA in 2017 in connection with the Altice USA IPO.

⁽⁴⁾ Including the expense recorded in the consolidated statement of income for the relevant year with regards to the stock options and Preference Shares B granted to the Executive Board Members.

⁽⁵⁾ Mr. Weill was appointed as Executive Board Member on July 10, 2018. His appointment as CEO was effective as of the same date.

⁽⁶⁾ Including 20% VAT on fees paid by NextRadioTV to News Participations S.A.S., a company controlled by Mr. Weill.

⁽⁷⁾ The permanent representative of A4 S.A. on the Board until October 31, 2018 was Mr. Bonnin. As from October 31, 2018, Mr. Okhuijsen has been the permanent representative of A4 S.A. on the Board. Both Mr. Bonnin and Mr. Okhuijsen have entered into services agreements with the Company and A4 S.A. that entitles Mr. Bonnin and Mr. Okhuijsen to the fixed remuneration to which A4 S.A. is entitled as Executive Board Member. In 2018, such remuneration was paid pro rata to Mr. Bonnin and Mr. Okhuijsen.

⁽⁸⁾ Ms. Marty was appointed as Executive Board Member on July 10, 2018.

⁽⁹⁾ Mr. Goei was an Executive Board Member until October 31, 2018, when he stepped down from this position. He has also had the positions of CEO from the Merger until June 28, 2016, and of President from September 6, 2016 to the date of the Separation, on June 8, 2018.

⁽¹⁰⁾ Mr. Okhuijsen stepped down as Executive Board Member on October 31, 2018.

⁽¹¹⁾ Mr. Bonnin was an executive director of Altice S.A. until the Merger.

⁽¹²⁾ Mr. Combes was appointed as Executive Board member and CEO on June 28, 2016 and stepped down from these positions on November 9, 2017.

⁽¹³⁾ Non-Executive Board Members are independent from the Company. Their remuneration is not tied to the performance of the Group and therefore includes fixed compensation only.

⁽¹⁴⁾ Mr. van Breukelen chaired both the Board and the Audit Committee until April 10, 2019, when he was replaced by Mr. Sauvaire as chairman of the Audit Committee.

⁽¹⁵⁾ Including 21% VAT.

⁽¹⁶⁾ Corresponding to an annualized remuneration of €127,050 (including 21% VAT).

⁽¹⁷⁾ Mr. Sauvaire was appointed as Non-Executive Board Member on July 10, 2018. On April 10, 2019, Mr. Sauvaire replaced Mr. van Breukelen as chairman of the Audit Committee.

⁽¹⁸⁾ Corresponding to an annualized remuneration of €90,000.

⁽¹⁹⁾ Mr. Besnier was appointed as Non-Executive Board Member on November 20, 2018.

⁽²⁰⁾ Corresponding to an annualized remuneration of €90,000.

⁽²¹⁾ Mr. Paulmier was appointed as Non-Executive Board Member on November 20, 2018.

⁽²²⁾ Corresponding to an annualized remuneration of €110,000.

⁽²³⁾ Mr. Matlock stepped down as Non-Executive Board Member on July 10, 2018.

⁽²⁴⁾ Corresponding to an annualized remuneration of €110,000 and an additional one-time discretionary cash compensation of €50,000 given the additional work performed in respect of, and his substantive contribution, to the Separation.

⁽²⁵⁾ Mr. Allavena stepped down as Non-Executive Board Member on July 10, 2018.

⁽²⁶⁾ Corresponding to an annualized remuneration of €90,000 and an additional one-time discretionary cash compensation of €50,000 given the additional work performed in respect of, and his substantive contribution, to the Separation.

⁽²⁷⁾ Mr Combes stepped down as non-executive director of Altice S.A. on May 19, 2015.

⁽²⁸⁾ Corresponding to an annualized remuneration of €105,000.

⁽²⁹⁾ Other than Board Members.

⁽³⁰⁾ Excluding Altice USA's employees for comparison purposes.

5.2 Evolution of the Company's performance

The table below provides an overview of the evolution of the Company's performance for the financial years 2015 to 2019. Figures are presented in millions of euros.

	2015	2016	Change in percentage (2016 vs. 2015)	2017	2017 (revised*)	Change in percentage (2017 vs. 2016)	2018	Change in percentage (2018 vs. 2017 (revised*))	2019	Change in percentage (2019 vs. 2018)
Revenue	14,550	20,756	43%	23,500	15,152	13%	14,255	(6%)	14,796	4%
Adjusted EBITDA	5,494	8,086	47%	9,413	5,757	16%	5,137	(11%)	5,583	9%
Capital expenditure	3,104	4,396	42%	4,193	3,256	(5%)	4,053	24%	3,171	(22%)
Operating free cash flow	2,390	3,690	54%	5,220	2,501	41%	1,084	(57%)	2,413	123%

