

LISTING PARTICULARS



\$1,000,000,000 5.500% Senior Secured Notes due 2028

€600,000,000 3.500% Senior Secured Notes due 2028

issued by, but with limited recourse to,

Telenet Finance Luxembourg Notes S.à r.l.

Telenet Finance Luxembourg Notes S.à r.l. is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue Peternelchen, L-2370 Howald, Luxembourg and registered with the Luxembourg Trade and Companies Register under number B219682 (as further described and defined herein, the “**Issuer**”). All of the ordinary shares of the Issuer are owned directly by Telenet International Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, Rue Peternelchen, L-2370 Howald, Luxembourg and registered with the Luxembourg Trade and Companies Register under number B155066 (“**Telenet International Finance**”). The Issuer has offered €600.0 million aggregate principal amount of its 3.500% senior secured notes due 2028 (the “**Euro Notes**”) and \$1,000.0 million aggregate principal amount of its 5.500% senior secured notes due 2028 (the “**Dollar Notes**”) and together with the Euro Notes, the “**Notes**”). The Euro Notes will bear interest at a rate of 3.500% per annum and the Dollar Notes will bear interest at a rate of 5.500% per annum. The Issuer will pay interest on the Notes semi-annually in cash in arrears on each January 15 and July 15, commencing on January 15, 2018. The Notes will mature on March 1, 2028.

The proceeds from the offering of the Dollar Notes have been used by the Issuer to fund a loan in a principal amount equal to \$1,000.0 million (the “**Finco Loan AJ**”) borrowed under an additional facility (the “**Facility AJ**”) by Telenet International Finance under the Senior Credit Facility (as defined in these “**Listing Particulars**”). The proceeds from the offering of the Euro Notes will be used by the Issuer to fund a loan in a principal amount equal to €600.0 million (the “**Finco Loan AK**”) and together with the Finco Loan AJ, the “**2017 Finco Loans**”) borrowed under an additional facility (the “**Facility AK**”) by Telenet International Finance under the Senior Credit Facility. Telenet International Finance is an entity wholly owned by Telenet BVBA (formerly Telenet NV). Telenet BVBA is 99.99% owned by Telenet Group BVBA. Telenet Group BVBA is 99.99% owned by Telenet Group Holding NV (“**Telenet Group Holding**”). The obligations of Telenet International Finance under the relevant Finco Loan are guaranteed by Telenet Group BVBA. The Issuer is dependent upon payments under the relevant Finco Loan and Related Agreements (as defined herein) to make payments under the relevant Notes. The Issuer will apply all payments it receives under the relevant Finco Loan and such Related Agreements, including in respect of principal, premiums, interest and any additional amounts following certain tax events, to make corresponding payments under the relevant Notes.

The accession agreements related to each of the 2017 Finco Loans provides for the payment of certain premiums in connection with certain voluntary and mandatory prepayments of such 2017 Finco Loan that enables the Issuer to pay the premiums payable in respect of corresponding redemptions of the applicable Notes, as described in “*Description of the Notes—Optional Redemption*”. Some or all of each series of the Notes may be redeemed at any time prior to December 1, 2022, at a price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest to (but excluding) the redemption date and the “make whole” premium, as described in these Listing Particulars. Each series of the Notes may be redeemed at any time on or after December 1, 2022 at the redemption prices set forth in these Listing Particulars. In addition, at any time prior to December 1, 2022 the Issuer may redeem up to 40% of each series of Notes (including Additional Notes, if any) with the net proceeds of one or more specified equity offerings at the redemption prices set forth in these Listing Particulars. Prior to December 1, 2022, during each 12-month period commencing on the Issue Date (as defined herein), the Issuer may redeem up to 10% of each series of the principal amount of the Notes (including Additional Notes, if any) at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest to (but excluding) the redemption date.

Following a change of control as defined in the Senior Credit Facility, Telenet International Finance will be required, at the election of the Majority Lenders under, and as defined in, the Senior Credit Facility, to prepay the relevant 2017 Finco Loan plus a payment in an amount equal to 1% of the principal amount of the relevant 2017 Finco Loan, as applicable. Following any such repayment, the Issuer will redeem all of the relevant series of Notes issued under the indenture governing the Notes (the “**Indenture**”) at a redemption price equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of redemption. See “*Description of the Notes—Redemption and Repurchase—Redemption upon a Change of Control*”. In the event of certain asset sales, Telenet International Finance may elect, at its option, to (i) offer to prepay a principal amount of the relevant 2017 Finco Loan in an aggregate amount equal to the principal amount of the Notes tendered in the related asset sale offer to be made by the Issuer (not to exceed the available proceeds from the related asset sale) or (ii) subject to the payment of certain premiums, prepay the relevant 2017 Finco Loan in an amount equal to the available proceeds from the related asset sale, and, in the case of clauses (i) and (ii) of this sentence, the Issuer will redeem a corresponding amount of the relevant Notes. See “*Description of the Notes—Redemption and Repurchase—Disposal Proceeds*”. Further, the relevant series of Notes may be redeemed at a price equal to their principal amount plus accrued and unpaid interest upon the occurrence of certain changes in tax law. See “*Description of the Notes—Redemption and Repurchase—Redemption for Changes in Withholding Taxes*”.

The Notes are limited recourse obligations of the Issuer. In each case where amounts of principal, interest and other amounts (if any) are stated to be payable in respect of the Notes, the obligation of the Issuer to make any such payment shall constitute the obligation only to account to holders of the Notes for an amount equivalent to sums of principal, interest and other amounts (if any) actually received by or for the account of the Issuer pursuant to the 2017 Finco Loans and the Related Agreements between the Issuer, Telenet International Finance and/or Telenet Group BVBA, as the case may be. Neither Telenet Group Holding nor any of its subsidiaries guarantees or provides any credit support to the Issuer with respect to its obligations under the Notes. Other than under the limited circumstances described herein, holders of the Notes will not have a direct claim on the cash flow or assets of Telenet Group Holding or any of its subsidiaries, and neither Telenet Group Holding nor any of its subsidiaries has any obligation, contingent or otherwise, to pay amounts due under the relevant Notes, or to make funds available to the Issuer for those payments, other than the obligations of Telenet International Finance to make payments to the Issuer pursuant to the relevant 2017 Finco Loan and the Related Agreements.

The Notes are senior obligations of the Issuer. The Notes are secured by, among other things, a first-ranking security interest in the bank accounts of the Issuer and a first-ranking security interest over the Issuer’s rights to and benefits in each of the Finco Loans (including all rights of the Issuer as a lender under the Finance Documents (as defined in the Senior Credit Facility) (including the 2017 Finco Accession Agreements (as defined herein) and any other Finco Accession Agreements (as defined herein)) in respect of which the Issuer has any right, title, benefit and/or interest and the Intercreditor

Agreement (as defined herein)). In addition, other than in certain limited circumstances specified herein, holders of the Notes will not have any recourse to the Issuer other than in respect of amounts received by the Issuer under the Senior Credit Facility and the Related Agreements. For a description of the terms of the Notes, see “*Description of the Notes*”.

On the Issue Date, the Issuer, the Trustee and the Security Trustee (each as defined herein) will enter into a collateral sharing agreement governing the relative rights of creditors under the Notes and Additional Debt (as defined herein) of the Issuer that will benefit from the shared Note Collateral (as defined herein) on a *pari passu* basis (the “**Collateral Sharing Agreement**”). The Collateral Sharing Agreement will set out, among other things, the relevant ranking of certain debt of the Issuer, the consent level of the senior creditors required to cast votes and exercise their rights in respect of consents, instructions and remedies under the Indenture, the Notes, the Notes Security Documents (as defined herein) and the other debt instruments or agreements sharing in the Note Collateral, in each case, when enforcement action can be taken in respect of the Note Collateral by the Security Trustee and the turnover provisions. The Collateral Sharing Agreement provides that the security interests in the Note Collateral may be enforced only upon an acceleration of the amounts due under the Notes following an Event of Default (as defined herein) under the Indenture, subject to and in accordance with the terms of the Collateral Sharing Agreement. Neither the Trustee nor the holders of the Notes may, individually or collectively, take any direct action to enforce any rights in their favor under the Notes Security Documents. The Trustee and the holders of the Notes may only take action to enforce the Notes Security Documents through the Security Trustee and the Collateral Sharing Agreement. In addition, pursuant to the Collateral Sharing Agreement, the ability of the Security Trustee to enforce the security interests in the Note Collateral will be restricted and will be at the discretion of the relevant creditors.

Upon no less than 8 business days notice from Telenet International Finance to the Issuer, Telenet International Finance may direct the implementation of the Belgian Issuer Accession (as defined herein) and, in connection therewith, a financing company incorporated under the laws of Belgium for the purpose of assuming the Issuer’s rights and obligations under the Notes, the Indenture, the relevant Finco Loan, the Related Agreements, the Collateral Sharing Agreement, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement (as defined herein) (the “**Belgian Issuer**”) will assume the Issuer’s obligations under the Notes, the Indenture, the Related Agreements, the Collateral Sharing Agreement and the Clearing Agreement and the Issuer will assign, novate or transfer its rights and interests in the relevant 2017 Finco Loan to the Belgian Issuer. Upon consummation of the Belgian Issuer Accession, the Belgian Issuer will succeed to, and be substituted for, and may exercise every right and power of the Issuer under the Notes, the Indenture, the relevant 2017 Finco Loan, the Related Agreements, the Collateral Sharing Agreement, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement and upon such substitution, the Issuer will be released from its obligations under the relevant series of Notes, the Indenture, the relevant Finco Loan, the Related Agreements, the Collateral Sharing Agreement, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement. In addition, following completion of the Belgian Issuer Accession, a Telenet International Finance may elect to implement the Finco Loans Borrower Exchange (as defined herein), whereby the relevant 2017 Finco Loan will, pursuant to certain transactions, be exchanged, refinanced or otherwise replaced by a new additional facility under the Senior Credit Facility borrowed by Telenet Group BVBA or another borrower under the Senior Credit Facility that is incorporated under the laws of Belgium (the “**Belgian Borrower**”). See “*Description of the Notes—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”.

See “*Risk Factors*” beginning on page 42 for a discussion of certain risks that you should consider in connection with an investment in any of the Notes.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any other jurisdiction. In the United States, the Issuer sold the Notes only to persons that are (x) Qualified Institutional Buyers and also (y) Qualified Purchasers. The Issuer is offering the Notes to non-U.S. persons outside the United States in accordance with Regulation S under the U.S. Securities Act and (b) will hold the securities in an exempt securities account (an “X Account”) with the clearing system operated by the National Bank of Belgium (the “NBB”) or any successor thereto (the “X/N Clearing System”) (either directly or indirectly through a participant in the X/N Clearing System (including Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, SA (“Clearstream”))). For a description of certain restrictions on the transfer of the Notes see “*Plan of Distribution*” and “*Transfer Restrictions*”.

Application has been made to the Luxembourg Stock Exchange in its capacity as competent body under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended (the “**Luxembourg Prospectus Act 2005**”), to approve these Listing Particulars as a prospectus for the purposes of article 61 of the Luxembourg Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Luxembourg Stock Exchange’s Euro MTF market (the “**Euro MTF Market**”). The Euro MTF Market is not a regulated market within the meaning of Directive 2004/39/EC on markets in financial instruments. These Listing Particulars constitute a prospectus for the purposes of Part IV of the Luxembourg law dated July 10, 2005 on prospectuses for securities as amended. These Listing Particulars shall only be used for the purposes for which it has been published.

The Notes are in registered form and will initially be represented by one or more global notes (the “**Global Notes**”), which have been deposited and immobilized with, and held by, the National Bank of Belgium (the “**NBB**”), as operator of the X/N Clearing System (as defined herein), and its participants (including Euroclear). The Global Notes were cleared through the X/N Clearing System on or about the Issue Date. Except in certain limited circumstances, definitive notes in registered form (the “**Definitive Registered Notes**”) will not be issued in exchange for beneficial interests in the global notes. The Euro Notes are in registered form in denominations of €100,000 and integral multiples of €100,000 in excess thereof. The Dollar Notes are in registered form in denominations of \$200,000 and integral multiples of \$200,000 in excess thereof. See “*Book-Entry, Delivery and Form*”.

Issue Price for the Euro Notes: 100.000%

Issue Price for the Dollar Notes: 100.000%

Joint Bookrunners for the Dollar Notes

Deutsche Bank
Rabobank

BNP PARIBAS
RBC Capital Markets

Credit Suisse

Goldman Sachs International
Scotiabank

J.P. Morgan
Société Générale

Joint Bookrunners for the Euro Notes

Credit Suisse
J.P. Morgan

BNP PARIBAS
Rabobank

BofA Merrill Lynch

Deutsche Bank

RBC Capital Markets

Goldman Sachs International
Société Générale

The date of these Listing Particulars is December 20, 2017.

You should rely only on the information contained in these Listing Particulars. Neither the Issuer or Telenet Group Holding nor any of the Initial Purchasers (as defined herein) has authorized anyone to provide you with different information. Neither the Issuer or Telenet Group Holding nor any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where this offer is not permitted. You should not assume that the information contained in these Listing Particulars is accurate at any date other than the date on the front of these Listing Particulars.

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NEITHER THE ISSUER NOR TELENET GROUP HOLDING, OR ANY OF ITS SUBSIDIARIES, HAS AUTHORIZED ANY DEALER, SALES PERSON OR OTHER PERSON TO GIVE ANY INFORMATION OR REPRESENT ANYTHING TO YOU OTHER THAN THE INFORMATION CONTAINED IN THESE LISTING PARTICULARS. YOU MUST NOT RELY ON UNAUTHORIZED INFORMATION OR REPRESENTATIONS.

These Listing Particulars do not offer to sell or ask for offers to buy any of the securities in any jurisdiction where it is unlawful, where the person making the offer is not qualified to do so, or to any person who cannot legally be offered the securities.

The information in these Listing Particulars is current only as of the date on the cover page, and may change after that date. For any time after the cover date of these Listing Particulars, Telenet Group Holding and its subsidiaries do not represent that their affairs are the same as described or that the information in these Listing Particulars is correct, nor does the Issuer imply those things by delivering these Listing Particulars or selling securities to you. Telenet Group Holding and its subsidiaries will not guarantee or provide any credit support to the Issuer with respect to its obligations under the Notes.

The Issuer and the Initial Purchasers offered to sell the Notes only in places where offers and sales are permitted.

IN CONNECTION WITH THIS OFFERING, DEUTSCHE BANK AG, LONDON BRANCH WITH RESPECT TO THE DOLLAR NOTES AND CREDIT SUISSE SECURITIES (EUROPE) LIMITED WITH RESPECT TO THE EURO NOTES (EACH A “STABILIZING MANAGER” AND TOGETHER THE “STABILIZING MANAGERS”) (OR PERSONS ACTING ON BEHALF OF A STABILIZING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGERS (OR PERSONS ACTING ON BEHALF OF A STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

The Issuer offered the Notes in reliance on exemptions from the registration requirements of the U.S. Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The Notes have not been and will not be registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the “SEC”) or any other securities commission or regulatory authority, nor has the SEC or any such securities commission or authority passed upon the accuracy or adequacy of these Listing Particulars. Any representation to the contrary is a criminal offense in the United States.

These Listing Particulars are being provided for informational use solely in connection with consideration of a purchase of the Notes (i) to U.S. investors that we reasonably believe to be (x) qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act, and qualified purchasers within the meaning of Section 2(a)(51) of, and Rules 2a51-1, 2a51-2 and 2a51-3 under, the 1940 Act, and (ii) to certain persons in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act that, in each case, will hold the Notes in an X Account in the X/N Clearing System (either directly or indirectly through a participant in the X/N Clearing System (including Euroclear and Clearstream)). The use of these Listing Particulars for any other purpose is not authorized.

These Listing Particulars are for distribution only to persons who (i) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial

Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSM Act**”)) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). These Listing Particulars are directed only at relevant persons and must not be acted on or relied on by persons who are not

relevant persons. Any investment or investment activity to which these Listing Particulars relates is available only to relevant persons and will be engaged in only with relevant persons.

