

ALTICE EUROPE N.V.
with corporate seat in Amsterdam
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands
Trade Register Number 63329743
(the "**Company**")

ANNUAL GENERAL MEETING

to be held on 27 June 2019 at 11:00 hours (Amsterdam time) at the Conservatorium Hotel,
Van Baerlestraat 27, 1071 AN Amsterdam, the Netherlands

EXPLANATORY NOTES TO THE AGENDA

2. Management Report for the financial year 2018

(a) Discussion of the 2018 Management Report, including corporate governance

This agenda item includes an account for the financial year 2018.

On June 8, 2018, the Company effected the separation of its European and American activities by way of a special distribution in kind of its 67.2% interest in Altice USA, Inc. to the Company's shareholders out of the Company's share premium reserve (the "**Separation**"). At the same time, the Company was renamed Altice Europe N.V. and reorganised its structure comprising Altice France, Altice International and a newly formed Altice TV subsidiary.

In connection with and following the Separation, the Company strengthened its management and governance structure in 2018 as follows:

- Mr. P. Drahi was appointed as executive member of the board of directors of the Company (the "**Board**") and President of the Board;
- Mr. A. Weill was appointed as executive Board member and Chief Executive Officer;
- Ms. N. Marty was appointed as executive Board member;
- Mr. T. Sauvaire, Mr. P. Besnier and Mr. N. Paulmier were appointed as non-executive Board members;
- Mr. D. Goei, Mr. D. Okhuijsen, Mr. S. Matlock and Mr. J.L. Allavena stepped down as members of the Board; and
- Mr. D. Okhuijsen was appointed as permanent representative of A4 S.A., replacing Mr. J. Bonnin.

The Company complies with the principles and best practice provisions of the Dutch Corporate Governance Code 2016 (the "**Code**"), except for matters as reported in paragraph 3.6.2 of the 2018 Management Report. A comply-or-explain list with respect to the Company's compliance with the Code is available on the Company's website (www.altice.net).

(b) **Explanation of the reservation and dividend policy**

In accordance with the Company's articles of association and best practice provision 4.1.3 of the Code, the reservation and dividend policy is dealt with and explained as a separate agenda item.

On April 10, 2019, the Board made some amendments to the Company's dividend policy in connection with the Separation. The dividend policy now reads as follows:

*"With the exception of the special distribution in kind of its 67.2% interest in Altice USA Inc. to its shareholders out of its share premium reserve on June 8, 2018, Altice Europe N.V. (the "**Company**") has not paid any dividends since its incorporation.*

In future years, the Company intends to assess the relevance of paying dividends in light of its key objectives of increasing operational efficiencies of its existing businesses, driving growth through reinvestment and integrating its acquired businesses by utilizing the Altice group's operational expertise, scale and investment support, as well as its strategy to prioritise investments in its infrastructure, portfolio of rights or value-accretive acquisitions including, as the case may be, by increasing its shareholding in its subsidiaries and/or buying-back its own shares.

Within this framework, the Company will at times consider returning capital to the shareholders through ordinary and exceptional dividend as well as share buy-backs if deemed adequate on the basis of its strategy."

In line with the Company's above dividend policy, the Board has assessed the relevance of paying dividends in light of its key objectives of increasing operational efficiencies of its existing businesses, driving growth through reinvestment and integrating its acquired businesses by utilizing the Altice group's operational expertise, scale and investment support, as well as its strategy to prioritise investments in its infrastructure, portfolio of rights or value-accretive acquisitions including, as the case may be, by increasing its shareholding in its subsidiaries and/or buying-back its own shares. The Board concluded not to distribute any dividend and proposes to allocate the profit for the financial year 2018, amounting to EUR 1,169,967,082.39 as follows: (i) EUR 0.92 to the retained earnings reserve for the Preference Shares B, as required by the Articles of Association, and (ii) EUR 1,169,967,081.47 to the retained earnings.

(c) **Explanation of the implementation of the Remuneration Policy of the Board**

In accordance with Dutch legislation aimed at improving the transparency regarding the implementation of the Remuneration Policy, shareholders are invited to consider the implementation of the Company's current Remuneration Policy as a separate agenda item.

The Remuneration Policy for the Board and its implementation during the financial year 2018 are set out in paragraphs 5.5.2 and 5.5.3 of the 2018 Management Report.

3. Proposal to adopt the annual accounts for the financial year 2018 (voting item)

This agenda item includes the proposal to adopt the 2018 annual accounts (which include the 2018 standalone annual accounts and the 2018 consolidated annual accounts).