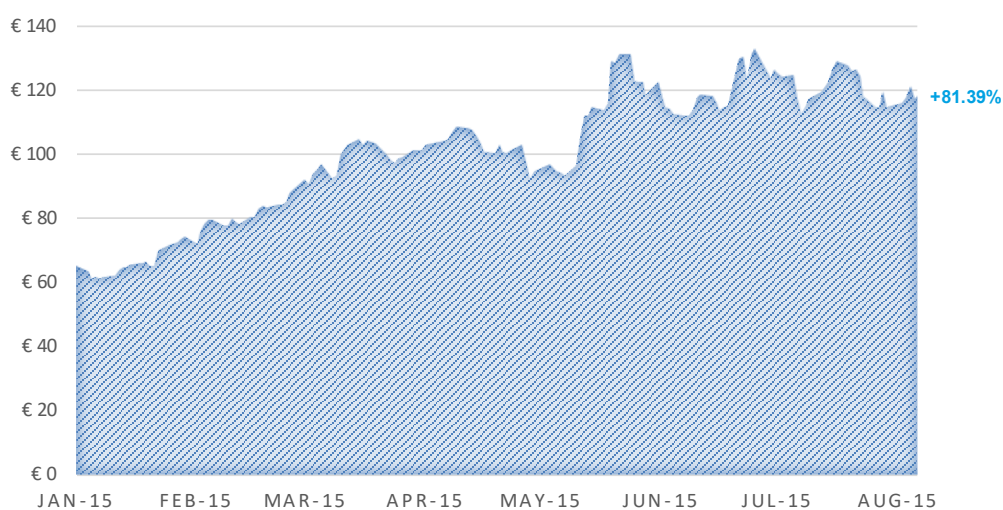
* Previously published information has been revised to take into account the impact following the classification of Altice USA as discontinued operation and the adoption of IFRS 15 *Revenue from Contracts with Customers*.

The three charts below show the evolution of the share price of:

- the Altice S.A.'s shares from January 2, 2015 to the last trading preceding the date of the Merger, i.e. August 7, 2015;
- the Common Shares A from the first trading day following the Merger, i.e. August 10, 2015 up to the last trading day preceding the ex-dividend date in connection with the Separation, i.e. May 21, 2018; and
- the Common Shares A from the ex-dividend date, i.e. May 22, 2018 up to December 31, 2019.

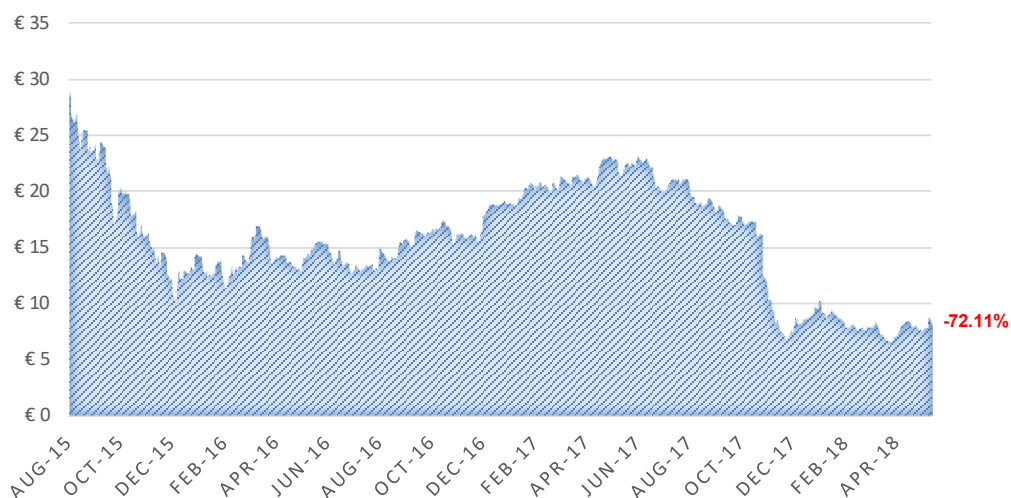
January 2, 2015 - August 7, 2015

Source: Euronext



August 10, 2015⁽¹⁾ - May 21, 2018

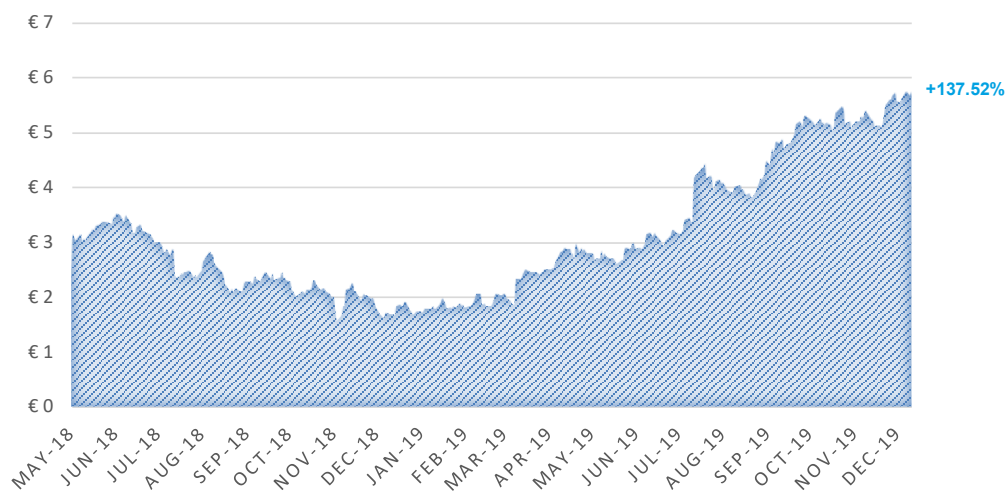
Source: Euronext



⁽¹⁾ Pursuant to the Merger, shareholders of Altice S.A. received 3 Common Shares A and one Common Share B, in exchange for each issued and outstanding share in the capital of Altice S.A. As a result, the share price went down from €118.05 at market close on August 7, 2015 to €28.34 at market opening on August 10, 2015.