These Listing Particulars have been prepared on the basis that all offers of the Notes were made pursuant to an exemption under Article 3 of Directive 2003/71/EC as amended (including amendments by Directive 2010/73/EU) (the “**Prospective Directive**”), as implemented in member states of the European Economic Area (the “**EEA**”), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for the Issuer or any of the Initial Purchasers to produce a prospectus for such offer. None of the Issuer, Telenet Group BVBA, Telenet International Finance, or the Initial Purchasers has authorized, nor does any of them authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in these Listing Particulars.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the X/N Clearing System and under the U.S. Securities Act and all other applicable securities laws. See “*Transfer Restrictions*” and “*Book-Entry, Delivery and Form*”. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

The Issuer, Telenet Group BVBA and Telenet International Finance have prepared these Listing Particulars solely for use in connection with this offering and for applying to the Luxembourg Stock Exchange for the Notes to be admitted to listing on the Official List and to trading on the Euro MTF Market.

You are not to construe the contents of these Listing Particulars as investment, legal or tax advice. You should consult your own counsel, accountant and other advisers as to legal, tax, business, financial and related aspects of a purchase of the Notes. You are responsible for making your own examination of Telenet Group Holding and its subsidiaries and your own assessment of the merits and risks of investing in the Notes. None of the Issuer, Telenet Group BVBA, Telenet International Finance or the Initial Purchasers is making any representation to you regarding the legality of an investment in the Notes by you.

Nothing set forth in these Listing Particulars constitutes a recommendation that any person take or refrain from taking any course of action within the meaning of U.S. Department of Labor Regulation §2510.3-21(b)(1).

The information contained in these Listing Particulars has been furnished by the Issuer, Telenet Group BVBA and Telenet International Finance and other sources the Issuer, Telenet Group BVBA and Telenet International Finance believe to be reliable. No representation or warranty, express or implied, is made by the Initial Purchasers as to the accuracy or completeness of any of the information set out in these Listing Particulars, and nothing contained in these Listing Particulars is or shall be relied upon as a promise or representation by the Initial Purchasers, whether as to the past or the future. These Listing Particulars contain summaries, believed by the Issuer, Telenet Group BVBA and Telenet International Finance to be accurate, of some of the terms of specified documents, but reference is made to the actual documents, copies of which will be made available by the Issuer and Telenet Group BVBA upon request, for the complete information contained in those documents. Copies of such documents and other information relating to the issuance of the Notes is also available for inspection at the specified offices of the Paying and Domiciliary Agent (as defined in these Listing Particulars) for so long as the Notes are Global Notes. All summaries of the documents contained herein are qualified in their entirety by this reference.

Each of the Issuer (except as noted in the following paragraph), Telenet Group BVBA and Telenet International Finance accept responsibility for the information contained in these Listing Particulars pertaining to itself, the Senior Credit Facility and the Note Collateral. Telenet Group BVBA accepts responsibility for any information pertaining to Telenet Group Holding, including the consolidated financial statements of Telenet Group Holding, and any information pertaining to its holding companies, subsidiaries or affiliates contained in these Listing Particulars. Telenet Group BVBA has made all reasonable inquiries and confirmed to the best of its knowledge, information and belief that the information contained in these Listing Particulars with regard to Telenet Group Holding, each of its subsidiaries and affiliates, and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in these Listing Particulars are honestly held, and that it is not aware of any other acts the omission of which would make these Listing Particulars or any statement contained herein misleading in any material respect.

The Issuer accepts responsibility for the information contained in these Listing Particulars (except in relation to the information in respect of Telenet Group Holding, each of its subsidiaries and affiliates, for which Telenet

Group BVBA takes sole responsibility). To the best of the knowledge and belief of each of the Issuer, Telenet Group BVBA and Telenet International Finance, the information contained in these Listing Particulars for which it takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is authorized in connection with any offering made pursuant to these Listing Particulars to give any information or to make any representation not contained in these Listing Particulars, and, if given or made, any other information or representation must not be relied upon as having been authorized by the Issuer, Telenet Group BVBA, Telenet International Finance or the Initial Purchasers.

The Issuer reserves the right to withdraw this offering of the Notes at any time, and the Issuer and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to you less than the full amount of Notes subscribed for by you.

The distribution of these Listing Particulars and the offer and sale of the Notes may be restricted by law in some jurisdictions. Persons into whose possession these Listing Particulars or any of the Notes come must inform themselves about, and observe, any restrictions on the transfer and exchange of the Notes. See “*Plan of Distribution*” and “*Transfer Restrictions*”.

These Listing Particulars do not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess these Listing Particulars. You must also obtain any consents or approvals that you need in order to purchase any Notes. None of the Issuer, Telenet Group BVBA, Telenet International Finance, or the Initial Purchasers is responsible for your compliance with these legal requirements.

The Notes are subject to restrictions on resale and transfer as described under “*Plan of Distribution*” and “*Transfer Restrictions*”. By purchasing any Notes, you are deemed to have made certain acknowledgments, representations and agreements as described in those sections of these Listing Particulars. You may be required to bear the financial risks of investing in the Notes for an indefinite period of time.

NOTICE TO U.S. INVESTORS

Each purchaser of the Notes is deemed to have made the representations, warranties and acknowledgements that are described in these Listing Particulars under “*Transfer Restrictions*”. The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are subject to certain restrictions on transfer and resale and may not be transferred or resold except as permitted under the U.S. Securities Act or any other applicable securities laws, pursuant to registration or an exemption therefrom. Prospective purchasers are hereby notified that the seller of any Note may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain further restrictions on resale or transfer of the Notes, see “*Transfer Restrictions*.” The Notes may not be offered to the public within any jurisdiction. By accepting delivery of these Listing Particulars, you agree not to offer, sell, resell, transfer or deliver, directly or indirectly, any Note to the public.

NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS

In relation to each member state of the EEA that has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by these Listing Particulars to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Initial Purchaser or Initial Purchasers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of the Notes shall require the publication by the Issuer or any Initial Purchaser of a prospectus

pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospective Directive other than in reliance of Article 3(2)(b).

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Each subscriber for or purchaser of the Notes in the offering located within a member state of the EEA will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive. The Issuer, the Initial Purchasers and their affiliates, and others will rely upon the trust and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Initial Purchasers of such fact in writing may, with the consent of the Initial Purchasers, be permitted to subscribe for or purchase the Notes in the offering.

NOTICE TO CERTAIN EUROPEAN INVESTORS

Austria These Listing Particulars have not been or will not be approved and/or published pursuant to the Austrian Capital Markets Act (*Kapitalmarktgesetz*) as amended. Neither these Listing Particulars nor any other document connected therewith constitutes a prospectus according to the Austrian Capital Markets Act and neither these Listing Particulars nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria. No steps may be taken that would constitute a public offering of the Notes in Austria and the offering of the Notes may not be advertised in Austria. Any offer of the Notes in Austria will only be made in compliance with the provisions of the Austrian Capital Markets Act and all other laws and regulations in Austria applicable to the offer and sale of the Notes in Austria.

Belgium The Notes are not offered, directly or indirectly, to the public in Belgium. The Notes are being offered in Belgium to qualified investors only, within the meaning of Article 3, §2, (a) and 10 of the Belgian law of June 16, 2006 on the public offering of securities and admission of securities to trading on a regulated market (“**Belgian Prospectus Law**”) and/or on the basis of the other exemptions set out in Article 3, §2 of the Belgian Prospectus Law. Accordingly, these Listing Particulars have not been and will not be notified to, or approved by, the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des services et marchés financiers*) (the “**FSMA**”). This offering cannot be advertised and these Listing Particulars and any other information, circular, brochure or similar documents may not be distributed, directly or indirectly, in Belgium other than to said qualified investors or, as the case may be, other than on the basis of the other exemptions set out in Article 3, §2 of the Belgian Prospectus Law.

Germany The Notes may be offered and sold in Germany only in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) as amended, the Commission Regulation (EC) No 809/2004 of April 29, 2004 as amended, or any other laws applicable in Germany governing the issue, offering and sale of securities. These Listing Particulars have not been approved under the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or the Directive 2003/71/EC and accordingly the Notes may not be offered publicly in Germany.

France These Listing Particulars have not been prepared in the context of a public offering in France within the meaning of Article L. 411-1 of the *Code Monétaire et Financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the “**AMF**”) and therefore has not been submitted for clearance to the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and offers and sales of the Notes are only made in France to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) and/or to a closed circle of investors (*cercle restreint d’investisseurs*) acting for their own accounts, as defined in and in accordance with Articles L. 411-2 and D. 411-1 of the *Code of Monétaire et Financier*. Neither these Listing Particulars nor any other offering material may be distributed to the public in France.

Italy No action has been or will be taken which could allow an offering of the Notes to the public in the Republic of Italy. Accordingly, the Notes may not be offered or sold directly or indirectly in the Republic of Italy, and neither these Listing Particulars nor any other offering circular, prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in the Republic of Italy, except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. The Notes cannot be offered or sold to any natural persons or to entities other than qualified investors (according to the definition provided for by the Prospectus Directive) either on the primary or on the secondary market.

Grand Duchy of Luxembourg These Listing Particulars has not been approved by and will not be submitted for approval to the Luxembourg competent authority under the Luxembourg Prospectus Act 2005, the *Commission de surveillance du secteur financier* for the purposes of a public offering or sale, in the Grand Duchy of Luxembourg. Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither these Listing Particulars nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Prospectus Act 2005.

The Netherlands The Notes (including rights representing an interest in each global note that represents the Notes) have not been and shall not be, directly or indirectly, offered, sold, transferred or delivered in the Netherlands, other than to qualified investors (*gekwalficeerde beleggers*) within the meaning of article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Spain This offering has not been registered with the Comisión Nacional del Mercado de Valores and therefore the Notes may not be offered in Spain by any means, except in circumstances which do not qualify as a public offer of securities in Spain in accordance with article 30 bis of the Securities Market Act ("*Ley 24/1988, de 28 de julio del Mercado de Valores*") as amended and restated, or pursuant to an exemption from registration in accordance with article 41 of the Royal Decree 1310/2005 ("*Real Decreto 1310/2005, de 4 de noviembre por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*").

Switzerland The Notes offered hereby are being offered in Switzerland on the basis of a private placement only. These Listing Particulars do not constitute a prospectus within the meaning of Art. 652A of the Swiss Federal Code of Obligations.

United Kingdom These Listing Particulars are directed solely at persons who (i) are investment professionals, as such term is defined in Article 19(5) of the Financial Promotion Order (ii) are persons falling within Article 49(2)(a) to (d) ("**high net worth companies, unincorporated associations, etc.**") of the Financial Promotion Order (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FMSA) in connection with the issue or sale of any Notes may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). These Listing Particulars must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which these Listing Particulars relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on these Listing Particulars or any of its contents.

THESE LISTING PARTICULARS CONTAIN IMPORTANT INFORMATION THAT YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical Financial Information

Unless otherwise indicated, the historical consolidated financial information presented herein has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“EU-IFRS”).

These Listing Particulars do not include the financial statements of the Issuer. The Issuer is a financing company that has no material business operations and has not engaged in any material transactions other than the transactions described herein. The Issuer has no prior operating experience other than in connection with the issuance of the Notes and the arrangements with respect thereto, and upon completion of this offering will have no material liabilities or assets, other than the 2017 Finco Loans advanced in connection with the offering of the Notes and its rights under certain related agreements.

These Listing Particulars include: (i) the unaudited condensed consolidated interim financial statements of Telenet Group Holding and its subsidiaries, as of and for the nine months ended September 30, 2017, which have been reviewed by KPMG Bedrijfsrevisoren CVBA, and (ii) the audited consolidated financial statements of Telenet Group Holding and its subsidiaries, as of and for the years ended December 31, 2016, 2015 and 2014, which have been audited by KPMG Bedrijfsrevisoren CVBA (together, the “**Telenet Group Financial Statements**”).

The historical consolidated results of Telenet Group Holding are not necessarily indicative of the consolidated results that may be expected for any future period.

Telenet Group Holding’s consolidated financial results are reported in euros. Unless otherwise indicated, convenience translations into euros have been calculated as of September 30, 2017. Certain amounts and percentages presented herein have been rounded and, accordingly, the sum of amounts presented may not equal the total.

As further described under “*General Description of Telenet’s Business, the Issuer and the Offering—The Issuer and Consolidation of the Issuer by Telenet*” below, following the issuance of the Notes and the related advance of the 2017 Finco Loans to Telenet International Finance, the Issuer is consolidated with Telenet Group Holding and its subsidiaries for the purposes of EU-IFRS.

All references in this document to EUR, euro and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended and all references to “U.S.\$” or “\$” are to U.S. dollars.

Other Financial Measures

These Listing Particulars contain non-EU-IFRS measures and ratios, such as Adjusted EBITDA, that are not required by, or presented in accordance with, EU-IFRS. Telenet presents non-EU-IFRS measures because it believes that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-EU-IFRS measures may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of Telenet’s operating results as reported under EU-IFRS. Non-EU-IFRS measures and ratios, such as Adjusted EBITDA, are not measurements of Telenet’s performance or liquidity under EU-IFRS or any other generally accepted accounting principles. In particular, you should not consider Adjusted EBITDA as an alternative to (a) operating profit or profit for the period (as determined in accordance with EU-IFRS) as a measure of Telenet’s operating performance, or (b) any other measures of performance under generally accepted accounting principles. Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for an analysis of Telenet’s results as reported under EU-IFRS. Some of these limitations are:

- it does not reflect Telenet’s cash expenditures or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, Telenet’s working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on Telenet’s debts;

- although depreciation, amortization and impairment are non-cash charges, the assets being depreciated and amortized will generally need to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements that would be required for such replacements; and
- some of the exceptional items that Telenet eliminates in calculating Adjusted EBITDA reflect cash payments that were made, or will in the future be made.

In 2017, Telenet changed the way it presents the revenue generated by its fixed and mobile wholesale partners. As of January 1, 2017, this revenue is presented under other revenue, whereas prior to that date Telenet's mobile wholesale revenue was presented under mobile telephony revenue. Telenet has also applied these changes retroactively to the prior periods within "*Summary Condensed Consolidated Historical Financial and Other Data of Telenet*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Telenet*" included elsewhere within these Listing Particulars.

In 2017, Telenet changed the way it presents the expenses incurred for CPE-related truck rolls. As of January 1, 2017, such expenses are recognized under network operating expenses, whereas before that date they were presented under professional services and outsourced labor. Telenet has also applied these changes retroactively to the prior periods within "*Summary Condensed Consolidated Historical Financial and Other Data of Telenet*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Telenet*" included elsewhere within these Listing Particulars.

In 2016, Telenet changed the way it presents the billed reminder fees and carriage fees. As of January 1, 2016, carriage fees have no longer been recognized as revenue, but will be netted off against direct expenses as Telenet considers charged carriage fees and the purchase of distributable content as a single transaction going forward. In addition, reminder fees will be recognized as revenue from January 1, 2016 as these fees are considered to represent a separately identifiable revenue stream, whereas previously reminder fees were recognized net of the related costs in our indirect expense line. The two aforementioned changes in presentation favorably impacted Telenet's revenue for the year ended December 31, 2016 by €14.6 million and for the year ended December 31, 2015 by €13.4 million, but did not impact Adjusted EBITDA and cash flows. Telenet has also applied these changes retroactively to the prior periods within "*Summary Condensed Consolidated Historical Financial and Other Data of Telenet*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Telenet*" included elsewhere within these Listing Particulars.

In 2016, Telenet changed the way it presents total expenses. As a consequence, Telenet now provides more detailed disclosure of its operating expenditure, whereas the vast majority of its operating expenses were previously predominantly captured under "network operating and service costs". The representation of expenses did not impact Adjusted EBITDA and operating profit. Telenet has also applied these changes retroactively to the prior periods within "*Summary Condensed Consolidated Historical Financial and Other Data of Telenet*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Telenet*" included elsewhere within these Listing Particulars.

Definitions

Unless otherwise stated or unless the context otherwise requires:

"1940 Act" refers to the United States Investment Company Act of 1940, as amended.

"1991 Law" refers to the Belgian law of March 21, 1991 on the reform of certain public economic companies (*Wet betreffende de hervorming van sommige economische overheidsbedrijven/Loi portant réforme de certaines entreprises publiques économiques*), as amended from time to time.

"1994 Copyright Law" refers to the Belgian law of June 30, 1994 on copyright and neighboring rights (*Wet betreffende het auteursrecht en de naburige rechten/Loi relative au droit d'auteur et aux droits voisins*), as amended from time to time, which has been included in Book XI of the Belgian Code of Economic Law as from 1 January 2015.