4. Proposal for discharge of liability of the executive directors of the Board (voting item)

It is proposed to the General Meeting to discharge the executive directors of the Board in office in 2018 from all liability in relation to the exercise of their duties in the financial year 2018, to the extent that such exercise is apparent from the 2018 annual accounts or other public disclosures prior to the adoption of the 2018 annual accounts.

5. Proposal for discharge of liability of the non-executive directors of the Board (voting item)

It is proposed to the General Meeting to discharge the non-executive directors of the Board in office in 2018 from all liability in relation to the exercise of their duties in the financial year 2018, to the extent that such exercise is apparent from the 2018 annual accounts or other public disclosures prior to the adoption of the 2018 annual accounts.

6. Re-appointment of Board members

(a) Proposal to re-appoint A4 S.A. as executive director of the Board (voting item)

In accordance with article 16.3 of the Company's articles of association, Next Alt S.à r.l. nominated A4 S.A. to be re-appointed as executive director of the Board. A4 S.A. will upon re-appointment remain Vice-President of the Board.

The proposed appointment is for a term starting as per the date of the 2019 AGM and ending immediately after the annual General Meeting to be held in 2023, which is the fourth calendar year after the date of re-appointment.

A4 S.A. is a public limited liability company (*société anonyme*), incorporated under the laws of the Grand Duchy of Luxembourg, with its registered office at 5 rue Eugène Ruppert, L-2453 Luxembourg and registered with the Luxembourg Trade and Company register under number B 199.163. A4 S.A. is controlled by the family of Mr. Drahi. The purpose of A4 S.A. is to acquire participating interests in other entities, both local and international, as well as the administration, management, control and development of such participating interests.

Mr. D. Okhuijsen is the permanent representative of A4 S.A.

A4 S.A. does not hold any shares in the share capital of the Company.

The remuneration granted to A4 S.A. by the General Meeting on 6 August 2015, as specified in the 2018 Management Report and the Company's financial statements for the financial year 2018, remains unchanged and effective.

(b) **Proposal to re-appoint Mr. J. van Breukelen as non-executive director of the Board (voting item)**

In accordance with article 16.3 of the Company's articles of association, it is proposed to re-appoint Mr. J. van Breukelen as non-executive director of the Board. Mr. J. van Breukelen will upon re-appointment remain Chairman of the Board.

The proposed appointment is for a term starting as per the date of the 2019 AGM and ending immediately after the annual General Meeting to be held in 2023, which is the fourth calendar year after the date of his re-appointment.

Mr. van Breukelen is a Managing Partner of Gilde Equity Management. Having spent his military service as a lieutenant in the Royal Dutch Army, he joined KPMG in 1994. In 2000, at the age of 31, he became partner at KPMG, and from 2003 to 2007 he was Head of Corporate Finance in the Netherlands. In 2007 he joined the Board of Management of KPMG, being responsible for Advisory as well as for Clients & Markets. From 2012 to 2014 he acted as CEO and Country Senior Partner of KPMG in the Netherlands. During his professional career Mr. van Breukelen has held a number of senior executive roles at KPMG International, including serving on the boards of KPMG Europe, Middle East & Africa and then, until 2014, as a member of the Global Executive Team and Global Board of KPMG International. At the Global Board he chaired KPMG's Global Quality & Risk Committee. He is a member of the supervisory board of Stichting Alzheimer Nederland and Urus Group LLC and a Director of VGG Holdco B.V. In addition, he is an Advisory Board Member of the Rotterdam School of Management, Erasmus University Rotterdam, and of Ponooc B.V. Until 2014 Mr. van Breukelen held a position as a supervisory board member of the Princess Maxima Centre for Pediatric Oncology in the Netherlands. From 2015 to early 2017, he was chairman of the supervisory Board of Van Gansewinkel Groep B.V. and from 2017 to 2018, he was chairman of the board of Bosal Nederland B.V. Until 2018, he was also a Senior Adviser at the private equity fund Permira Advisers LLP and a Senior Adviser to the investment bank of Barclays Bank PLC.

Mr. van Breukelen holds a Master Degree in Business Economics at the Erasmus University in Rotterdam.

He currently serves on the Audit Committee and Remuneration Committee of the Company.

In 2018, Mr. Van Breukelen attended all Board meetings, all meetings of the Audit Committee and all meetings of the Remuneration Committee.

The Board recommends to appoint Mr. Van Breukelen for a new term as non-executive director of the Board in view of his knowledge of the Company, his financial experience, his experience as board member of various companies in different sectors and his corporate governance experience.