May 22, 2018⁽²⁾ - December 31, 2019

Source: Euronext



⁽²⁾ The Common Shares A traded ex-dividend as from May 22, 2018. As a result, the share price of the Common Shares A went down from €7.90 at market close on May 21, 2018 to €2.42 at market opening on May 22, 2018.

5.3 Pay ratios

Based on best practice provision 3.4.1 of the Code, the Company shall disclose the ratios between the remuneration of the Board Members and that of a representative reference group of employees within the Group and, if applicable, comment on any important variation in the pay ratios in comparison with the previous financial year.

Reference group and average remuneration

The Company has decided to include in the reference group the entire workforce employed by the Group, expressed in the form of full-time-equivalent employees (FTE). The full-time equivalence of each employee is calculated based on the number of hours worked by the employee in each period, compared to the maximum

number of hours/period allowed as per the local law prevalent in the country of operation. As at December 31, 2019, there were 45,409 FTEs.

The calculation of the pay ratios is based on the average of the remuneration received by the employees of the reference group and is made in accordance with the following rules:

- in the event that an employee of the reference group received remuneration from different companies within the Group, the calculation was based on the global remuneration received by the relevant employee;
- the remuneration of the employees of the reference group taken into account was the remuneration received during the year concerned (i.e. if a bonus was paid in 2019 relating to activities performed in 2018, the bonus was taken into account when calculating the pay ratios of the financial year 2019);
- if all or part of the remuneration was paid in a foreign currency, the exchange rate which was used was the average exchange rate of the relevant currency into euros for the year ended December 31, 2019.

Type of remuneration

The Company used both fixed and variable remuneration components when determining the pay ratios for a given year.

Period of reference

The pay ratio disclosed by the Company reflects the last financial year.

Calculated pay ratios

Based on the above, the calculated pay ratios are as follows:

- the average President-to-worker pay ratio stands at 4.6 to 1 in 2019, compared to 54.57² to 1 in 2018;
- the average CEO-to-worker pay ratio stands at 76.4 to 1 in 2019.

In the course of 2018, both Mr. Goei and Mr. Drahi occupied the position of President and therefore fixed and variable remuneration components for both Mr. Goei and Mr. Drahi were taken into account in calculating the President-to-worker pay ratio for 2018. In 2019, such pay ratio was calculated based on the remuneration of Mr. Drahi only. The pay ratio for 2019 is materially lower than the pay ratio for 2018 because Mr. Drahi's remuneration is significantly lower than that of Mr. Goei, as Mr. Drahi does not receive any variable remuneration in cash. Please refer to section 3 "*Remuneration of the Board in 2019*" for additional information.

As the position of CEO within the Board was only occupied by Mr. Weill since July 10, 2018, the Company did not calculate a pay ratio for the position of CEO in 2018. It aims to comment on changes on this pay ratio in comparison with the previous financial year in the 2020 Management Report.

In addition, the Company does not calculate a pay ratio for the position of CFO, as this position was removed from the Board in 2018.

6. Variable remuneration in cash

Both (i) the annual cash bonus granted to Mr. A. Weill and Ms. N. Marty and (ii) the cash performance bonus granted to Ms. N. Marty are subject to financial and non-financial performance criteria. These financial and non-financial performance criteria are described below.

² The average President-to-worker pay ratio for 2018 has been revised as a result of the recalculation of the number of FTEs for 2018.

6.1 Annual cash bonus

Financial and non-financial performance criteria

The performance criteria used to determine the annual cash bonuses of the Executive Board Members depend on the other duties performed by them within the Group and the Group Company of which they are an employee or a service-provider.

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

- with respect to the personal performance criteria: each individual's personal objectives are determined every year and assessed at the end of each year;
- with respect to the financial performance criteria:
 - the financial performance criteria are assessed at the Group level;
 - the three indicators which were used in 2019 as financial performance criteria were Revenues, Adjusted EBITDA and Adjusted EBITDA – CAPEX + change in Working Capital. The target level of each such indicator (the “**Performance Target**”) was set based on the Group's annual budget for the financial year 2019, as approved by the Board. Depending on the actual amount of each such indicator, as set forth in the Consolidated Financial Statements, the calculation could either result in the variable remuneration to be nil or exceed the pre-agreed amount:

Amount of each indicator compared to the Performance Target	Result for such indicator
Less than 95% of the Performance Target	0
95% of the Performance Target	50%
100% of the Performance Target	100%
110% of the Performance Target	150%

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 variable remuneration in order to determine the amount of the variable remuneration for the year.