"2003 BIPT Law" refers to the Belgian law of January 17, 2003 on the statute of the BIPT (*Wet met betrekking tot het statuut van de regulator van de Belgische post- en telecommunicatiesector/Loi relatif au statut du régulateur des secteurs des postes et des télécommunications belges*), as amended from time to time.

“2009 Broadcasting Decree” refers to the Flemish decree of March 27, 2009 on radio and television broadcasting (*Decreet betreffende radio-omroep en televisie*), as amended from time to time.

“2012 Law” refers to the Belgian law of July 10, 2012 including various provisions on electronic communication (*Wet houdende diverse bepalingen inzake elektronische communicatie/Loi portant des dispositions diverses en matière de communications électroniques*), as amended from time to time.

“2017 Finco Accession Agreements” refers collectively to the Finco Accession Agreement AJ and the Finco Accession Agreement AK.

“2017 Finco Loans” refers to the Finco Loan AJ and the Finco Loan AK funded by the Issuer with proceeds from the offering of the Notes in a principal amount equal to \$1,000.0 million and €600.0 million, respectively, borrowed under Facility AJ and Facility AK, respectively, by Telenet International Finance.

“2017 Telenet Fee Letters” refers collectively to the Telenet Euro Fee Letter and the Telenet Dollar Fee Letter.

“Additional Debt” has the meaning given to such term in the “*Description of the Notes*”. “Additional Dollar Notes” has the meaning given to such term in “*Description of Notes*”. “Additional Euro Notes” has the meaning given to such term in “*Description of Notes*”.

“Additional Notes” refers collectively to the Additional Euro Notes and the Additional Dollar Notes.

“BASE acquisition” means the acquisition by Telenet Group Holding NV of BASE Company NV from subsidiaries of Royal KPN N.V., which was consummated on February 11, 2016.

“BASE Company” refers, as the context may require, (i) historically, to BASE Company NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium; and (ii) following the consummation of the BASE acquisition and certain internal reorganizations of the Group, Telenet Group BVBA, a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid / société privée à responsabilité limitée*) incorporated under the laws of Belgium.

“Belgian Borrower” has the meaning ascribed to it under “*Description of the Notes—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”.

“Belgian Code of Economic Law” refers to the *Wetboek van economisch recht/Code de droit économique*.

“Belgian Issuer” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”.

“Belgian Issuer Accession” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”.

“Belgian Issuer Accession Date” refers to the date on which the Belgian Issuer Accession is consummated. “Belgium” refers to the Kingdom of Belgium.

“BIPT” refers to the Belgian Institute for Postal Services and Telecommunications (*Belgisch Instituut voor Postdiensten en Telecommunicatie/Institut belge des services postaux et des télécommunications*).

“Clearing Agreement” refers to the clearing services agreement (*overeenkomst van dienstverlening inzake de uitgifte van gedematerialiseerde effecten*) with respect to the Notes entered into between the Issuer, the NBB, and the Paying and Domiciliary Agent.

“Clearstream” refers to Clearstream Banking S.A.

“Coditel Acquisition” refers to the sale by Coditel Holding of its wholly owned subsidiary Coditel Brabant (and, indirectly, its subsidiary Coditel Lux) to Telenet Group BVBA.

“Coditel Brabant” refers to Coditel Brabant SPRL, a private limited liability (*société privée à responsabilité limitée*) incorporated under the laws of Belgium, with registered office at 26 Rue des Eglises, 1000 Brussels, registered with the Crossroad Bank for Enterprises under number 0403.107.452.

“Coditel Holding” refers to Coditel Holding II S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg.

“Coditel Lux” refers to Coditel S.à r.l., a private limited liability (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 283, route d’Arlon, L-8011 Strassen, Luxembourg and registered with the Luxembourg Trade and Companies Register under number B112067.

“Collateral Sharing Agreement” refers to the collateral sharing and voting instruction agreement dated on or about the Issue Date between, among others, the Issuer, the Trustee and the Security Trustee.

“Combined Network” refers to Telenet’s hybrid fiber-coaxial network in Flanders and parts of Brussels, including both the Telenet Network and the Partner Network, but excluding the cable network in parts of Brussels and parts of Luxembourg, which Telenet acquired through the acquisition of SFR Belux in June 2017.

“CRC” refers to the Belgian Conference of Regulators for the Electronic Communication Sector, which includes the BIPT, the VRM, the CSA and the Medienrat.

“De Vijver Media” refers to De Vijver Media NV, a limited liability company (*naamloze vennootschap/ société anonyme*) incorporated under the laws of Belgium, with registered office at Harensesteenweg 228, 1800 Vilvoorde, registered with the Crossroad Bank for Enterprises under number 0466.137.359.

“Dollar Notes” refers to the \$1,000.0 million aggregate principal amount 5.500% senior secured notes due 2028 offered hereby.

“Dollar Notes Initial Purchasers” refers to Deutsche Bank AG, London Branch, BNP Paribas, Coöperatieve Rabobank U.A., Credit Suisse Securities (Europe) Limited, Goldman Sachs International, J.P. Morgan Securities LLC, RBC Capital Markets, LLC, Scotia Capital (USA) Inc. and Société Générale.

“Electronic Communications Law” refers to the Belgian law of June 13, 2005 (*Wet betreffende de elektronische communicatie/Loi relative aux communications électroniques*), as amended from time to time.

“EU” refers to the European Union.

“EU-IFRS” refers to International Financial Reporting Standards as adopted by the European Union. “Euroclear” refers to Euroclear Bank SA/NV.

“Euro Notes” refers to the €600.0 million aggregate principal amount 3.500% senior secured notes due 2028 offered hereby.

“Euro Notes Initial Purchasers” refers to Credit Suisse Securities (Europe) Limited, BNP Paribas, Coöperatieve Rabobank U.A., Deutsche Bank AG, London Branch, Goldman Sachs International, J.P. Morgan Securities plc, Merrill Lynch International, RBC Europe Limited and Société Générale.

“Facility AJ” refers to the dollar denominated term loan facility AJ giving effect to the Finco Loan AJ, under the Senior Credit Facility, between the Issuer as lender and Telenet International Finance as borrower.

“Facility AK” refers to the euro denominated term loan facility AK giving effect to the Finco Loan AK, under the Senior Credit Facility, between the Issuer as lender and Telenet International Finance as borrower.

“Fifth Senior Credit Facility Amendments” means the significant amendments to the Senior Credit Facility set forth in Schedule 8 of Annexes B and C and Schedule B of Schedule 11 of Annexes B and C, in these Listing Particulars.

“Finco Accession Agreement AJ” refers to the agreement between, *inter alios* the Issuer, Telenet International Finance and the facility agent and the security agent in respect of the Senior Credit Facility, to be dated on or

about the Issue Date, pursuant to which the Issuer accedes as a lender under the Senior Credit Facility in relation to Facility AJ.

“Finco Accession Agreement AK” refers to the agreement between, inter alios the Issuer, Telenet International Finance and the facility agent and the security agent in respect of the Senior Credit Facility, to be dated on or about the Issue Date, pursuant to which the Issuer accedes as a lender under the Senior Credit Facility in relation to Facility AK.

“Finco Accession Agreements” refers, collectively, to (i) the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, and (ii) any additional accession agreement to the Senior Credit Facility, or similar instrument or agreement, pursuant to which the Issuer advances the proceeds of the Notes (including any Additional Notes) or Additional Debt into the Telenet Bank Group.

“Finco Loan AJ” refers to the \$1,000.0 million finco loan. “Finco Loan AK” refers to the €600.0 million finco loan.

“Finco Loans” refers, collectively, to (i) the 2017 Finco Loans or the New Finco Loans, as applicable, and (ii) any additional loans or advances made by the Issuer to a member of the Telenet Bank Group pursuant to a Finco Accession Agreement.

“Finco Loans Borrower Exchange” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”.

“First Senior Credit Facility Amendments” means the significant amendments to the Senior Credit Facility set forth in Schedule 4 of Annexes B and C, and Schedule 4 of Schedule 11 of Annexes B and C, in these Listing Particulars.

“Flanders” refers to the Flemish region of Belgium, excluding Brussels.

“Fourth Senior Credit Facility Amendments” means the significant amendments to the Senior Credit Facility set forth in Schedule 7 of Annexes B and C, and Schedule 7 of Schedule 11 of Annexes B and C, in these Listing Particulars.

“Indenture” refers to the indenture governing the Notes.

“Initial Purchasers” refers collectively to the Dollar Notes Initial Purchasers and the Euro Notes Initial Purchasers.

“Initial Telenet Borrower” refers to Telenet International Finance.

“Intercreditor Agreement” refers to the intercreditor agreement, as amended, originally entered into on October 10, 2007 among Telenet BVBA, the original intercompany creditors party thereto, the original subordinated debtors party thereto, the security providers party thereto, ABN Amro Bank N.V., BNP Paribas S.A. and J.P. Morgan plc, as mandated lead arrangers, the financial institutions party thereto as original lenders, The Bank of Nova Scotia, as facility agent, and KBC Bank NV, as security agent.

“Interkabel” refers to Interkabel Vlaanderen CVBA, a limited liability company (*coöperatieve vennootschap met beperkte aansprakelijkheid / société coopérative à responsabilité limitée*) incorporated under the laws of Belgium, with registered office at Trichterheideweg 8, 3500 Hasselt, registered with the Crossroad Bank for Enterprises under number 0458.440.014.

“Issue Date” refers to the date of first issuance of the Notes.

“Issuer” refers (i) prior to the Belgian Issuer Accession Date, to Telenet Finance Luxembourg Notes S.à r.l., a private limited liability company (*société à responsabilité limitée*), incorporated under the laws of Luxembourg, having its registered office at 2, Rue Peternelchen, L-2370 Howald, Luxembourg, registered with the Luxembourg Trade and Companies Register under number B219682 and (ii) following the Belgian Issuer Accession Date, the Belgian Issuer.

“Issuer’s Accounts” refers to one or more accounts in which payments from the 2017 Finco Loans are deposited or collected for and on behalf of the Issuer.

“July 2011 Decision” refers to the July 1, 2011 decision of the CRC concerning the analysis of the broadcasting market in Belgium.

“Liberty Global” refers to Liberty Global plc, with or without its consolidated subsidiaries, as the context requires.

“Liberty Global Europe” refers to Liberty Global Europe, LLC, with or without its consolidated subsidiaries, as the context requires.

“Liberty Global Consortium” refers to Liberty Global, Binan Investments B.V. and any other subsidiary of Liberty Global holding shares of Telenet Group Holding, from time to time.

“Liquidation Dispreference Shares” refers to the shares of Telenet Group Holding, owned by Interkabel and the Liberty Global Consortium, which are subject to a liquidation dispreferential treatment in the case of a liquidation of Telenet Group Holding, and which can be converted into ordinary shares on the basis of a 1.04-for-1 ratio.

“Luxembourg” refers to the Grand Duchy of Luxembourg.

“Luxembourg GAAP” refers to the generally accepted accounting principles of Luxembourg. “Luxembourg Listing Agent” refers to The Bank of New York Mellon SA/NV, Luxembourg Branch.

“Lycamobile” refers to Lycamobile Belgium Limited, a private company limited by shares incorporated under the laws of Ireland, with registered office at 22 Clanwilliam Square, Grand Canal Quay, Dublin 2, Ireland, with registered number 455591.

“Lycamobile MVNO” refers to the MVNO agreement entered into between Telenet Group BVBA and Lycamobile dated February, 10 2017 and with effect as of August 1, 2017.

“MEDIALAAN” refers to MEDIALAAN NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium, with registered office at MEDIALAAN 1, 1800 Vilvoorde, registered with the Crossroad Bank for Enterprises under number 0432.306.234.

“MICs” refers to the mixed intermunicipalities in Belgium.

“NBB” refers to the National Bank of Belgium or any successor thereto.

“Nethys” refers to Nethys SA, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium, with registered office at rue Louvrex 95, 4000 Liège, registered with the Crossroad Bank for Enterprises under number 0465.607.720, and the main cable operator in the Walloon Region of Belgium, which acquired the teledistribution business of Tecteo SCRL (operated under the name “VOO”) through a contribution of branch of activities by the latter into Nethys SA in June 2014.

“New Finco Accession Agreements” refers collectively to the New Finco Accession Agreement AJ-B and the New Finco Accession Agreement AK-B.

“New Finco Accession Agreement AJ-B” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”.

“New Finco Accession Agreement AK-B” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”.

“New Finco Loan AJ-B” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”.

“New Finco Loan AJ-K” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”.

“New Finco Loans” refers collectively to the New Finco Loan AJ-B and the New Finco Loan AK-B.

“New Telenet Service Agreement” refers to the service agreement to be entered into between the Issuer, Telenet International Finance and Telenet Group BVBA, substantially in the form of the Telenet Service Agreement, in respect of the payment of certain ongoing costs, expenses and taxes which may be incurred by the Issuer in connection with its entry into and performance of its obligations in connection with the Notes, following the Finco Loans Borrower Exchange. See “*Description of the Notes—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”.

“Nextel” refers to TeleLinQ NV and its subsidiaries Nextel NV, Nextel Telecom Solutions NV and TelelinQ Distribution & Finance NV.

“Note Collateral” has the meaning given to such term in “*Description of the Notes*”. “Noteholder” refers to a holder of the Notes.

“Notes” refers collectively to the Dollar Notes and the Euro Notes.

“Offering Memorandum” refers to the offering memorandum dated November 29, 2017, pursuant to which the Issuer offered the Notes.

“Orange Belgium” refers to Orange Belgium NV, formerly named Mobistar SA/NV, a limited liability company (*naamloze vennootschap*) incorporated under the laws of Belgium, with registered office at Avenue du Bourget 3, 1140 Evere, Belgium, and registered with the Crossroads Bank for Enterprises under number 0440.232.718 (RLP Brussels).

“Ortel Mobile” refers to Ortel Mobile NV, a limited liability company (*naamloze vennootschap*) incorporated under the laws of Belgium, with registered office at Bedrijvenlaan 4, 2800 Mechelen, Belgium, and registered with the Crossroads Bank for Enterprises under number 0880.187.304 (RLP Antwerp, division Mechelen).

“Partner Network” refers to the network owned by Interkabel and the PICs, encompassing about one third of Flanders, over which Telenet provides its services based on a long-term emphyteotical lease and long-term usage rights.

“PICs” refers to pure intermunicipalities in Belgium.

“PICs Agreement” refers to an agreement dated June 28, 2008 entered into between Telenet, Interkabel, INDI ESV and four PICs in Flanders (Intermedia, Integan, WVEM and PBE).

“Paying and Domiciliary Agent” refers to ING Belgium SA/NV acting in its capacity as the Paying Agent and the Domiciliary Agent.

“Proximus” refers to Proximus NV/SA, formerly named Belgacom NV/SA, a public limited liability company (*naamloze vennootschap van publiek recht/société anonyme de droit public*) incorporated under the laws of Belgium, with registered office at Koning Albert II-laan 27, 1030 Brussels, registered with the Crossroad Bank for Enterprises under number 0202.239.951.

“Q4-2017 Refinancing Transactions” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—The Refinancing and Other Transactions—Other Financing Transactions*”.

“Refinancing” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—The Refinancing and Other Transactions*”.

“Registrar” refers to The Bank of New York Mellon SA/NV, Luxembourg Branch acting in its capacity as registrar under the Indenture.

“Related Agreements” refers to (i) prior to the Finco Loans Borrower Exchange, the Telenet Service Agreement and the 2017 Telenet Fee Letters and (ii) following the Finco Loans Borrower Exchange, the New Telenet Service Agreement.

“SBS” refers to SBS Belgium NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium, with registered office at Harenssesteenweg 224, 1800 Vilvoorde, registered with the Crossroad Bank for Enterprises under number 0473.307.540.

“Second Senior Credit Facility Amendments” means the significant amendments to the Senior Credit Facility set forth in Schedule 5 of Annexes B and C, and Schedule 5 of Schedule 11 of Annexes B and C, in these Listing Particulars.

“Security Trustee” refers to The Bank of New York Mellon, London Branch acting in its capacity as security trustee with respect to the Note Collateral.

“Senior Credit Facility” refers to the Senior Secured Credit Facility Agreement dated August 1, 2007 as amended from time to time, originally between, *inter alios*, Telenet BVBA, Telenet International Finance, the obligors listed therein, The Bank of Nova Scotia as facility agent, and KBC Bank NV as security agent.