Mr. van Breukelen does not hold any shares in the share capital of the Company and is considered independent in the meaning of principle 2.1.8 of the Code. Mr. Van Breukelen complies with the limitations regarding the maximum number of supervisory board and non-executive board positions in large Dutch entities (section 2:142a of the Dutch Civil Code).

The remuneration granted by the General Meeting to Mr. van Breukelen in line with article 2.1 of the Remuneration Policy remains effective.

7. Remuneration of Board members

Pursuant to article 16.4 of the Company's articles of association, the remuneration of the Board members - whether paid by the Company or by another group company - is determined by the General Meeting.

Following article 2:132(3) Dutch Civil Code, the legal relationship between the Board members and the Company does not qualify as employment agreement. The executive directors may have an employment agreement or a management agreement with one or more companies within the Altice group.

(a) **Proposal to determine the annual cash bonus for Ms. N. Marty for the financial year 2018 (voting item)**

On July 10, 2018, the General Meeting granted an annual cash bonus to Ms. N. Marty of EUR 200,000 for the financial year 2018. Based on the Remuneration Policy, such bonus may be divided in a performance-related annual cash bonus and a discretionary annual cash bonus.

The Board proposed to the General Meeting, based on a recommendation of the Remuneration Committee, to determine the annual cash bonus of Ms. N. Marty for the financial year 2018 as follows:

(i) a performance-related annual cash bonus for the financial year 2018 of EUR 101,700 which:

(a) is for 2/3 based on the assessment of the following three financial performance criteria at Altice Group level: revenues, adjusted EBITDA and adjusted EBITDA minus CAPEX plus change in working capital, whereby the performance target is based on the Altice Group's annual budget for the financial year 2018 as approved by the Board (the "**Performance Target**") and whereby the amount due is calculated as follows:

| 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% |

(b) is for 1/3 based on personal performance;

(ii) a discretionary annual cash bonus of EUR 98,300 given Ms. N. Marty's role in the implementation of the Separation.

As reflected in paragraph 5.5.4 of the 2018 Management Report, Ms. Marty received the amount of her annual cash bonus as an advanced payment in March 2019, subject to approval of the General Meeting. The contributions to the retirement plan put in place by the relevant Company's subsidiary in Switzerland and to which Ms. Marty is affiliated were deducted from Ms. Marty's annual cash bonus.

(b) **Proposal to amend the remuneration of Mr. A. Weill (voting item)**

On July 10, 2018, the General Meeting granted Mr. A. Weill a discretionary annual cash bonus of up to EUR 1,000,000, payable on 31 March of each year, and prorated for time for the first year (the "**Weill Bonus**").

It is proposed to the General Meeting to align the terms and conditions of the annual cash bonus granted to Mr. A. Weill with those applicable to the annual cash bonuses of the other executive directors and therefore to replace the Weill Bonus by a performance-related annual cash bonus of EUR 1,000,000.

The other remuneration elements as previously granted to Mr. A. Weill by the General Meeting, if and in so far as relevant and as reflected in the 2018 Management Report and the Company's financial statements for the financial year 2018, remain unchanged.

(c) **Proposal to amend the remuneration of Ms. N. Marty (voting item)**

It is proposed to the General Meeting to amend the remuneration of Ms. N. Marty as follows:

(i) **Cash performance bonus**

On July 10, 2018, the General Meeting granted Ms. N. Marty a cash performance bonus of EUR 1,000,000 subject to the terms set out in the explanatory notes to the agenda of the extraordinary meeting held on July 10, 2018 (the "**Cash Performance Bonus**").

It is proposed to the General Meeting 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 members of the Altice group - as follows:

- (a) granted amount: EUR 1,000,000;
- (b) start of the vesting period: January 31, 2018 (the "**Bonus Grant Date**");
- (c) vesting period: 50% of the Cash Performance Bonus shall vest on the second anniversary of the Bonus Grant Date, 25% on the third anniversary of the Bonus Grant Date and 25% on the fourth anniversary of the Bonus Grant Date, subject, (i) in each case, to the achievement of the performance criteria mentioned in paragraph (d) below and (ii) to the possibility of an Interim

Payment on the second anniversary of the Bonus Grant Date, as set forth in paragraph (h) below;

- (d) 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 favorable for the purposes of the calculation of the Cash Performance Bonus (the "**EBITDA Target**");
- (e) exception to the vesting period: in case (i) Next Alt, a company controlled by Mr. Drahi, 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 ("**Change of Control**"), 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;
- (f) 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 |

- (g) payment date: April 29, 2022;
- (h) 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. N. 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. N. Marty, on the second anniversary of the Bonus Grant Date, up to half of the granted amount of the Cash Performance Bonus mentioned in paragraph (a) above (the "**Interim Payment**"); if the amount of the Cash Performance Bonus to be paid on April 29, 2022, calculated as set forth under paragraph (f) 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. N. 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;
- (i) if Ms. N. Marty leaves the Company's group before the end of the vesting period, Ms. N. 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. N. 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.