Annual cash bonus for 2019, to be paid in 2020

The Remuneration Committee compared the amount of the three above-mentioned indicators as set forth in the Consolidated Financial Statements to the Performance Targets and calculated the multiplying factor which, at the Group level, amounts to 55.7% for 2019.

- *Annual cash bonus of Ms. Marty for 2019*

When determining the amount of the annual cash bonus of Ms. Marty, the Remuneration Committee considered that the personal performance criteria have been fully achieved. The Remuneration Committee took into account the overall work performed by Mr. Marty in 2019 and in particular her involvement in the monetisation of the Group's infrastructure assets and the refinancing transactions which were closed or announced during the year. As a result, the Remuneration Committee decided to grant Ms. Marty a total bonus of €200,000 for 2019, as follows: €140,900 as performance-related annual cash bonus and €59,100 as discretionary annual cash bonus. Ms. Marty's 2019 bonus is subject to a resolution of the General Meeting that will be put on the agenda of the 2020 AGM.

- *Annual cash bonus of Mr. Weill for 2019*

On June 27, 2019, the General Meeting decided to align the terms and conditions of the discretionary annual cash bonus granted to Mr. Weill by the General Meeting of July 10, 2018 with those applicable to the annual cash bonuses of the other Executive Board Members and therefore to replace it by a performance-related annual cash bonus of €1,000,000.

When determining the amount of the annual cash bonus of Mr. Weill, the Remuneration Committee considered that, given the outstanding contribution of Mr. Weill to the commercial recovery and turnaround of Altice France, resulting from both strong customer acquisitions and a reduction of the churn rate, and to the constant improvement of Altice France's market perception in France, the personal performance criteria have been fully achieved. In addition, the Remuneration Committee took into account the overall work performed by Mr. Weill in 2019 and in particular his contribution to the establishment of good relationships with large corporate customers and public administrations, notably in the context of expanding the FTTH footprint. As a result, the Remuneration Committee decided to grant Mr. Weill a total bonus of €1,000,000 for 2019, as follows: €704,600 as performance-related annual cash bonus and €295,400 as discretionary annual cash bonus. Mr. Weill's 2019 bonus is subject to a resolution of the General Meeting that will be put on the agenda of the 2020 AGM.

6.2 Cash performance bonus

On July 10, 2018, the General Meeting granted Ms. Marty a cash performance bonus of €1,000,000 subject to the terms set out in the explanatory notes to the agenda of the General Meeting (the "**Cash Performance Bonus**"). On June 27, 2019, the General Meeting decided to amend the terms and conditions of the Cash Performance Bonus - to align them with the terms and conditions applying to the cash performance bonuses of other managers of the Group - as follows:

- (a) grant date: January 31, 2018;
- (b) vesting period: 50% of the Cash Performance Bonus shall vest on the second anniversary of the grant date, 25% on the third anniversary of the grant date and 25% on the fourth anniversary of the grant date, subject, (i) in each case, to the achievement of the performance criteria mentioned in paragraph (g) below and (ii) to the possibility of an Interim Payment on the second anniversary of the grant date, as set forth in paragraph (g) below;
- (c) performance criteria, to be assessed at the end of the vesting period: in the financial year ending December 31, 2021, 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 adopted by the Company on July 5, 2018 or in any other business plan to be adopted by the Company that the Remuneration Committee considers more favourable for the purposes of the calculation of the Cash Performance Bonus (the "**EBITDA Target**");
- (d) exception to the vesting period: in case (i) Next Alt owns, directly or indirectly, less than 30% of the aggregate nominal value of the issued and outstanding common shares in the capital of the Company or (ii) Mr. P. Drahi owns, directly or indirectly, less than 50% of the voting rights of Next Alt, the Cash Performance Bonus will vest automatically on the date of the change of control, and the performance criteria will be assessed on average over the period starting on January 1, 2018 and ended on the date of the change of control;
- (e) amount due:

Achievement of EBITDA Target	Cash Performance Bonus
Less than EUR 5,500,000,000 + 90% x (EBITDA Target minus EUR 5,500,000,000)	0% of the granted amount
Between (i) EUR 5,500,000,000 + 90% x (EBITDA Target minus EUR 5,500,000,000) and (ii) 100% of EBITDA Target	0% to 100% of the granted amount, depending on where the actual EBITDA figures falls
100%	100% of the granted amount
Between (i) 100% and (ii) EUR 5,500,000,000 + 120% x (EBITDA Target minus EUR 5,500,000,000)	100% to 200% of the granted amount, depending on where the actual EBITDA figures falls

- (f) payment date: April 29, 2022;