“Senior Credit Facility Amendments” means the First Senior Credit Facility Amendments, the Second Senior Credit Facility Amendments, the Third Senior Credit Facility Amendments, the Fourth Senior Credit Facility Amendments, the Fifth Senior Credit Facility Amendments, the Sixth Senior Credit Facility Amendments and the Seventh Senior Credit Facility Amendments.

“Senior Secured Notes” means, collectively, the Telenet Finance V Luxembourg Notes and the Telenet Finance VI Luxembourg Notes.

“Seventh Senior Credit Facility Amendments” means the significant amendments to the Senior Credit Facility set forth in Schedule 10 of Annexes B and C, and Schedule 10 of Schedule 11 of Annexes B and C, in these Listing Particulars.

“SFR Belux” refers to Coditel Brabant and Coditel Lux.

“Sixth Senior Credit Facility Amendments” means the significant amendments to the Senior Credit Facility set forth in Schedule 9 of Annexes B and C, and Schedule 9 of Schedule 11 of Annexes B and C, in these Listing Particulars.

“Telenet” or “Telenet Group Holding” refers to Telenet Group Holding NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium, with registered office at Neerveldstraat 105, 1200 Sint-Lambrechts-Woluwe, registered with the Crossroad Bank for Enterprises under number 0477.702.333, with or without its consolidated subsidiaries, as the context requires.

“Telenet Articles of Association” refers to the articles of association of Telenet Group Holding. “Telenet Bank Group” has the meaning given to the term “Group” in the Senior Credit Facility.

“Telenet Belgian Company” refers to each member of the Telenet Group that is organized under the laws of Belgium and has its center of main interests (within the meaning of the Regulation (EU) No. 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast)) in Belgium.

“Telenet Board of Directors” refers to the board of directors of Telenet Group Holding, from time to time.

“Telenet BVBA” refers to Telenet BVBA, a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid/société privée à responsabilité limitée*) incorporated under the laws of Belgium, with registered office at Liersesteenweg 4, 2800 Mechelen, registered with the Crossroad Bank for Enterprises under number 0473.416.418, with or without its subsidiaries, as the context requires.

“Telenet BVBA Board of Directors” refers to the board of directors of Telenet BVBA, from time to time.

“Telenet December 31, 2016 Consolidated Financial Statements” refers to Telenet Group Holding’s audited consolidated financial statements as of December 31, 2016 and for the year ended December 31, 2016 and the notes thereto, which have been audited by KPMG Bedrijfsrevisoren CVBA, included in these Listing Particulars.

“Telenet December 31, 2015 Consolidated Financial Statements” refers to Telenet Group Holding’s audited consolidated financial statements as of December 31, 2015 and for the year ended December 31, 2015 and the notes thereto, which have been audited by KPMG Bedrijfsrevisoren CVBA, included in these Listing Particulars.

“Telenet December 31, 2014 Consolidated Financial Statements” refers to Telenet Group Holding’s audited consolidated financial statements as of December 31, 2014 and for the year ended December 31, 2014 and the notes thereto, which have been audited by KPMG Bedrijfsrevisoren CVBA, included in these Listing Particulars.

“Telenet Dollar Fee Letter” refers to the fee letter agreement to be entered into between the Issuer, Telenet International Finance and Telenet Group BVBA in respect of the payment of certain fees incurred in connection with the offering of the Notes. See “*Description of the Senior Credit Facility and the Related Agreements—Description of the Related Agreements*”.

“Telenet Euro Fee Letter” refers to the fee letter agreement to be entered into between the Issuer, Telenet International Finance and Telenet Group BVBA in respect of the payment of certain fees incurred in connection with the offering of the Notes. See “*Description of the Senior Credit Facility and the Related Agreements—Description of the Related Agreements*”.

“Telenet Facility Agent” means The Bank of Nova Scotia, acting as facility agent pursuant to the Senior Credit Facility or any successor or replacement Telenet Facility Agent, acting in such capacity.

“Telenet Fee Letters” refers, collectively, to the 2017 Telenet Fee Letters and any additional fee letter between the Issuer and a member of the Telenet Bank Group, relating to the payment of certain fees to the Issuer and pursuant to which the Issuer will allocate a portion of such fees equal to the original issue discount (if any) on Additional Notes or Additional Debt to the relevant member of the Telenet Bank Group under the relevant Finco Accession Agreement.

“Telenet Finance V Luxembourg” refers to Telenet Finance V Luxembourg S.C.A., a corporate partnership limited by shares, *société en commandite par actions*, incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, Rue Peternelchen, L-2370 Howald, Luxembourg, registered with the Luxembourg Trade and Companies Register under number B164890, and the issuer of the Telenet Finance V Luxembourg Notes.

“Telenet Finance VI Luxembourg” refers to Telenet Finance VI Luxembourg S.C.A., a corporate partnership limited by shares, *société en commandite par actions*, incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, Rue Peternelchen, L-2370 Howald, Luxembourg, registered with the Luxembourg Trade and Companies Register under number B171030, and the issuer of the Telenet Finance VI Luxembourg Notes.

“Telenet Finance V Luxembourg Notes” refers collectively to (i) the Telenet Finance V Luxembourg 6¹/₄% Notes and (ii) the Telenet Finance V Luxembourg 6³/₄% Notes.

“Telenet Finance V Luxembourg 6¹/₄% Notes” refers to the €450 million aggregate principal amount of 6¹/₄% senior secured notes due 2022, issued by Telenet Finance V Luxembourg and redeemed in full on June 13, 2017.

“Telenet Finance V Luxembourg 6³/₄% Notes” refers to the €250 million aggregate principal amount of 6³/₄% senior secured notes due 2024, issued by Telenet Finance V Luxembourg.

“Telenet Finance VI Luxembourg Notes” refers to the €530 million aggregate principal amount of 4⁷/₈% senior secured notes due 2027 issued by Telenet Finance VI Luxembourg.

“Telenet Financing USD” refers to Telenet Financing USD LLC, a limited liability company under the Delaware Limited Liability Company Act.

“Telenet Group” refers to Telenet Group Holding NV and its subsidiaries from time to time.

“Telenet Group BVBA” refers to Telenet Group BVBA, a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid/société privée à responsabilité limitée*) incorporated under the laws of Belgium, with registered office at Neerveldstraat 105, 1200 Sint-Lambrechts-Woluwe, registered with the Crossroad Bank for Enterprises under number 0462.925.669, with or without its subsidiaries, as the context requires.

“Telenet Group Financial Statements” refers to the Telenet September 30, 2017 Condensed Consolidated Interim Financial Statements, the Telenet December 31, 2016 Consolidated Financial Statements, the Telenet December 31, 2015 Consolidated Financial Statements and the December 31, 2014 Consolidated Financial Statements.

“Telenet International Finance” refers to Telenet International Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*) established under the laws of Luxembourg, having its registered office at 2, Rue Peternelchen, L-2370 Howald, Luxembourg and registered with the Luxembourg Trade and Companies Register under number B155066.

“Telenet Lender” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—Brief Description of the Structure of the Offering.*”

“Telenet Network” refers to Telenet’s proprietary network, encompassing parts of Brussels and about two thirds of Flanders.

“Telenet September 30, 2017 Condensed Consolidated Interim Financial Statements” refers to Telenet Group Holding’s unaudited condensed consolidated interim financial statements as of September 30, 2017 and for the nine-month period then ended, which have been reviewed by KPMG Bedrijfsrevisoren CVBA, included in these Listing Particulars.

“Telenet Service Agreement” refers to the service agreement to be entered into between the Issuer, Telenet International Finance and Telenet Group BVBA in respect of the payment of certain ongoing costs, expenses and taxes which may be incurred by the Issuer in connection with its entry into and performance of its obligations in connection with the Notes. See “*Description of the Senior Credit Facility and the Related Agreements—Description of the Related Agreements.*”

“Telenet Tecteo Bidco” refers to Telenet Tecteo Bidco NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium, with registered office at Liersesteenweg 4, 2800 Mechelen, registered with the Crossroad Bank for Enterprises under number 0835.821.779.

“Term Loan Refinancing” has the meaning ascribed to it under “*General Description of Telenet’s Business, the Issuer and the Offering—The Refinancing and Other Transactions—Other Financing Transactions.*”

“Third Senior Credit Facility Amendments” means the significant amendments to the Senior Credit Facility set forth in Schedule 6 of Annexes B and C, and Schedule 6 of Schedule 11 of Annexes B and C, in these Listing Particulars.

“Transfer Agent” refers to The Bank of New York Mellon SA/NV, Luxembourg Branch, acting in its capacity as a transfer agent under the Indenture.

“Trustee” refers to The Bank of New York Mellon, London Branch acting in its capacity as trustee under the Indenture.

“U.S. Exchange Act” refers to the U.S. Securities Exchange Act of 1934, as amended. “U.S. GAAP” refers to generally accepted accounting principles in the United States. “U.S. Securities Act” refers to the U.S. Securities Act of 1933, as amended.

“Volcker Rule” refers to Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, together with the rules, regulations and published guidance promulgated thereunder.

“X Account” refers to an exempt securities account with the X/N Clearing System. See “*Tax Considerations—X/N Clearing System of the NBB.*”

“X/N Clearing System” refers to the X/N securities settlement system operated by the NBB.

For an explanation or definition of certain other terms used in these Listing Particulars, see “*Glossary*” starting on page G-1 of these Listing Particulars.

SUBSCRIBER, MARKET AND INDUSTRY DATA

Subscriber Data

RGU is separately a basic video subscriber, enhanced video subscriber, internet subscriber or fixed-line telephony subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer subscribes to Telenet's enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of basic video, enhanced video, internet and fixed-line telephony subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of Telenet's services in two premises (e.g., a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled cable, internet or fixed-line telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers, free service to employees) generally are not counted as RGUs. Telenet does not include subscriptions to mobile and premium entertainment services in its externally reported RGU counts.

The subscriber data included in these Listing Particulars, including penetration rates and ARPU, are determined by management, are not part of the Telenet Group Financial Statements and have not been audited or otherwise reviewed by an outside auditor, consultant or expert. Telenet defines ARPU per customer relationship as the average monthly subscription revenue per average customer relationship and is calculated by dividing the average monthly subscription revenue (excluding mobile services, Business-to-Business ("B2B") services, interconnect, channel carriage fees, mobile handset sales and installation fees) for the indicated period, by the average of the opening and closing balances for customer relationships for the period.

Telenet's ARPU per mobile subscriber calculation that excludes interconnect revenue refers to the average monthly mobile subscription revenue per average mobile subscribers in service and is calculated by dividing the average monthly mobile subscription revenue (excluding activation fees, handset sales and late fees) for the indicated period, by the average of the opening and closing balances of mobile subscribers in service for the period. Telenet's ARPU per mobile subscriber calculation that includes interconnect revenue increases the numerator in the above-described calculation by the amount of mobile interconnect revenue during the period.

Market and Industry Data

Telenet operates in an industry in which it is difficult to obtain precise market and industry information. Telenet has generally obtained the market and competitive position data in these Listing Particulars from industry publications and from surveys or studies conducted by third party sources that it believes to be reliable.

However, none of the Issuer, Telenet Group BVBA, Telenet International Finance, the Initial Purchasers or any of their respective advisors can verify the accuracy and completeness of such information and none of the Issuer, Telenet Group BVBA, Telenet International Finance, the Initial Purchasers or any of their respective advisors has independently verified such market and position data. Telenet Group BVBA does, however, accept responsibility for the correct reproduction of this information and, as far as it is aware and is able to ascertain from information published, no facts have been omitted that would render the reproduced information inaccurate or misleading.

In addition, in many cases Telenet has made statements in these Listing Particulars regarding its industry and Telenet's position in the industry based on its experience and its own investigation of market conditions. None of the Issuer, Telenet Group BVBA, Telenet International Finance, the Initial Purchasers or any of their respective advisors can assure you that any of these assumptions are accurate or correctly reflect its position in the industry, and none of its internal surveys or information has been verified by independent sources.

EXCHANGE RATE INFORMATION

Telenet presents its consolidated financial statements in euro. Telenet has set forth in the table below, for the periods and dates indicated, certain information regarding the exchange rates between U.S. dollars and the euro based on the market rates at 6:00 p.m. London time. Telenet has provided this exchange rate information solely for your convenience. Neither Telenet nor the Issuer makes any representation that any amount of currencies specified in the table below has been, or could be, converted into the applicable currency at the rates indicated or any other rate. The market rate at 6:00 p.m. London time of the euro on November 21, 2017 was \$1.1743 = €1.00.

	U.S.\$ per €1.00			
	Period Average⁽¹⁾	High	Low	Period End
Year				
2014.....	1.33	1.39	1.21	1.21
2015.....	1.11	1.21	1.05	1.09
2016.....	1.11	1.16	1.04	1.05
Month				
May 2017	1.11	1.13	1.08	1.12
June 2017	1.12	1.14	1.11	1.14
July 2017	1.15	1.18	1.13	1.18
August 2017	1.18	1.21	1.17	1.19
September 2017	1.19	1.21	1.17	1.18
October 2017	1.18	1.19	1.16	1.16
November 2017 (through November 21, 2017).....	1.17	1.18	1.16	1.17

(1) Period Average means the average of the market rates at 6:00 pm London time during the relevant period.

Fluctuations in the exchange rate between the euro and the U.S. dollar in the past are not necessarily indicative of fluctuations that may occur in the future.

FORWARD LOOKING STATEMENTS

These Listing Particulars contain “forward-looking statements” as that term is defined by the U.S. federal securities laws. These forward-looking statements include, but are not limited to, statements other than statements of historical facts contained in these Listing Particulars, including, but without limitation, those regarding Telenet’s future financial condition, results of operations and business, Telenet’s product, acquisition, disposition and finance strategies, Telenet’s capital expenditure priorities, regulatory or technological developments in the market, subscriber growth and retention rates, competitive and economic factors, the maturity of its markets, anticipated cost increases, liquidity, credit risk and target leverage levels. In some cases, you can identify these statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “forecast”, “guidance”, “intend”, “may”, “plan”, “potential”, “predict”, “project”, “should”, and “will” and similar words used in these Listing Particulars.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond the control of the Issuer or Telenet. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Telenet’s present and future business strategies and the environment in which it operates. The Issuer and Telenet caution readers not to place undue reliance on the statements, which speak only as of the date of these Listing Particulars, and the Issuer and Telenet expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in its expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

Where, in any forward-looking statement, the Issuer or Telenet expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in these Listing Particulars include those described under “*Risk Factors*”.

The following are some but not all of the factors affecting Telenet that could cause actual results or events to differ materially from anticipated results or events:

- economic and business conditions and industry trends;
- the competitive environment across the industries in which we operate, including competitor responses to Telenet’s products and services;
- fluctuations in currency exchange rates and interest rates;
- instability in global financial markets, including sovereign debt issues and related fiscal reforms;
- consumer disposable income and spending levels, including the availability and amount of individual consumer debt;
- changes in consumer television viewing preferences and habits;
- consumer acceptance of Telenet’s existing service offerings, including Telenet’s cable television, broadband internet, fixed-line telephony, mobile and business service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future;
- Telenet’s ability to manage rapid technological changes;
- Telenet’s ability to maintain or increase the number of subscriptions to its cable television, broadband internet, fixed-line telephony and mobile service offerings and its average revenue per household;
- Telenet’s ability to provide satisfactory customer service, including support for new and evolving products and services;

- Telenet's ability to maintain or increase rates to its subscribers or to pass through increased costs to its subscribers;
- the impact of Telenet's future financial performance, or market conditions generally, on the availability, terms and deployment of capital;
- changes in, or failure or inability to comply with, government regulations and adverse outcomes from regulatory proceedings;
- government intervention that requires opening Telenet's broadband distribution networks to competitors;
- Telenet's ability to obtain regulatory approval and satisfy other conditions necessary to close acquisitions and dispositions and the impact of conditions imposed by competition and other regulatory authorities in connection with acquisitions;
- Telenet's ability to successfully acquire new businesses and to integrate, realize anticipated efficiencies from, and implement its business plan with respect to, the businesses we have acquired, such as BASE Company (now Telenet Group BVBA), Nextel and SFR Belux, or that we expect to acquire;
- changes in laws or treaties relating to taxation, or the interpretation thereof;
- changes in laws and government regulations that may impact the availability and cost of capital and the derivative instruments that hedge certain of Telenet's financial risks;
- the ability of suppliers and vendors (including Telenet's third-party wireless network providers under Telenet's mobile virtual network operator (MVNO) arrangements) to timely deliver quality products, equipment, software, services and access;
- the availability of attractive programming for Telenet's video services and the costs associated with such programming, including retransmission and copyright fees payable to public and private broadcasters;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- Telenet's ability to adequately forecast and plan future network requirements;
- the availability of capital for the acquisition and/or development of telecommunications networks and services;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire;
- the leakage of sensitive customer data;
- the outcome of any pending or threatened litigation; the loss of key employees and the availability of qualified personnel;
- changes in the nature of key strategic relationships with partners and joint ventures; and
- events that are outside of Telenet's control, such as political unrest in international markets, terrorist attacks, malicious human acts, natural disasters, pandemics and other similar events.