(ii) **Stock options**

It is proposed to the General Meeting to grant Ms. N. Marty 500,000 stock options, each for 1 Common Share A, at an exercise price per Common Share A of EUR 2, as from January 31, 2018 (the "**Options Grant Date**") under the share option plan of the Company dated November 2, 2017, as amended on May 18, 2018 (the "**2017 SOP**").

These options will vest over time (50% after two years from the Options Grant Date, 25% after three years from the Options Grant Date and 25% after four years from the Options Grant Date). Vested options can be exercised until the 10th anniversary of the Options Grant Date.

If the General Meeting approves this proposal, the grant of stock options under the 2017 SOP to Ms. N. Marty will be effected by the acceptance of the grant letter that the Company will propose to Ms. N. Marty in due course.

The other remuneration elements as previously granted to Ms. N. Marty by the General Meeting, if and in so far as relevant and as reflected in the 2018 Management Report and the Company's financial statements for the financial year 2018, remain unchanged.

(d) **Proposal to amend the Remuneration Policy of the Board (voting item)**

It is proposed to the General Meeting to amend the Remuneration Policy of the Board. The proposed amendments relate to:

- (i) the addition of the possibility to grant non-executive directors of the Board an additional discretionary cash compensation in case of exceptional circumstances, such discretionary cash compensation to be granted to the non-executive directors by the General Meeting upon a proposal of the Board;
- (ii) clarifying that a discretionary annual cash bonus may be granted separately, irrespective of the granting of a performance-related annual cash bonus;
- (iii) the addition of another benefit, i.e. representation allowances, that may be granted to the executive directors of the Board by the General Meeting upon a proposal of the Board based on a recommendation of the Remuneration Committee; and
- (iv) the termination of the provision in the Dutch Civil Code pursuant to which the remuneration of a Board member had to be deducted with the value increase of shares in the Company's share capital due to a public offer on shares in the Company.

A full version of the draft amendment to the Remuneration Policy of the Board (the "**Proposed Remuneration Policy**") is available at the offices of the Company in Amsterdam and on the Company's website (www.altice.net) under "Investors - Shareholder meetings".

(e) **Proposal to approve the grant of a discretionary cash compensation to Mr. J. van Breukelen, Mr. S. Matlock and Mr. J.L. Allavena (voting item)**

This agenda item will only be put to a vote if agenda item 7(d) is adopted.

In accordance with paragraph 2.1 of the Proposed Remuneration Policy, it is proposed to the General Meeting to grant each of Mr. J. van Breukelen, Mr. S. Matlock and Mr. J.-L. Allavena an amount of EUR 50,000 (gross) given their substantive and exceptional contribution to the Separation in their role as non-executive directors of the Board in 2018. As reflected in paragraph 5.5.4 of the 2018 Management Report, each of Mr. J. van Breukelen, Mr. S. Matlock and Mr. J.-L. Allavena received this amount as an advanced payment in 2018, subject to approval of the General Meeting.

8. Proposal to authorise the Board to acquire shares (*voting item*)

It is proposed that the General Meeting authorises the Board for a period of 18 months from the date of this General Meeting, i.e. until and including 27 December 2020, to acquire shares in its own capital, subject to the following conditions and with due observance of the law and the Company's articles of association:

- (i) the maximum number of shares which may be acquired is 10% of the issued share capital of the Company and at any time during the period of authorisation;
- (ii) transactions must be executed at a price between the nominal value of the shares and 110% of the opening price at Euronext Amsterdam N.V. at the date of the acquisition;
- (iii) transactions may be executed on the stock exchange or otherwise.

When this authorisation is approved by the General Meeting, the current authorisation that was granted by the General Meeting on 18 May 2018 shall no longer be utilised.

9. Proposal to cancel shares the Company holds in its share capital (*voting item*)

Pursuant to the current article 32.2 of the Company's articles of association, it is proposed to the General Meeting to cancel any shares in the share capital of the Company held or to be held by the Company. The cancellation may be executed in one or more tranches. The number of shares that will be cancelled (whether or not in a tranche) shall be determined by the Board. Pursuant to the relevant statutory provisions, cancellation may not be effected earlier than two months after a resolution to cancel shares is adopted and publicly announced; this will apply for each tranche.