- (g) if the Board, at the initiative of the President, considers that, (i) given the level of the annual consolidated EBITDA generated by the Company in the financial year ending December 31, 2019, it can reasonably be concluded that the Company is on track to achieve the EBITDA Target in the financial year ending December 31, 2021, and/or (ii) certain corporate strategic projects of the Company approved by the Board have been successfully completed in the financial years ending December 31, 2018 and December 31, 2019 and/or (iii) Ms. Marty has successfully achieved the personal objectives which were assigned to her by the management of the Company for the financial years ending December 31, 2018 and December 31, 2019, the General Meeting may, subject to a proposal of the Board based on a recommendation of the Remuneration Committee, decide to pay Ms. Marty, on January 31, 2020, up to half of the granted amount of the Cash Performance Bonus (the “**Interim Payment**”); if the amount of the Cash Performance Bonus to be paid on April 29, 2022, calculated as set forth under paragraph (e) above, is:
- inferior to the amount of the Interim Payment, the General Meeting may, subject to a proposal of the Board based on a recommendation of the Remuneration Committee, resolve not to request Ms. Marty to reimburse the difference to the Company;
 - superior to the amount of the Interim Payment, the amount of the Interim Payment will be deducted from the amount of the Cash Performance Bonus due;
- (h) if Ms. Marty leaves the Group before the end of the vesting period, Ms. Marty shall keep the vested portion and forfeit the unvested portion of her Cash Performance Bonus.

The amount of the Interim Payment, if any, and the amount of the Cash Performance Bonus to be paid to Ms. Marty on April 29, 2022, if any, will thus always be determined by the General Meeting upon a proposal of the Board based on a recommendation of the Remuneration Committee.

On January 27, 2020, the Board, upon a recommendation of the Remuneration Committee, determined that the criteria for the payment of the Interim Payment to Ms. Marty were met and resolved to propose to the General Meeting to grant the Interim Payment to Ms. Marty. The Interim Payment was paid to Ms. Marty as an advance. The Interim Payment is subject to a resolution of the General Meeting that will be put on the agenda of the 2020 AGM.

6.3 Claw-back

During the financial year that ended on December 31, 2019 no variable remuneration has been clawed-back pursuant to article 2:135(8) DCC.

7. Share-based compensation

7.1 Stock options

The grant of stock options to Executive Board Members is designed to drive strategic and business decisions which add long-term value to the Group and to align the personal interests of the Executive Board Members with the interest of the shareholders of the Company, as their reward actually depends on the long-term share price performance of the Company.

A description of the Stock Option Plans under which Board Members have been granted options is set out below.

SOP

The Board and the General Meeting approved the establishment of the SOP on August 7, 2015, subject to and with effect as of the effective date of the Merger. The SOP was subsequently amended by the Board on recommendation of the Remuneration Committee on January 11, 2016 and on March 14, 2016, by the General Meeting on June 28, 2016 and by the Board on recommendation of the Remuneration Committee on July 25, 2016, subject to and with effect as from the moment following the 2016 EGM, when the proposed amendments to the articles of association of the Company, resolved upon in the 2016 EGM, took effect. The SOP was last amended by the Board on March 20, 2017. The purpose of the SOP is, amongst others, to provide prospective candidates to join the Group or prospective candidates for promotion within the Group with appropriate incentives and to support their retention. The number of options granted under the SOP depends on the position, the importance of the role, the seniority, the performance and the development potential of the participant on a

mid/long term. The grant of stock options under the SOP may be accompanied, for certain participants, by the grant of a deferred cash bonus subject to the same vesting conditions.

The Board, upon recommendation of the Remuneration Committee, may grant stock options to eligible participants under the conditions set out by the SOP. Employees of the Group and, in exceptional cases, individuals who are not employees of the Group are eligible to participate in the SOP. In addition, the General Meeting may resolve to grant stock options to Executive Board Members under the SOP as reward for their employment with or provision of services to Group Companies and in that case determines the number and the applicable criteria of such stock options, based on a recommendation of the Remuneration Committee. Non-Executive Board Members are not eligible for participation in the SOP.

Options granted under the SOP are subject to vesting conditions, which are time-based. For each participant, the stock options will vest as follows:

- a first tranche of 50% of the stock options a participant holds vests on the 2nd anniversary of the start date of the vesting period;
- a second tranche of 25% of the stock options a participant holds vests on the 3rd anniversary of the start date of the vesting period; and
- a third tranche of 25% of the stock options a participant holds vests on the 4th anniversary of the start date of the vesting period.

Notwithstanding the foregoing, the Board, upon recommendation of the Remuneration Committee, may adjust the start date of the vesting period of any participant, provided that the Board concurrently grants a benefit to such participant.

No consideration is payable for the allocation of the stock options. The exercise price of stock options granted under the SOP is equal to the weighted average price at which the Common Shares A are traded on Euronext Amsterdam during a period of 30 days preceding (i) the date of the offer made to and accepted by the employee to join the Group, (ii) the date on which the employee is promoted to a new function within the Group, or (iii) for an existing employee within the Group, the date on which the decision was made to grant him additional or new stock options, as the case may be. The Board, upon recommendation of the Remuneration Committee, may adjust the exercise price (at the time of or after the grant of the stock options) in a more favourable way for the participants, unless such an adjustment would have the effect of creating a material detriment to the Shareholders.

The following table summarizes the stock options granted to Executive Board Members under the SOP⁽¹⁾.