The broadband distribution and mobile service industries are changing rapidly and, therefore, the forward- looking statements of expectations, plans and intent in these Listing Particulars are subject to a significant degree of risk. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of these Listing Particulars, and the Issuer and Telenet expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in their expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer or Telenet or persons acting on their behalf may issue. Telenet does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of these Listing Particulars.

The Issuer and Telenet disclose important factors that could cause their actual results to differ materially from their expectations in these Listing Particulars. These cautionary statements qualify all forward- looking statements attributable to the Issuer or Telenet or persons acting on their behalf. When Telenet indicates that an event, condition or circumstance could or would have an adverse effect on it, it means to include effects upon business, financial and other conditions, results of operations and ability to make payments on the 2017 Finco Loans, which in turn would have an adverse effect on the Issuer's ability to make payments under the Notes.

AVAILABLE INFORMATION

For so long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Issuer will, during any period in which it is neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from the reporting requirements of the U.S. Exchange Act under Rule 12g3-2(b) thereunder, provide to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

Neither the Issuer nor Telenet is currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to the Indenture and so long as the Notes are outstanding, the Issuer will furnish periodic information to holders of the Notes. See “*Description of the Notes—Certain Covenants—Information*”.

TAX CONSIDERATIONS

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the consequences of purchasing, holding and disposing of the Notes, including, without limitation, the application of U.S. federal tax laws to their particular situations, as well as any consequences to them under the laws of any other taxing jurisdiction, and the consequences of purchasing the Notes at a price other than the initial issue price in the offering. See “*Tax Considerations*”.

TRADEMARKS AND TRADE NAMES

Telenet owns or has rights to certain trademarks or trade names that it uses in conjunction with the operation of its businesses. Each trademark, trade name or service mark of any other company appearing in these Listing Particulars is the property of its respective holder.

GENERAL DESCRIPTION OF TELENET'S BUSINESS, THE ISSUER AND THE OFFERING

This general description of Telenet's business, the Issuer and the offering highlights selected information contained in these Listing Particulars regarding Telenet, the Issuer and the Notes. The Notes are obligations of the Issuer alone and not obligations of, or guaranteed by, Telenet Group Holding, Telenet BVBA, Telenet International Finance or any of their respective subsidiaries or affiliates. See "—The Offering". In addition, this general description does not contain all the information you should consider prior to investing in the Notes. You should read the entire Listing Particulars carefully, including the "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations of Telenet", the Telenet September 30, 2017 Condensed Consolidated Interim Financial Statements, the Telenet December 31, 2016 Consolidated Financial Statements, the Telenet December 31, 2015 Consolidated Financial Statements, the Telenet December 31, 2014 Consolidated Financial Statements and the notes to those financial statements included in these Listing Particulars. Please see page G-1 of these Listing Particulars for a glossary of technical terms used in these Listing Particulars.

Telenet's Business

Overview

Telenet is the largest provider of video services in Belgium. Telenet's hybrid fiber-coaxial ("HFC") cable network spans the Flanders region, covers approximately 69% of Belgium by homes passed and includes the metropolitan centers of Antwerp and Ghent and approximately two-thirds of Brussels following the acquisition of SFR Belux, which Telenet acquired on June 19, 2017. Telenet Group Holding's shares are listed on the Euronext Brussels Stock Exchange under the ticker symbol TNET and it is part of the BEL20 stock market index. As of 6:00 p.m. London time on November 21, 2017, Telenet Group Holding's market capitalization amounted to €7,040 million.

Telenet offers basic and enhanced video, including high definition ("HD"), pay television and video-on-demand ("VOD") services, high-speed broadband internet and fixed-line and mobile telephony services to residential subscribers who reside in Telenet's network area. Telenet also combines its services into packages, or bundles, which offer subscribers the convenience of being able to purchase video, broadband internet and telephony services from a single provider at an attractive and discounted price. Under the "BASE" brand, Telenet also offers mobile telephony services to residential and business customers across Belgium. In addition, Telenet offers voice and data services, as well as value-added services including cloud, hosting and security solutions, to small and medium-sized companies ("SMEs") and large-sized businesses throughout Belgium and parts of Luxembourg.

As of September 30, 2017, Telenet had approximately 2,201,800 customer relationships, which represented 67% of the approximately 3,307,100 homes passed by its network. As of September 30, 2017, approximately 2,046,900 customers subscribed to its video services, approximately 1,670,400 subscribed to its broadband internet services and approximately 1,302,500 subscribed to its fixed-line telephony services. Telenet also had approximately 2,258,800 mobile postpaid and approximately 623,300 mobile prepaid subscribers as of September 30, 2017. In addition, approximately 88% of its video subscribers had upgraded from basic video to enhanced video services. For the year ended December 31, 2016, Telenet's total revenue was €2,429.1 million, a 33% increase over the year ended December 31, 2015 and its Adjusted EBITDA was €1,117.1 million, an 18% increase over the year ended December 31, 2015. For the nine months ended September 30, 2017, Telenet's total revenue was €1,884.3 million, a 5% increase compared to the nine months ended September 30, 2016, and its Adjusted EBITDA was €911.2 million, a 7% increase over the nine months ended September 30, 2016.

The Combined Network is fully bi-directional and EuroDocs 3.0 enabled, and provides a spectrum bandwidth capacity of 600 MHz. In August 2014, Telenet announced a five-year €500.0 million network investment program as it plans to increase the capacity of the Combined Network to 1 GHz, enabling download speeds of at least 1 Gbps in the future, with the objective of allowing Flanders to offer some of the highest-capacity digital infrastructure in Europe. At September 30, 2017, approximately 58% of the nodes in the Combined Network had been upgraded.

Telenet is increasingly focused on offering its subscribers broadband internet and telephony subscriptions and services together with its video services in the form of attractively priced multiple-play bundles. Telenet has derived, and believes it can continue to derive, substantial benefits from the trend towards bundled subscriptions, through which it is able to sell more products to individual subscribers, resulting in significantly higher ARPU per customer relationship and, in its experience, the reduction of customer churn. For the nine months ended

September 30, 2017, Telenet's ARPU per customer relationship was €55.2, an increase of 4% compared to the nine months ended September 30, 2016 when the ARPU per customer relationship was €53.2.

See "*Description of Telenet's Business—Telenet's Network*".

Telenet provides the following products and services to its customers:

Basic Video

Cable television is the principal medium for the provision of television services in Flanders, and Telenet is the largest provider of video services in Belgium. Almost all Flemish television households are passed by the Combined Network. The high penetration of Telenet's video business has resulted in a steady source of revenue and cash flow. As of September 30, 2017, Telenet provided video services to approximately 2,046,900 subscribers, or 62% of homes passed by its network, including approximately 82,200 inorganic additions through the acquisition of SFR Belux, which was completed on June 19, 2017 (the "**SFR Belux Acquisition**"). All of Telenet's basic video subscribers have access to at least 21 basic analog television channels and an average of 26 analog radio channels. Telenet generally provides its basic cable television services under individual contracts with its subscribers, the majority of whom pay monthly. Telenet's basic video subscribers who have installed a set-top box or CI + module, and activated a smart card, have access to more than 70 digital channels, including 15 HD channels, and approximately 36 digital radio channels, for no additional fee. Telenet offers its basic video services in digital for no additional fee in order to encourage its subscribers to migrate to its enhanced video services giving them access to a more enriched TV experience, including access to electronic program guides ("**EPGs**"), additional thematic content packs, exclusive movies and sports channels and a large VOD library of both local and international programs. For the nine months ended September 30, 2017, subscribers to total basic video services decreased by 41,900 as compared to December 31, 2016 on an organic basis as a result of the increased competitive environment, including the effects from regulated cable wholesale. The aforementioned organic loss rate excludes migrations to Telenet's enhanced video service and represents customers churning to competitors' platforms, such as other digital television, Over-the-Top ("**OTT**") services and satellite providers, or customers terminating their television service or having moved out of Telenet's service footprint. Given the historical video penetration in its footprint, the limited expansion of the number of homes passed and strong competition in the domestic TV market, Telenet anticipates further churn of total video subscribers.

Enhanced video

Telenet's interactive enhanced video service includes a combination of premium sports and film channels, a range of extended thematic channels, a selection of films and broadcast content available on an on demand basis and a variety of interactive features. Telenet's enhanced video offering is available to all subscribers passed by the Combined Network. As of September 30, 2017, Telenet served approximately 1,791,200 enhanced video customers, including approximately 74,700 inorganic subscribers added through the SFR Belux Acquisition. Telenet's digitalization ratio, which measures the total base of enhanced video customers relative to Telenet's total video subscriber base, continued to grow, and reached approximately 88% as of September 30, 2017 compared to approximately 85% as of September 30, 2016. All of Telenet's enhanced video subscribers can access the "Yelo Play" app, through which they can enjoy a unique content experience on multiple connected devices in the home and out-of-home through Telenet's WiFi Homespots and hotspots. As of September 30, 2017, Telenet's subscription VOD packages "Play" and "Play More" had 393,100 customers, representing a 17% increase compared to September 30, 2016. This robust performance was driven by (i) an improvement in the linear viewing experience and the revamp of Telenet's premium entertainment platform "Play More", (ii) continued investments in promising local content through both co-productions with Telenet's co-owned commercial channels "VIER", "VIJF" and "ZES" as well as investment in certain proprietary content, and (iii) Telenet's exclusive partnership with HBO providing access to high-quality international content. In addition to the premium pay television channels, Telenet also provides the broadest sports offerings within its footprint through "Play Sports", which combines domestic and foreign football with other major sport events including golf, Formula One racing, volleyball, basketball and hockey. Telenet recently also added the ATP World Tour Masters, a major tennis event, to its sports line-up. As of September 30, 2017, approximately 232,000 customers subscribed to Telenet's sports pay television channels, an increase of 1% compared to September 30, 2016. In May 2017, Telenet extended the non-exclusive broadcasting rights for the Jupiler Pro League for three seasons until the 2019-2020 season. In the second quarter of 2017, Telenet also gained the exclusive OTT rights, while local media company De Vijver Media, in which Telenet owns a 50% shareholding, holds the exclusive rights to the match summaries.

Broadband Internet

Telenet is the leading provider of residential broadband internet services in Flanders. Today, Telenet offers consumers and businesses data download speeds of up to 200 and 500 Mbps, respectively, and upload speeds of 20 and 50 Mbps, respectively. Through Telenet's €500.0 million five-year "Grote Netwerf" investment program, which kicked off in early 2015 and is expected to be completed mid-2019, Telenet aims to boost the capacity of its network from 600 MHz (at present) to 1 GHz, enabling data download speeds of at least 1 Gbps in the future. As customers expect to enjoy seamless superfast connectivity whether at home, at work or on the move, WiFi remains one of the cornerstones of Telenet's connectivity strategy.

In March 2017, Telenet introduced "Flow Tech", a suite of smart technologies, to ensure that customers can seamlessly access both fixed and mobile networks across all of their devices. As of September 30, 2017, Telenet has deployed around 1.4 million WiFi Homespots and operated nearly 2,000 WiFi hotspots in public areas. Through partnerships with its majority shareholder Liberty Global and certain of its affiliates, as well as Walloon cable operator VOO, broadband internet customers from both cable companies can freely use the WiFi Homespots on either company's network in Wallonia and in certain other European countries where service is offered through other Liberty Global and certain affiliate networks. At the end of June 2017, Telenet boosted both the data upload and download speeds of its "Basic Internet" product. Priced at €27.8 per month (including 21% VAT) and providing a data download speed of 50 Mbps, Telenet's "Basic Internet" offer remains one of the most attractive entry packages both within a Belgian and a wider European context. As of September 30, 2017, Telenet served approximately 1,670,400 broadband internet subscribers (+5% year-on-year), including approximately 60,300 inorganic subscribers added through the SFR Belux Acquisition and equivalent to 50.5% of the homes passed by its HFC network. For the nine months ended September 30, 2017, net organic subscriber additions for Telenet's broadband internet service were approximately 9,800. Telenet's annualized churn rate was impacted by the intensely competitive environment and reached 8.9% for the nine months ended September 30, 2017 as compared to 7.7% for the nine months ended September 30, 2016.

Fixed-line telephony

Telenet offers its residential subscribers local, national and international long distance fixed-line telephony services and a variety of value-added features. In Flanders, Telenet believes it is currently the largest competitor of Proximus, the Belgian incumbent due in part to Telenet's emphasis on customer service and innovative flat-fee rate plans. Substantially all of Telenet's fixed-line telephony subscribers use voice-over- internet protocol ("VoIP") technology, which utilizes the open standards EuroDocsis protocol, and through which Telenet is able to provide both internet and fixed-line telephony services. Telenet served approximately 1,302,500 fixed-line telephony subscribers at September 30, 2017 (+4% year-on-year), including approximately 48,100 inorganic additions from the acquisition of Belux and equivalent to 39.4% of the homes passed by its network. For the nine months ended September 30, 2017, Telenet lost approximately 200 net organic fixed-line telephony subscribers as a result of the intensely competitive market environment and an overall declining market trend. Both these factors also drove a 150 basis points increase in the annualized churn rate to 10.0% for the nine months ended September 30, 2017 as compared to 8.5% for the nine months ended September 30, 2016.

Mobile telephony

In February 2016, Telenet finalized the acquisition of Belgian mobile operator BASE Company. Telenet offers its mobile telephony services under both the "Telenet" and "BASE" brand names and has entered into several wholesale partnerships. In addition to BASE Company's mobile radio access network, Telenet has historically been operating through a mobile virtual network operator ("MVNO") partnership with Orange Belgium the third largest mobile operator in Belgium (the "**MVNO Arrangement**"). Through its own BASE network and pursuant to the MVNO Arrangement, Telenet offers its cable customers mobile voice and data services, including 4G/LTE ("**Long Term Evolution**"). Through a partnership with Telenet, Nethys also uses the MVNO Arrangement to provide mobile services to its cable customers.

At the end of May 2016, Orange Belgium and Telenet reached an agreement setting the terms and conditions for the future termination of the MVNO Arrangement (the "**MVNO Termination Agreement**"). The MVNO Arrangement will run, and Telenet's mobile customers can continue to use Orange Belgium's network, until the end of 2018. Telenet committed to a minimum payment of €150.0 million (excluding VAT) over the 3-year period from 2016 to 2018. The actual amount paid by Telenet could exceed this minimum amount in the event there is higher network usage. Beyond 2018, an optional 6-month extension period has been agreed upon with a minimum amount of €15.0 million (excluding VAT) becoming payable if triggered. Through the MVNO Termination

Agreement, all outstanding legal disputes between both companies, including the judicial recovery of invoices under the MVNO Arrangement, have been settled.

The rapid modernization of Telenet's acquired mobile network is an important synergy enabler, allowing Telenet to accelerate the onboarding of its Full MVNO customers to its own mobile network. At September 30, 2017, approximately 54% of its Full MVNO customers had been onboarded on the own mobile network. Telenet now aims for full completion by the end of the three months ending March 31, 2018 versus the initial plan by the end of 2018. As the accelerated onboarding will affect the contractual commitments under the MVNO Arrangement, Telenet incurred a €29.2 million non-cash restructuring charge in the three months ended September 30, 2017.