Name	Grant date	Tranches	Number of options granted	Current status	Exercise price at the grant date (€)	Adjusted exercise price ⁽²⁾ (€)	Gross cash compensation ⁽²⁾	Value at the grant date (€)	Value at vesting (€)	2018 stock option expenses ⁽³⁾ (€)	2019 stock option expenses ⁽⁴⁾ (€)	Vesting ⁽⁵⁾
Next Alt (entity controlled by Mr. Drahi)	January 31, 2014	First (50%)	5,309,734	Vested	7.0625	1.72	\$32,884,550 ⁽⁶⁾	0	32,800,882	51,584	0	January 31, 2016
		Second (25%)	2,654,867	Vested	7.0625	1.72		0	35,090,705			January 31, 2017
		Third (25%)	2,654,867	Vested	7.0625	1.72		0	4,230,530			January 31, 2018
N. Marty	January 31, 2016	First (50%)	12,660	Vested	17	4.14	\$21,598 ⁽⁷⁾	0	0	7,921	1,366	January 31, 2018
		Second (25%)	6,330	Vested	17	4.14	\$10,799 ⁽⁷⁾	0	0			January 31, 2019
		Third (25%)	6,330	Unvested	17	4.14	\$10,799 ⁽⁷⁾	0	N/A			January 31, 2020
	June 23, 2016	First (50%)	17,975	Vested	13.9081	3.38	\$38,835 ⁽⁷⁾	18,638	2,624	7,692	1,669	June 23, 2018
		Second (25%)	8,987	Vested	13.9081	3.38	\$19,417 ⁽⁷⁾	9,319	0			June 23, 2019
		Third (25%)	8,988	Unvested	13.9081	3.38	\$19,417 ⁽⁷⁾	9,319	N/A			June 23, 2020

⁽¹⁾ The share option plan of Altice S.A. ("SOP SA") came into effect on January 31, 2014. The Company, as surviving entity in the Merger, has adopted a stock option plan which replaced the SOP SA as of the effective date of the Merger, under (substantially) the same conditions as applicable to the SOP SA. Each option granted under the SOP SA was exchanged for four options, each entitling to one Common Share A in the share capital of the Company, at 25% of the applicable exercise price under the SOP SA.

⁽²⁾ In connection with the Separation, the exercise price of the stock options granted under the SOP was adjusted and a gross cash compensation corresponding to the value of a stock option on 0.4163³ Altice USA share, multiplied by the number of stock options held by the participant

³ Corresponding to the number of Altice USA shares distributed to the Company's shareholders in respect of each share in the Company in connection with the Separation.

under the SOP, was granted to the participants who had unexercised stock options under the SOP, subject to vesting of the relevant stock options.

⁽³⁾ This refers to the expense recorded in the consolidated statement of income for the year ended December 31, 2018 with regards to the stock options granted to the Executive Board Members under the SOP.

⁽⁴⁾ This refers to the expense recorded in the consolidated statement of income for the year ended December 31, 2019 with regards to the stock options granted to the Executive Board Members under the SOP.

⁽⁵⁾ Vested options can be exercised at any time until the 10th anniversary of the grant date.

⁽⁶⁾ On July 5, 2018, the Board resolved that the payment of the cash compensation may be deferred if so agreed upon by the relevant participant and the Company and that the interest payable by the Company to the relevant participant in connection with the deferred payment would be: (i) if payment is deferred by six months, calculated as from the date on which the cash compensation is payable: EURIBOR plus 200 basis points and (ii) if payment is deferred by twelve months, calculated as from the date on which the cash compensation is payable: EURIBOR plus 300 basis points. The actual payment made to Next Alt in January 2019 was \$33,225,284, including interest.

⁽⁷⁾ Subject to the deduction of the contributions to be made to the LPP collective plan, if any (please refer to section 8 “Pension schemes” for more details on the LPP collective plan).

2017 SOP

On November 2, 2017, the Board, upon recommendation of the Remuneration Committee, adopted a new stock option plan (the “2017 SOP”), the terms of which are substantially the same as those of the SOP, except for the good leaver / bad leaver provisions applicable when a participant leaves the Group which have been amended to further support retention of the participants. The 2017 SOP was amended on May 18, 2018 by the General Meeting in order to extend it to Executive Board Members.

The following table summarizes the stock options granted to Executive Board Members under the 2017 SOP:

Name	Grant date	Tranches	Number of options granted	Current status	Exercise price at the grant date (€)	Value at the grant date (€)	Value at vesting (€)	2018 stock option expenses ⁽¹⁾ (€)	2019 stock option expenses ⁽²⁾ (€)	Vesting ⁽³⁾
N. Marty	January 31, 2018	First (50%)	250,000	Unvested	2	0	N/A	0	0	January 31, 2020
		Second (25%)	125,000	Unvested	2	0	N/A			January 31, 2021
		Third (25%)	125,000	Unvested	2	0	N/A			January 31, 2022

⁽¹⁾ This refers to the expense recorded in the consolidated statement of income for the year ended December 31, 2018 with regards to the stock options granted to the Executive Board Members under the 2017 SOP.

⁽²⁾ This refers to the expense recorded in the consolidated statement of income for the year ended December 31, 2019 with regards to the stock options granted to the Executive Board Members under the 2017 SOP.

⁽³⁾ Vested options can be exercised at any time until the 10th anniversary of the grant date.

LTIP

The General Meeting approved the establishment of the LTIP on June 28, 2016. The LTIP was subsequently amended by the Board on recommendation of the Remuneration Committee on July 25, 2016, subject to and with effect as from the moment following the 2016 EGM, when the proposed amendments to the Articles of Association, resolved upon in the 2016 EGM, took effect. The LTIP is mainly used by the Company to grant stock options to participants under the SOP whose options have partially vested, in order to support retention of such participants, such grant being accompanied, for certain participants, by the grant of a deferred cash bonus subject to the same vesting conditions. The number of options granted under the LTIP depends on the position, the importance of the role, the seniority, the performance and the development potential of the participant on a mid/long term.

The Board, upon recommendation of the Remuneration Committee, may grant stock options to eligible participants under the conditions set out by the LTIP. Employees of the Group and in exceptional cases individuals who are not employees of the Group are eligible to participate in the LTIP. In addition, the General Meeting may resolve to grant stock options to Executive Board Members under the LTIP as reward for their employment with or provision of services to Group Companies and in that case, determines the number and the applicable criteria of such stock options, based on a recommendation of the Remuneration Committee. Non-Executive Board Members are not eligible for participation in the LTIP.

Options granted under the LTIP are subject to vesting conditions, which are time-based. For each participant, all the stock options will vest on the 3rd anniversary of the start date of the vesting period. Notwithstanding the foregoing, the Board may, upon recommendation of the Remuneration Committee, adjust the start date of the vesting period of any participant, provided that the Board concurrently grants a benefit to such participant.

No consideration is payable for the allocation of the stock options. The exercise price of stock options granted under the LTIP is equal to the weighted average price at which the Common Shares A are traded on Euronext Amsterdam during a period of 30 days preceding (i) the date on which the decision was made to grant the participant additional or new stock options, or (ii) an alternative date determined by the Board. The Board, upon recommendation of the Remuneration Committee, may adjust the exercise price (at the time of or after the grant of the stock options) in a more favourable way for the participants, unless such an adjustment would have the effect of creating a material detriment to the Shareholders.

The following table summarizes the stock options granted to Executive Board Members under the LTIP.

Name	Grant date	Number of options granted	Current status	Exercise price (€)	Adjusted exercise price ⁽¹⁾ (€)	Gross cash compensation ⁽¹⁾ (€)	Value at the grant date (€)	Value at vesting (€)	2018 stock option expenses ⁽²⁾ (€)	2019 stock option expenses ⁽³⁾ (€)	Vesting ⁽⁴⁾
P. Drahi	January 31, 2016	755,287	Vested	13.24	3.22	\$1,638,468	0	0	220,499	10,676	January 31, 2019

⁽¹⁾ In connection with the Separation, the exercise price of the stock options granted under the LTIP was adjusted and a gross cash compensation corresponding to the value of a stock option on 0.4163⁴ Altice USA share, multiplied by the number of stock options held by the participant under the LTIP, was granted to the participants who had unexercised stock options under the LTIP, subject to vesting of the relevant stock options.

⁽²⁾ This refers to the expense recorded in the consolidated statement of income for the year ended December 31, 2018 with regards to the stock options granted to the Executive Board Members under the LTIP.

⁽³⁾ This refers to the expense recorded in the consolidated statement of income for the year ended December 31, 2019 with regards to the stock options granted to the Executive Board Members under the LTIP.

⁽⁴⁾ Vested options can be exercised at any time until the 10th anniversary of the grant date.

Share options pursuant to the brand licence and services agreement

The Group licences the Altice brand from Next Alt as part of a brand licence and services agreement concluded in 2016. As part of this agreement, 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 (which, since the Separation, excludes North America). In 2017, the brand licence and services agreement was amended. Instead of a fee, Next Alt was granted 30 million stock options. On June 7, 2018, Next Alt transferred the options to its parent company Next Luxembourg S.C.Sp.

The following table summarizes the stock options granted to Next Alt, and subsequently transferred to Next Luxembourg S.C.Sp, in connection with the brand licence and services agreement.