Telenet's active mobile subscriber base, which excludes subscribers under its commercial wholesale partnerships, totaled approximately 2,882,100 SIMs as of September 30, 2017, including approximately 2,258,800 postpaid subscribers. The remaining approximately 623,300 mobile subscribers receive prepaid services under the "BASE" brand and various branded reseller contracts. Compared to September 30, 2016, Telenet recorded a 5% decrease in the total number of active mobile subscribers as a result of the sale of its direct subsidiary Ortel Mobile to Lycamobile as of March 1, 2017 and the impacts from the June 2017 mandatory prepaid registration. As such, a total of approximately 157,900 and approximately 53,300 mobile SIMs have been removed from Telenet's subscriber count in the three months ended March 31, 2017 and the three months ended June 30, 2017, respectively. For the nine months ended September 30 2017, Telenet added approximately 143,400 net postpaid subscribers driven by the continued uptake of its all-in-one converged "WIGO" bundles and improved offers. At the end of September 2017, Telenet revamped the mobile line-up under the "BASE" brand by offering more flexible bundles adjusted to customers' needs so they can use the full capacity of their package, regardless of their appetite to use either more data, minutes or text messages.

Business Services

Under the "Telenet Business" brand, Telenet offers a range of voice, data and internet products and services that are tailored to the size and needs of each customer. Telenet Business also offers its business customers an extensive range of reliable value-added services, including hosting, managed security and cloud services. Telenet provides services to business customers throughout Belgium and parts of Luxembourg. Telenet's business customers include SMEs, larger corporations, public, healthcare and educational institutions, and carrier customers that include international voice, data and internet service providers. Telenet Business generated revenue of €98.5 million for the nine months ended September 30, 2017, up 9% compared to the nine months ended September 30, 2016. B2B revenue growth was primarily driven by higher security-related revenue and higher revenue from business connectivity solutions in the SME segment.

Wholesale Services

In addition to the aforementioned revenue components, the revenue generated by Telenet's fixed and mobile wholesale partners is allocated to Telenet's other revenue. Following a decision from the Belgian regulators, cable operators (including Telenet) are currently obliged to provide regulated cable wholesale access to alternative access seekers who want to resell either analog or digital video services on a standalone basis or who want to resell a combined bundle of digital video services and broadband internet. At present, Telenet has only engaged in a contractual relationship with Orange Belgium. In addition to its regulated wholesale business, Telenet Group BVBA also offers mobile communications services on a commercial basis to external parties not owning a mobile radio access network through reseller, Light MVNO and Full MVNO partnerships. Telenet Group BVBA hosted such operators on its network prior to the BASE acquisition. Following the BASE acquisition, Telenet Group BVBA has continued to expand such MVNO wholesale activities and has entered into several new MVNO agreements, with, most recently, MEDIALAAN and Lycamobile (among others).

Telenet's Competitive Strengths

Telenet believes that it benefits from the following key strengths which will help it execute its strategy:

Telenet operates in an attractive cable market and has a large, affluent existing customer base. Telenet's cable network passes approximately 69% of the homes in Belgium and includes the metropolitan centers of Antwerp and Ghent and approximately two-thirds of Brussels following the SFR Belux Acquisition. Telenet believes that Belgium, and in particular the Flanders region in which it operates, is a notably attractive cable market due to, among other things, a relatively high population density and cable penetration rate. The population density of Belgium reached approximately 372 inhabitants per square kilometer in 2015 according to the most recent

Eurostat data. This represents one of the highest population density rates in Europe and is exceeded only by that of the Netherlands and some microstates such as Malta. The most densely inhabited area of the country is located within Flanders, along the Antwerp-Leuven-Brussels-Ghent corridors. Cable operators that operate in urban areas with high population density benefit from easier access to customers and more cost effective network upgrades and maintenance, among other benefits. Furthermore, Belgium is one of the most prosperous countries in Europe, according to the most recent Eurostat data, with a GDP per capita of approximately €34,500 for the year ended December 31, 2016 compared to a European average of approximately €27,000 for the comparable period. As of September 30, 2017, Telenet served approximately 2,201,800 subscribers, or 67% of homes passed by its network. Telenet believes that its attractive network area and large and affluent existing customer base offer significant potential for it to sell its multiple-play bundles and other services primarily to Telenet's existing video customer base.

Telenet can offer higher quality video and broadband internet services than its competitors because of its leading, highly-invested cable network. The HFC Combined Network allows Telenet to offer enhanced video and broadband internet services across its network area that are highly competitive to the offerings of any of Telenet's competitors. The Combined Network has a minimum spectrum bandwidth capacity of 600 MHz, allowing Telenet to offer high-quality, highly-reliable basic and enhanced video and sophisticated interactive television services available in Telenet's network area and uses the EuroDocsis 3.0 technology standard across Telenet's entire footprint. As part of its €500.0 million network investment program, Telenet plans to increase the capacity of the Telenet Network to 1 GHz within the next five years, enabling download speeds of at least 1 Gbps. Telenet has reduced the number of homes connected to an optical node from an average of 1,400 homes at the start of the node splitting project in 2010 to an average of 480 homes as of September 30, 2017 to further increase the quality of the Combined Network's customers. In addition, given that not all homes connected to the Combined Network subscribe to broadband internet services from Telenet, the number of active broadband households per optical node was approximately 290 as of September 30, 2017, illustrating the high quality of the Combined Network and Telenet's broadband internet services. Through targeted and carefully planned investments, including node splitting, Telenet continues to offer its broadband internet subscribers significantly higher speeds across its network area than Telenet's competitors in Telenet's network area can offer over their digital subscriber line ("DSL") network.

Telenet has a strong platform to compete in the growing market for triple- or multi-play bundles in its network area. Consumers are increasingly looking to receive all of their media and communications services from one provider at an attractive price in the form of multiple-play bundles. Given the relatively high levels of cable penetration in Telenet's network area and the higher ARPU associated with bundled offerings, Telenet believes that the increasing penetration of both triple-play and quadruple-play services within Telenet's network area will be one of the primary drivers of its future revenue growth. As of September 30, 2017, approximately 54% of Telenet's customers subscribed to a triple-play product, whereas approximately 20% subscribed to a double-play product and approximately 26% subscribed to just one product, indicating continued up-sell opportunity within the existing customer base. Furthermore, Telenet believes that it has a platform to capture further growth in the market for quad-play bundles in its network area since it can offer its large video customer base an attractive combination of interactive enhanced video, broadband internet and fixed-line and mobile telephony services.

Telenet's focus on providing a great customer service experience continues to result in relatively moderate annualized churn levels. Telenet continues to focus on providing a top-of-the-market product and customer service experience across the various touch points during the customer journey. In this respect, Telenet seeks to continue to innovate its product and service offerings, including its OTT platform "Yelo Play", its all-in-one converged quadruple-play "WIGO" bundles, and, most recently, a new innovative mobile tariff line-up. Telenet also offers an intuitive care app and started a major campaign to visit customers proactively, including both technical and product check-ups. Amidst the backdrop of an intensified competitive environment, including the launch of cable wholesale offers by Orange Belgium, Telenet continues to achieve relatively moderate annualized churn rates for substantially all of its advanced fixed services of broadband internet, enhanced video and fixed-line telephony. Telenet believes this solid performance is driven by the successful execution of its multiple-play strategy and its continued focus on providing a great customer experience. For the nine months ended September 30, 2017, annualized churn for its advanced fixed services reached 8.9%, 8.9 % and 10.0% respectively, for its video, broadband internet and fixed-line telephony services.

Robust, growing operating cash flows and significant operating leverage. Telenet's large customer base and relatively moderate churn rates provide it with greater visibility of future revenue and recurring cash flows, which have historically proven to be resilient even during periods of challenging economic conditions. Certain of Telenet's cost elements, such as a portion of its network operations, marketing, general and administrative costs,

are relatively fixed, which Telenet expects to allow it to generate incremental returns as it grows its business. Telenet's Adjusted EBITDA margin for the year ended December 31, 2016 slightly decreased to 46.0% compared to 51.8% for the year ended December 31, 2015, reflecting the impact from the BASE acquisition and a higher proportion of lower-margin mobile telephony revenue in its revenue mix. Telenet's Adjusted EBITDA increased by €173.4 million to €1,117.1 million for the year ended December 31, 2016 from €943.7 million for the year ended December 31, 2015. For the nine months ended September 30, 2017, Telenet's Adjusted EBITDA reached €911.2 million representing a margin of 48.4% as compared to 47.1% for the nine months ended September 30, 2016. The 130 basis points improvement was mainly driven by synergies from the BASE acquisition, lower integration and transformation costs compared to the previous year and Telenet's overall focus on managing its overhead expenses.

Strong brand name and customer base. Telenet and BASE are well-recognized brands in Telenet's franchise area and the whole of Belgium, given BASE Company's historical positioning as a nation-wide mobile operator. Telenet has developed its brand through extensive marketing campaigns, website promotions, customer referrals, and the use of a dedicated sales force, dealer networks and certain own retail shops. Third party research commissioned by Telenet indicates that consumers in Flanders had around 98% brand awareness of Telenet as a provider of internet, fixed and mobile telephony services and enhanced video. In addition, third party customer surveys that Telenet commissioned have indicated that customers recognize Telenet for the quality of its products. Telenet believes that the development of its brand and focus on customer service enables it to sell additional products and value-added services to its existing customers, acquire new customers and retain its existing customer base.

Strong management team with focus on operational excellence. Telenet's management team has extensive experience in managing communications and technology businesses in competitive markets. They have a track record of successfully growing Telenet's customer base and market share and introducing new products and tiered offerings to customers in a competitive environment, with a continued focus on managing costs and increasing cash flows. Management seeks to promote an environment that supports a dynamic and innovative culture. Telenet's controlling shareholder, Liberty Global plc, also brings a combination of international telecommunications experience and relationships to Telenet's operations.

Telenet's Strategy

Telenet's strategy is to be the best-in-class and preferred provider of enhanced video, broadband internet and telephony services while improving its revenue, profitability and cash flow. Telenet aims to accomplish this by continuing to improve the quality of its network and offer cutting-edge technologies and innovative services to its customers.

In 2017 and thereafter, Telenet seeks to continue to lead with respect to superior converged connectivity. Telenet's solid network infrastructure is the backbone of its services, allowing consumers to enjoy a seamless experience. Telenet's technology aims to be flawless on the go, at home and at the office, and on any device at any time. Telenet's converged fixed and mobile network is a key enabler in this context. Telenet's ambition is to provide a seamless, faster and more powerful connected experience to its customers. Having upgraded approximately 71% of its 2,800 macro sites as of the end of September 30, 2017, having completed the roll-out of over 100 new mobile sites and having upgraded approximately 50% of the nodes in its core HFC network, both Telenet's mobile network (€250.0 million) and fixed network (€500.0 million) upgrade programs are well on track to be substantially completed by the middle of 2018 and 2019, respectively.

In addition, Telenet is committed to offering compelling entertainment content to its customers. At the end of September 2017, around 41% of Telenet's enhanced video customer base had subscribed to premium entertainment packages, showing the future growth potential in this area. Not only does Telenet offer top international content, Telenet also plays an important role in local media production.

Telenet's Controlling Shareholder

Liberty Global plc

Liberty Global is Telenet Group Holding's controlling shareholder and as of October 31, 2017 held a majority ownership interest in Telenet Group Holding of 57.65%. Liberty Global is the world's largest international TV and broadband company, with operations in more than 30 countries across Europe, Latin America and the Caribbean. Liberty Global invests in the infrastructure that empowers its customers to make the most of the digital

revolution. Liberty Global's scale and commitment to innovation enable it to develop market-leading products delivered through next generation networks that connect our over 24 million customers who subscribe to over 50 million television, broadband internet and telephony services. Liberty Global also serves over 10 million mobile subscribers and offers WiFi service across 10 million access points. Liberty Global's businesses are comprised of two stocks: the Liberty Global Group (NASDAQ: LBTYA, LBTYB and LBTYK) for our European operations, and the LiLAC Group (NASDAQ: LILA and LILAK, OTC Link: LILAB), which consists of its operations in Latin America and the Caribbean. The Liberty Global Group operates in 12 European countries under the consumer brands Virgin Media, Unitymedia, Telenet and UPC. The Liberty Global Group also owns 50% of VodafoneZiggo, a Dutch joint venture, which has 4 million customers, 10 million fixed-line subscribers and 5 million mobile subscribers. The LiLAC Group operates in over 20 countries in Latin America and the Caribbean under the consumer brands VTR, Flow, Liberty, Más Móvil and BTC. In addition, the LiLAC Group operates a sub-sea fiber network throughout the region connecting over 40 markets. As of October 27, 2017, Telenet Group Holding's free float amounted to 41.22% with its shares trading on the Euronext Brussels Stock Exchange under the ticker symbol TNET.

The Issuer and Consolidation of the Issuer by Telenet

The Issuer was incorporated under the laws of the Grand Duchy of Luxembourg on November 24, 2017 as a financing company for the primary purpose of facilitating the offering of the Notes. Its share capital is €12,000 divided into 12,000 shares (the "**Shares**"), all of which have been subscribed and fully paid-up. The Shares are held by Telenet International Finance. The Noteholders will not have a direct claim against the cash flow or assets of any member of the Telenet Group except the Issuer, and no member of the Telenet Group except the Issuer will have any direct obligation to holders of the Notes to pay amounts due under the Notes. The Issuer is consolidated by Telenet Group Holding.

The Issuer has no material business operations and upon completion of this offering will have no material assets other than the 2017 Finco Loans advanced in connection with the offering of the Notes and its rights under certain related agreements. The Issuer has not engaged in any business activities or incurred any material liabilities since the date of its incorporation, other than relating to this offering and transactions related thereto. The Issuer is dependent on payments by Telenet International Finance, which payments are guaranteed by Telenet Group BVBA, under the relevant 2017 Finco Loan, in order to service its obligations under the Notes. The proceeds from the offering of the Notes were loaned by the Issuer to Telenet International Finance pursuant to the 2017 Finco Loans. See *"Risk Factors—Risks Relating to the Notes and the Structure—Holders of the Notes have limited recourse to the Issuer, as payments under the Notes are limited to the amount of certain payments received by the Issuer under the Senior Credit Facility and the Related Agreements"*.

Brief Description of the Structure of the Offering

In connection with the offering of the Dollar Notes, the Issuer entered into the Finco Accession Agreement AJ with Telenet International Finance and the Telenet Facility Agent pursuant to which the Issuer made available to Telenet International Finance additional facilities under the Senior Credit Facility in a principal amount equal to the aggregate principal amount of the Dollar Notes issued in the offering. In connection with the offering of the Euro Notes, the Issuer will enter into the Finco Accession Agreement AK with Telenet International Finance and the Telenet Facility Agent pursuant to which the Issuer will make available to Telenet International Finance additional facilities under the Senior Credit Facility in a principal amount equal to the aggregate principal amount of the Euro Notes issued in the offering. On the Issue Date, the Issuer advanced the proceeds of the issuance of the Dollar Notes and the Euro Notes to Telenet International Finance pursuant to the Finco Accession Agreement AJ and the Finco Accession Agreement AK, respectively.

The Issuer (or following the Belgian Issuer Accession (as defined below), the Belgian Issuer), as a lender under the Senior Credit Facility (a "**Telenet Lender**"), will be treated the same as all other lenders under that facility and will have benefits, rights and protections that are similar to those benefits, rights and protections afforded to other Telenet Lenders. Through the covenants in the Indenture and the security interests over the Issuer's (or the Belgian Issuer's) rights under the Finance Documents (as defined in the Senior Credit Facilities) (including under the 2017 Finco Loans or the New Finco Loans) granted to the Security Trustee on behalf of itself, the Trustee and the holders of the Notes to secure the Issuer's (or following the Belgian Issuer Accession, the Belgian Issuer's) obligations under the Notes, the holders of Notes will be provided indirectly with the benefits, rights and protections granted to the Issuer (or following the Belgian Issuer Accession, the Belgian Issuer) as a Telenet Lender, including the indirect benefit of the covenants contained in the Senior Credit Facility, the guarantees granted by the members of the Telenet Group that are guarantors under the Senior Credit Facility and the security

granted for the benefit of the Telenet Lenders. See “*Description of the Senior Credit Facility*”. Thus, in the case of the ongoing obligations of the Telenet Group and Telenet International Finance or the Belgian Borrower, as applicable, under the Senior Credit Facility, the Issuer (or following the Belgian Issuer Accession the Belgian Issuer) will be treated in the same way as the other Telenet Lenders, with the right to vote as part of the lending group at the direction of the holders of the Notes (subject to the pre-agreed Senior Credit Facility Amendments) and to receive principal and interest on the 2017 Finco Loans, or the New Finco Loans, as applicable, which it will in turn use to make payments on the Notes. For a description of procedures under the Indenture and the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, regarding voting rights of holders of the Notes with respect to decisions under the Senior Credit Facility, see below under “*Description of the Notes—Amendment, Supplement and Waiver—To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements*”.