Name	Grant date	Number of options granted	Current status	Exercise price at the grant date (€)	Adjusted exercise price ⁽¹⁾ (€)	Gross cash compensation ⁽¹⁾ (€)	Value at the grant date (€)	Value at vesting (€)	2018 stock option expenses ⁽²⁾ (€)	2019 stock option expenses ⁽³⁾ (€)	Vesting ⁽⁴⁾
Next Luxembourg S.C.Sp (entity controlled by Mr. Drahi)	January 31, 2017	10,000,000	50% Vested	19.3642	4.71	\$8,492,312	4,759,000	0	4,238,359	1,004,398	January 31, 2019
			25% Unvested	19.3642	4.71	\$4,246,156	2,339,500	N/A			January 31, 2020
			25% Unvested	19.3642	4.71	\$4,246,156	2,339,500	N/A			January 31, 2021
	January 31, 2017	10,000,000	Unvested	19.3642	4.71	\$7,684,085	0	N/A	1,215,985	288,162	Latest by January 31, 2021 ⁽⁵⁾
	January 31, 2017	10,000,000	Unvested	19.3642	4.71	\$4,307,829	0	N/A	923,962	218,959	Latest by January 31, 2022 ⁽⁶⁾

⁽¹⁾ In connection with the Separation, the exercise price of the stock options was adjusted and a gross cash compensation corresponding to the value of a stock option on 0.4163⁵ Altice USA share, multiplied by the number of outstanding stock options, was granted to Next Luxembourg S.C.Sp, subject to vesting of the relevant stock options.

⁽²⁾ This refers to the expense recorded in the consolidated statement of income for the year ended December 31, 2018 with regards to the stock options granted in connection with the brand licence and services agreement.

⁽³⁾ This refers to the expense recorded in the consolidated statement of income for the year ended December 31, 2019 with regards to the stock options granted in connection with the brand licence and services agreement.

⁴ Corresponding to the number of Altice USA shares distributed to the Company's shareholders in respect of each share in the Company in connection with the Separation.

⁵ Corresponding to the number of Altice USA shares distributed to the Company's shareholders in respect of each share in the Company in connection with the Separation.

⁽⁴⁾ Vested options can be exercised at any time until the 10th anniversary of the grant date.

⁽⁵⁾ Subject to performance conditions: the options will vest in the event the share price doubles in value compared to the adjusted exercise price on or before January 31, 2021.

⁽⁶⁾ Subject to performance conditions: the options will vest in the event the share price triples in value compared to the adjusted exercise price on or before January 31, 2022.

7.2 FPPS

On July 10, 2018, the General Meeting determined the remuneration of Mr. Weill to include Weill 2018 FPPSs with the following main characteristics:

- granted number of Preference Shares B: 25,000,000;
- vesting period: earliest of four years from the grant date of the Preference Shares B and the annual General Meeting to be held in 2022;
- performance criteria: on the financial year ending on December 31, 2021, the Company having 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 adopted by the Company;
- number of Preference Shares B, each convertible into one Common Share A, ranging between 0% and 200% of the number of granted Preference Shares B, to be assessed at the end of the vesting period, according to a predetermined allocation key linked to performance criteria.

In case of a conversion of the Preference Shares B into Common Shares A, the Company will have a call option, requiring Mr. Weill to sell all or part of his Common Shares A resulting from such conversion for a price of four (4) euros per Common Share A. Mr. Weill will have a put option during 180 days after a conversion, requiring the Company to purchase all or part of his Common Shares A resulting from such conversion for a price per Listed Common Share A which shall be the result of a formula based on the Company's turnover and financial debt figures, both figures being those of the year ending 31 December 2021, or, in case of early vesting, the financial year during which the event giving rise to an early vesting occurred.

In addition, in connection with the Separation, the General Meeting also approved an adjustment of the terms and conditions governing Mr. Weill's existing right to acquire the Weill 2016 FPPSs, as follows:

- Weill 2016 FPPSs Tranche 1: 1,103,096 Weill 2016 FPPSs, each upon vesting convertible into one newly to be issued Common Share A as well as 0.4163 existing shares of Class A common stock in Altice USA;
- Weill 2016 FPPSs Tranche 2: 752,568 Weill 2016 FPPSs, each upon vesting convertible into a number of newly to be issued Common Shares A depending on the share price of the Common Shares A during the 5 trading days preceding the conversion request;
- a gross cash compensation of a maximum aggregate amount of \$839,991.15, to be paid after the conversion of the Weill 2016 FPPSs Tranche 2 into Common Shares A.

As of December 31, 2019, all Weill 2016 FPPSs Tranche 1 and Weill 2016 FPPSs Tranche 2 had vested.

7.3 Redemption or subscription of shares

In connection with the exercise of rights to acquire shares, (i) no shares in the Company's share capital were repurchased as at December 31, 2019 and/or up to the date of this Remuneration Report and (ii) except for (x) 275,774 Weill 2016 FPPSs Tranche 1 and 188,142 Weill 2016 FPPSs Tranche 2 which were issued to Mr. Weill on January 9, 2019 and (y) 275,774 Weill 2016 FPPSs Tranche 1 and 188,142 Weill 2016 FPPSs Tranche 2 which were issued to Mr. Weill on January 6, 2020, no shares have been subscribed for as at December 31, 2019 and/or up to the date of this Remuneration Report.

8. Pension schemes

The Company operates no pension or retirement schemes for its Board Members or its members of senior management. It, however, makes contributions to mandatory social security schemes in the countries of employment of its Board Members and its members of senior management.

In addition, the Group subscribed for a LPP collective plan (*La Prévoyance Professionnelle*) for all its employees, including Board Members, who are based in Switzerland. 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 is very common in Switzerland and provides for extra benefits compared to the minimum requirements imposed by Swiss law. It is based on contributions from the Group as well as from the employee.