Under the Senior Credit Facility, to the extent the Telenet Bank Group is in compliance with certain financial covenants, the borrowers under the Senior Credit Facility, at their discretion and without the consent of the Telenet Lenders, are permitted to incur additional pari passu indebtedness pursuant to additional facilities under the Senior Credit Facility including the 2017 Finco Loans and the New Finco Loans (the existing facilities, and any additional facilities under the Senior Credit Facility, the “**Facilities**”), which benefit from the protections provided to all Telenet Lenders, including the representations and warranties, covenants, guarantees and security provided thereunder. For a further description of the Senior Credit Facility, see “*Description of the Senior Credit Facility and the Related Amendments*”. The Senior Credit Facility is attached as Annex A to these Listing Particulars.

On the Issue Date, the Issuer, the Trustee and the Security Trustee entered into a collateral sharing agreement governing the relative rights of creditors under the Notes and Additional Debt of the Issuer that will benefit from the shared Note Collateral on a pari passu basis. The Collateral Sharing Agreement sets out, among other things, the relevant ranking of certain debt of the Issuer, the consent level of the senior creditors required to cast votes and exercise their rights in respect of consents, instructions and remedies under the Indenture, the Notes, the Notes Security Documents (as defined under “*Description of the Notes*”) and the other debt instruments or agreements sharing in the Note Collateral, in each case, when enforcement action can be taken in respect of the Note Collateral by the Security Trustee and the turnover provisions. The Collateral Sharing Agreement provides that the security interests in the Note Collateral may be enforced only upon an acceleration of the amounts due under the Notes following an Event of Default (as defined under “*Description of the Notes*”) under the Indenture, subject to and in accordance with the terms of the Collateral Sharing Agreement. Neither the Trustee nor the holders of the Notes may, individually or collectively, take any direct action to enforce any rights in their favor under the Notes Security Documents. The Trustee and the holders of the Notes may only take action to enforce the Notes Security Documents through the Security Trustee and the Collateral Sharing Agreement. In addition, pursuant to the Collateral Sharing Agreement, the ability of the Security Trustee to enforce the security interests in the Note Collateral will be restricted and will be at the discretion of the relevant creditors.

Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange

Following the issuance of the Notes, at the election of Telenet International Finance, the Notes may be assigned to a financing company (the “**Belgian Issuer**”) incorporated under the laws of Belgium for the purpose of assuming the Issuer’s rights and obligations under (among other things) the Notes, the Indenture, the 2017 Finco Loans, the Related Agreements, the Collateral Sharing Agreement, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement (the “**Belgian Issuer Accession**”). Upon consummation of the Belgian Issuer Accession, the Belgian Issuer will succeed to, and be substituted for, and shall assume the obligations of and may exercise every right and power of, the Issuer under the Notes, the Indenture, the 2017 Finco Loans, the Related Agreements, the Collateral Sharing Agreement, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement, and upon such substitution, the Issuer will be released from all of its obligations under the Notes, the Indenture, the 2017 Finco Loans, the Related Agreements, the Collateral Sharing Agreement, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement. Following the Belgian Issuer Accession, all references to the Issuer in the Notes, the Indenture, the Finco Loans, the Related Agreements, the Collateral Sharing Agreement, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement will be deemed references to the Belgian Issuer. For a complete description of the Belgian Issuer Accession and tax considerations, see “*Description of the Notes—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange—Belgian Issuer Accession*” and “*Tax Considerations—Belgium*”.

In addition, following completion of the Belgian Issuer Accession, at the election of Telenet International Finance, as the case may be, (i) Finco Loan AJ may pursuant to certain transactions be exchanged, refinanced or otherwise

replaced, on a cash or cashless basis, for a loan under a new additional facility (“**Facility AJ-B**”) under the Senior Credit Facility (the “**New Finco Loan AJ-B**”) borrowed by Telenet Group BVBA or another borrower under the Senior Credit Facility that is incorporated under the laws of Belgium (the “**Belgian Borrower**”) in an equal principal amount and having substantially identical terms (other than with respect to the borrower of such loan) as the Finco Loan AJ and (ii) Finco Loan AK may pursuant to certain transactions be exchanged, refinanced or otherwise replaced, on a cash or cashless basis, for a loan under a new additional facility (“**Facility AK-B**”) under the Senior Credit Facility (the “**New Finco Loan AK-B**”, together with New Finco Loan AJ-B, the “**New Finco Loans**”) borrowed by the Belgian Borrower in an equal principal amount and having substantially identical terms (other than with respect to the borrower of such loan) as the Finco Loan AK (the “**Finco Loans Borrower Exchange**”). The terms of the New Finco Loan AJ-B will be governed by the New Finco Accession Agreement AJ-B which is attached as Schedule 11 of Annex B to these Listing Particulars (the “**New Finco Accession Agreement AJ-B**”). The terms of the New Finco Loan AK-B will be governed by the New Finco Accession Agreement AK-B which is attached as Schedule 11 of Annex C to these Listing Particulars (the “**New Finco Accession Agreement AK-B**” and together with the New Finco Accession Agreement AJ-B, the “**New Finco Accession Agreements**”). Upon the consummation of the Finco Loans Borrower Exchange, Telenet International Finance will have no further obligations as borrowers to the Issuer or the Belgian Issuer under or with respect to the 2017 Finco Loans, the New Finco Loans, the Indenture, the Notes, the Related Agreements and the other Finance Documents (as defined in the Senior Credit Facility) and all references to Telenet International Finance in such documents will be deemed references to the Belgian Borrower. For a complete description of the Finco Loans Borrower Exchange (including, the “**New Note Collateral**” as defined under “*Description of the Notes*”), see “*Description of the Notes—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange—Finco Loans Borrower Exchange*”.

The Belgian Issuer Accession and the Finco Loans Borrower Exchange may be completed at the option of Telenet International Finance without any further consent from the Issuer or the holders of the Notes, and the Issuer or holders of the Notes shall upon receipt of the notice of the Belgian Issuer Accession and the notice of the Finco Loans Borrower Exchange, as the case may be, be deemed to have consented to any transfer of rights and obligations pursuant to the Belgian Issuer Accession and the Finco Loans Borrower Exchange. For the avoidance of doubt, Telenet International Finance may elect to complete the Belgian Issuer Accession without completing the Finco Loans Borrower Exchange.

Following completion of the Belgian Issuer Accession and/or the Finco Loans Borrower Exchange (as applicable), the holders of the Notes will continue to benefit from substantially the same rights and obligations under the Indenture and the Notes. In addition, through the covenants in the Indenture and the security interests in the New Note Collateral (as defined under “*Description of the Notes*”) granted to secure the Belgian Issuer’s obligations under the Notes, the holders of Notes will be provided indirectly with the benefits, rights and protections granted to the Belgian Issuer as a Telenet Lender, including the benefit of the covenants contained in the Senior Credit Facility and the guarantees and security granted for the benefit of the Telenet Lenders.

Recent Developments

Agreement to acquire Belgian ICT integrator Nextel

On November 6, 2017, Telenet announced that its direct subsidiary Telenet Group BVBA had entered into an agreement with the current shareholders of TelelinQ NV on October 31, 2017 concerning the acquisition of Nextel. In order to support Telenet’s growth ambitions in the Belgian B2B market, this acquisition will provide Telenet with additional in-house expertise to design, construct and manage total solutions on behalf of other companies. As a Belgian integrator, Nextel currently works for major companies, SMEs, care institutions, non-profit organizations and government authorities. Nextel has offices in Wommelgem and Zaventem and to date has 315 permanent employees, having generated revenue of approximately €47.0 million in 2016. The acquisition will be submitted to the Belgian Competition Authority for approval before it can be executed.

The Refinancing and Other Transactions

The net proceeds from the issuance of the Dollar Notes, together with fees payable to the Issuer (if any) by Telenet International Finance pursuant to the Telenet Dollar Fee Letter, were used by the Issuer to fund Facility AJ under the Senior Credit Facility (the “**Finco Loan AJ**”) to Telenet International Finance. The net proceeds from the issuance of the Euro Notes, together with fees payable to the Issuer (if any) by Telenet International Finance pursuant to the Telenet Euro Fee Letter, will be used by the Issuer to fund Facility AK under the Senior Credit

Facility (the “**Finco Loan AK**”, together with the Finco Loan AJ, the “**2017 Finco Loans**”) to Telenet International Finance.

Telenet intends to use substantially all of the net proceeds from the 2017 Finco Loans to (i) repay a portion of the outstanding amounts under Facility AH of the Senior Credit Facility, (ii) repay a portion of the outstanding amounts under Facility AI of the Senior Credit Facility, and (iii) for general corporate purposes (collectively, the “**Refinancing**”). See “*Use of Proceeds*”.

Other Financing Transactions

In addition to the offering of the Notes hereby, Telenet may enter into the following financing transactions described below.

Senior Credit Facility

Concurrently with, or on or shortly after the offering of the Notes hereby, Telenet may enter into one or more additional facilities under the Senior Credit Facility which is expected to comprise an addition dollar denominated term loan (“**Facility AL**”) in an aggregate principal amount of \$1,300.0 million under the Senior Credit Facility (the “**Facility AL Term Loan**”) and a new euro denominated term loan (“**Facility AM**”) in an aggregate principal amount of €730.0 million under the Senior Credit Facility (the “**Facility AM Term Loan**” together with the Facility AL Term Loan, the “**Additional Term Loans**”).

If Facility AL and/or Facility AM are entered into, the proceeds will be used to refinance the remaining portion (if any) of Facility AH and/or Facility AI under the Senior Credit Facility. The launch and funding of the Additional Term Loans and use of proceeds thereof are, collectively, the “**Term Loan Refinancing**”. Any incurrence of indebtedness under the Senior Credit Facility will comply with the covenants thereunder. No assurance can be given that Facility AL and/or Facility AM will be entered into, or if it is entered into, what the final terms will be, including the amount raised thereunder. Any amounts raised under Facility AL and/or Facility AM will constitute new senior secured debt.

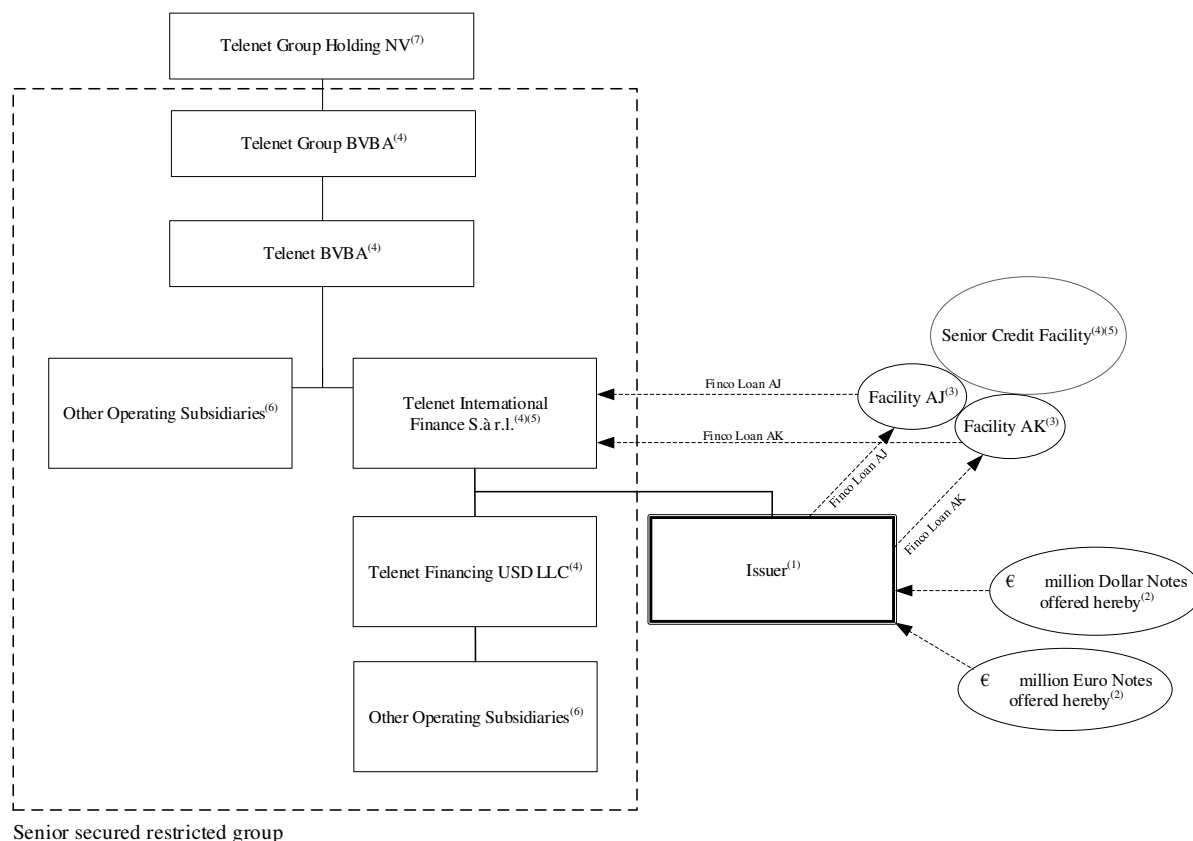
We refer to the Refinancing and the Term Loan Refinancing collectively as the “**Q4-2017 Refinancing Transactions**”.

Potential Financing Transactions

Telenet continually evaluates different financing alternatives and may decide to enter into new credit facilities, access the debt capital markets (including through an additional term loan facility, or increase to the 2017 Finco Loans, funded with the proceeds of notes issued by the Issuer or another financing company) or incur other indebtedness from time to time, including following the pricing of this offering and prior to, or within a short time period following, the Issue Date of the Notes (the “**Potential Financing Transactions**”). The proceeds of any Potential Financing Transactions may be used by Telenet or its subsidiaries to refinance indebtedness or for general corporate purposes of the Telenet Group, which may include acquisitions or loans, distributions or other payments to Telenet’s direct or indirect shareholders or share buybacks. Any such Potential Financing Transactions would be incurred in compliance with the applicable covenants under the Senior Credit Facility. After giving effect to any such incurrence in compliance with the applicable covenants, including in connection with permitted refinancing debt, permitted acquisition debt or other exceptions to the restriction on our ability to incur indebtedness, the ratio of as adjusted net total debt to consolidated annualized EBITDA could increase above the ratio of as adjusted net total debt to consolidated annualized EBITDA, as of September 30, 2017 (each as shown under the heading “*Summary Financial and Operating Data—Certain As Adjusted Covenant Information*”), and such increase could be material. Any Potential Financing Transaction will be made at Telenet’s election or the election of its relevant subsidiaries, and if any indebtedness incurred thereunder is in the form of securities, such securities may be offered and sold pursuant to, and on the terms described in, a separate offering memorandum. See “*Risk Factors—Risks Relating to Telenet’s Financial Profile—Telenet may incur additional indebtedness prior to, or within a short time period following, the Issue Date of the Notes and the funding of the 2017 Finco Loans, which indebtedness could increase Telenet’s leverage and may have terms that are more or less favorable than the terms of the Notes and Telenet’s other existing indebtedness*”.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following diagram summarizes the corporate and financing structure of the Issuer and the Telenet Group after giving effect to the offering of the Notes and the application of the proceeds therefrom (including the Refinancing and excluding the Term Loan Refinancing). The following is provided for indicative and illustration purposes only and should be read in conjunction with the information contained in these Listing Particulars as a whole.



- (1) The Issuer is a financing company formed for the primary purpose of facilitating the offering of the Notes and is 100.0% owned by Telenet International Finance. The Issuer is not part of the senior secured restricted group for purposes of the Senior Credit Facility and is therefore not subject to the restrictive covenants therein.
- (2) The Notes are senior obligations of the Issuer. On the Issue Date and prior to the Belgian Issuer Accession, the holders of the Notes benefit directly from first-ranking security interests granted to the Security Trustee on behalf of itself, the Trustee and the holders of the Notes in the following rights, property and assets: (i) all of the Issuer's rights to and benefit in the Finco Loans (including all rights of the Issuer as a Telenet Lender under the Finance Documents (as defined in the Senior Credit Facility) (including the 2017 Finco Accession Agreements and any other Finco Accession Agreements) in respect of which the Issuer has any right, title, benefit and/or interest and the Intercreditor Agreement); (ii) all of the Issuer's rights, title and interests in the Related Agreements and any other Telenet Fee Letters; and (iii) all of the Issuer's rights, title and interests in its bank accounts, including the Issuer's Accounts. See "*Description of the Notes—Note Collateral*". The Collateral Sharing Agreement provides that the security interests in the Note Collateral may be enforced only upon an acceleration of the amounts due under the Notes following an Event of Default (as defined under "*Description of Notes*") under the Indenture, subject to and in accordance with the terms of the Collateral Sharing Agreement. Neither the Trustee nor the holders of the Notes may, individually or collectively, take any direct action to enforce any rights in their favor under the Notes Security Documents (as defined under "*Description of Notes*"). The Trustee and the holders of the Notes may only take action to enforce the Notes Security Documents through the Security Trustee and the Collateral Sharing Agreement. In addition, pursuant to the Collateral Sharing Agreement, the ability of the Security Trustee to enforce the security interests in the Note Collateral will be restricted and will be at the discretion of the relevant creditors. See "*Risk Factors—Risks Relating to the Notes and the Structure—Your ability to recover under the collateral securing the Notes may be limited*" for more information.
- (3) The proceeds from the issuance of the Notes were used by the Issuer to fund the Finco Loan AJ, denominated in U.S. dollars, under an additional facility ("**Facility AJ**") borrowed by Telenet International Finance under the Senior Credit Facility and the Finco Loan AK denominated in euros, under an additional facility ("**Facility AK**") borrowed by Telenet International Finance under the Senior Credit Facility.
- (4) Each of Telenet BVBA, Telenet Group BVBA, Telenet International Finance and Telenet Financing USD are, and will continue to be following the offering of the Notes, the funding of the 2017 Finco Loans and the application of the proceeds of the 2017 Finco Loans, borrowers and guarantors under the Senior Credit Facility. See "*Risk Factors—Risks Relating to the Notes and the*

Structure—The guarantees of the obligations under the Senior Credit Facility (including the 2017 Finco Loans) may be limited by applicable laws or subject to certain limitations or defences that may adversely affect their validity and enforceability” and “Description of the Senior Credit Facility and the Related Agreements—The Senior Credit Facility”.

- (5) The Senior Credit Facility includes Facility V and Facility AB, which consist of loans made to Telenet International Finance by Telenet Finance V Luxembourg, a special purpose financing company unaffiliated with the Telenet Group, using the proceeds from the issuance of the Telenet Finance V Luxembourg 6 ³/₄% Notes and Telenet Finance VI Luxembourg, a special purpose financing company unaffiliated with the Telenet Group, using the proceeds from the issuance of the Telenet Finance VI Luxembourg Notes, respectively. Following the issuance of the Telenet Finance V Luxembourg 6 ³/₄% Notes, the Telenet Finance VI Luxembourg Notes and the making of the loans under, Facility V and Facility AB, each of Telenet Finance V Luxembourg and Telenet Finance VI Luxembourg, as applicable, is, and will continue to be as long as Facility V and Facility AB, as applicable, remain outstanding, consolidated by Telenet Group Holding. Accordingly, the loans under Facility V and Facility AB are eliminated through the consolidation of Telenet Finance V Luxembourg, and Telenet Finance VI Luxembourg, within the Telenet Group Financial Statements. See “*Capitalization of Telenet and the Issuer*”.

Concurrently with, or on or shortly after the offering of the Notes hereby, Telenet may enter into one or more additional facilities under the Senior Credit Facility which is expected to comprise an addition dollar denominated term loan (“**Facility AL**”) in an aggregate principal amount of \$1,300.0 million under the Senior Credit Facility (the “**Facility AL Term Loan**”) and a new euro denominated term loan (“**Facility AM**”) in an aggregate principal amount of €730.0 million under the Senior Credit Facility (the “**Facility AM Term Loan**” together with the Facility AL Term Loan, the “**Additional Term Loans**”). If Facility AL and/or Facility AM are entered into, the proceeds will be used to refinance the remaining portion (if any) of Facility AH and/or Facility AI under the Senior Credit Facility. The launch and funding of the Additional Term Loans and use of proceeds thereof are, collectively, the “**Term Loan Refinancing**”. The Term Loan Refinancing is not reflected in the corporate and financing structure chart above. Any incurrence of indebtedness under the Senior Credit Facility will comply with the covenants thereunder. No assurance can be given that Facility AL and/or Facility AM will be entered into, or if it is entered into, what the final terms will be, including the amount raised thereunder. Any amounts raised under Facility AL and/or Facility AM will constitute new senior secured debt.

- (6) Subsidiaries of Telenet Group BVBA that are not borrowers or guarantors under the Senior Credit Facility include: Allo Telecom NV, Coditel Brabant BVBA, Coditel S.à r.l., Belgian Mobile ID NV, Telenet Vlaanderen NV, Telenet Retail BVBA, T-VGAS NV, Telenet Tecteo Bidco NV, Pebble Media NV, Doccle.Up NV, Doccle CVBA, Finance Center Telenet S.à r.l., Ulane Business Management Ltd., Telenet Luxembourg Finance Center S.à r.l. and Telenet Solutions Luxembourg S.A. For the nine months ended September 30, 2017, the subsidiaries that guarantee the obligations under the Senior Credit Facility generated 100% of Telenet’s Consolidated Adjusted EBITDA and held more than 96% of its consolidated total assets, respectively.
- (7) Telenet Group Holding is listed on Euronext Brussels and is included in the Eurostoxx 600, MSCI Belgium, Dow Jones Sustainability Europe, Dow Jones Sustainability World, FTSE4Good and the BEL20 indices.

THE OFFERING

The summary below describes the principal terms of the Notes and certain terms of the 2017 Finco Loans. Certain of the terms and conditions described below are subject to important limitations and exceptions. The “Description of the Notes” section of these Listing Particulars contains a more detailed description of the terms and conditions of the Notes, including the definitions of certain terms used in this summary.

Issuer	Telenet Finance Luxembourg Notes S.à r.l.
Notes offered	
Dollar Notes	\$1,000.0 million aggregate principal amount of 5.500% senior secured notes due 2028 (the “Dollar Notes”)
Euro Notes	€600.0 million aggregate principal amount of 3.500% senior secured notes due 2028 (the “Euro Notes”).
Issue Date	December 13, 2017.
Issue Price	
Dollar Notes	100.000% plus accrued interest, if any, from the Issue Date.
Euro Notes	100.000% plus accrued interest, if any, from the Issue Date.
Maturity date	
Dollar Notes	March 1, 2028.
Euro Notes	March 1, 2028.
Interest payment dates	
Dollar Notes	Semi-annually in cash in arrears on each January 15 and July 15, commencing January 15, 2018. Interest accrues from the Issue Date of the Dollar Notes.
Euro Notes	Semi-annually in cash in arrears on each January 15 and July 15, commencing January 15, 2018. Interest accrues from the Issue Date of the Euro Notes.
Denomination	
Dollar Notes	\$200,000 and integral multiples of \$200,000 in excess thereof. Dollar Notes in denominations of less than \$200,000 are not available.
Euro Notes	€100,000 and integral multiples of €100,000 in excess thereof. Euro Notes in denominations of less than €100,000 are not available.
Dollar Notes	The net proceeds from the Dollar Notes, together with the fees payable to the Issuer by Telenet International Finance pursuant to the Telenet Dollar Fee Letter, were used by the Issuer to fund Facility AJ under the Senior Credit Facility to Telenet International Finance.
Euro Notes	The net proceeds from the Euro Notes, together with the fees payable to the Issuer by Telenet International Finance pursuant to the Telenet Euro Fee Letter, were used by the Issuer to fund Facility AK under the Senior Credit Facility to Telenet International Finance.

Under the terms of the Senior Credit Facility and the related arrangements, the Issuer will benefit from, among other things, all the rights of a lender under the Senior Credit Facility.

Ranking of the Notes

The Notes:

- are general senior obligations of the Issuer;
- are secured by the Note Collateral as described under “—Note Collateral”;
- rank pari passu in right of payment to all Additional Debt of the Issuer that is not subordinated to the Notes (including any Additional Notes);
- are subject to the Limited Recourse Restrictions as described under “—Limited recourse”; and
- are effectively subordinated to all liabilities of each subsidiary of the Issuer (if any).

Limited recourse

Except under the limited circumstances specified under “*Description of the Notes—Events of Default and Remedies*”, the obligations of the Issuer under the Indenture, the Notes, the Notes Security Documents (as defined under “*Description of the Notes*”) and the Collateral Sharing Agreement will be solely to make payments of amounts in aggregate equivalent to the amounts actually received by or for the account of the Issuer from Telenet International Finance under the Senior Credit Facility and agreements related thereto. As such, the Issuer will be wholly dependent upon payments from Telenet International Finance, which payments are guaranteed by Telenet Group BVBA under each of the 2017 Finco Loans, other than certain amounts due on the Notes (such as prepayment premiums and additional amounts following certain tax events), which will be financed by Telenet International Finance pursuant to the Telenet Euro Fee Letter and/or the Telenet Dollar Fee Letter or the Telenet Service Agreement, in order to service its obligations under the notes.

In addition, other than under the limited circumstances described under “*Description of the Notes—Events of Default and Remedies*”, holders of the Notes will not have a direct claim on the cash flow or assets of Telenet and Telenet has no obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments, other than the obligations of Telenet International Finance and Telenet Group BVBA to make payments to lenders under the Senior Credit Facility and agreements related thereto.

None of the members of the Telenet Group guarantee the Issuer’s obligations under the Notes.

Note Collateral

On the Issue Date and prior to the Belgian Issuer Accession, the holders of the Notes benefit directly from first-ranking security interests granted to the Security Trustee on behalf of itself, the Trustee and the holders of the Notes in the following rights, property and assets:

- (1) all of the Issuer’s rights to and benefit in the Finco Loans (including all rights of the Issuer as a Telenet Lender under the Finance Documents (as defined in the Senior Credit Facility) (including the 2017 Finco Accession Agreements and any other Finco Accession Agreements) in respect of which the Issuer has

any right, title, benefit and/or interest and the Intercreditor Agreement);

- (2) all of the Issuer's rights, title and interests in the Related Agreements and any other Telenet Fee Letters; and
- (3) all of the Issuer's rights, title and interests in its bank accounts, including the Issuer's Accounts.

See "*Description of the Notes—Note Collateral*".

The Issuer, as a lender under the Senior Credit Facility, is treated the same as all other lenders under that facility and has benefits, rights and protections that are similar to those benefits, rights and protections afforded to other Telenet Lenders. Through the covenants in the Indenture and the security interests over the 2017 Finco Loans granted to secure the Issuer's obligations under the Notes, the holders of the Notes are provided indirectly with the benefits, rights and protections granted to the Issuer as a Telenet Lender, including the indirect benefit of the covenants contained in the Senior Credit Facility and the guarantees and security granted for the benefit of the Telenet Lenders. See "*Risk Factors—Risks Relating to the Notes and the Structure—The security interest in the collateral securing the 2017 Finco Loans will not be granted directly to the holders of the Notes*" for more information.

The Collateral Sharing Agreement provides that the security interests in the Note Collateral may be enforced only upon an acceleration of the amounts due under the Notes following an Event of Default (as defined under "*Description of Notes*") under the Indenture, subject to and in accordance with the terms of the Collateral Sharing Agreement. Neither the Trustee nor the holders of the Notes may, individually or collectively, take any direct action to enforce any rights in their favor under the Notes Security Documents (as defined under "*Description of Notes*"). The Trustee and the holders of the Notes may only take action to enforce the Notes Security Documents through the Security Trustee and the Collateral Sharing Agreement. In addition, pursuant to the Collateral Sharing Agreement, the ability of the Security Trustee to enforce the security interests in the Note Collateral will be restricted and will be at the discretion of the relevant creditors. See "*Risk Factors—Risks Relating to the Notes and the Structure—Your ability to recover under the collateral securing the Notes may be limited*" for more information.

Senior Credit Facility Guarantors

As at the Issue Date, Telenet Group BVBA, Telenet BVBA, Telenet International Finance and Telenet Financing USD are the only guarantors of the obligations of the Obligors (as defined in the Senior Credit Facility) under the Senior Credit Facility (subject to certain specified guarantee limitations, including, but not limited to, the exclusion of liability to the extent that such guarantee would constitute unlawful financial assistance under applicable law). In addition, the Senior Credit Facility requires that additional members of the Telenet Bank Group become guarantors under the Senior Credit Facility, (a) in the event that they become Material Subsidiaries (as defined in the Senior Credit Facility), or (b) where necessary in order to ensure that the aggregate earnings before interest, tax, depreciation and amortization of the Obligors (on an unconsolidated basis and excluding intra-group items) equal or exceed, respectively, 80% of the consolidated EBITDA (excluding for the purposes of this calculation, any EBITDA attributable to any Joint Venture (as defined in the Senior Credit Facility)), of the Telenet Bank Group (as defined in the Senior Credit Facility). For the nine months ended and as of September 30, 2017, the subsidiaries that guarantee the obligations under the Senior Credit Facility

generated 100% of Telenet’s Consolidated Adjusted EBITDA and held more than 96% of its consolidated total assets, respectively. See “*Risk Factors—Risks Relating to the Notes and the Structure—The guarantees of the obligations under the Senior Credit Facility (including the 2017 Finco Loans) may be limited by applicable laws or subject to certain limitations or defences that may adversely affect their validity and enforceability.*”

Senior Credit Facility Collateral

Each of the 2017 Finco Loans is secured by the security interests on substantially all assets of the Telenet Bank Group granted to the security agent under the Senior Credit Facility to secure the Telenet Loans. The Telenet Loans are currently secured on a first-ranking basis by substantially all of the properties and assets of the borrowers and guarantors under the Senior Credit Facility, and certain other security providers, under the Senior Credit Facility, including:

- (a) share pledges over all the shares of Telenet Group BVBA, Telenet BVBA (and following the Finco Loans Borrower Exchange, the Belgian Borrower), Telenet Vlaanderen NV and the Initial Telenet Borrowers;
- (b) mortgages over all real property and the network assets of Telenet BVBA (and following the Finco Loans Borrower Exchange, the Belgian Borrower) and Telenet Vlaanderen NV;
- (c) floating charges (and/or floating charge mandates) over all moveable property of Telenet Group BVBA and Telenet BVBA (and following the Finco Loans Borrower Exchange, the Belgian Borrower) and Telenet Vlaanderen NV;
- (d) pledges on bank accounts and of all present and future receivables of Telenet Group Holding, Telenet Group BVBA, Telenet BVBA (and following the Finco Loans Borrower Exchange, the Belgian Borrower) and Telenet Vlaanderen NV; and
- (e) pledges on bank accounts and of all present and future intercompany receivables granted by the Initial Telenet Borrowers.

For a further description of the security with respect to the Telenet Loans and the Senior Credit Facility, see “*Description of the Senior Credit Facility and the Related Agreements—Guarantees and Security*”.

The Senior Credit Facility Amendments include amendments that would allow the release of the collateral described above, with the exception of share pledges over the shares of obligors and pledges in respect of subordinated shareholder loans. See “*Risk Factors—Risks Relating to the Notes—By investing in the Notes you will have provided consent to the Senior Credit Facility Amendments which will automatically become effective without any further consent from holders of the Notes upon Telenet obtaining the consent of the Majority Lenders (as defined in the Senior Credit Facility) (and, with respect to certain amendments, all Telenet Lenders)*”.

Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange

Following the issuance of the Notes, an Initial Telenet Borrower may direct the implementation of the Belgian Issuer Accession. Upon consummation of the Belgian Issuer Accession, the Belgian Issuer will succeed to, and be substituted for, and shall assume the obligations of and may exercise every right and power of, the Issuer under the Notes, the Indenture, the 2017 Finco Loans, the Related Agreements, the Collateral Sharing Agreement, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement and upon such substitution, the Issuer will be released

from all of its obligations under the Notes, the Indenture, the 2017 Finco Loans, the Related Agreements, the Collateral Sharing Agreement, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement. Following the Belgian Issuer Accession, all references to the Issuer in the Notes, the Indenture, the 2017 Finco Loans, the Related Agreements, the Collateral Sharing Agreement, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement will be deemed references to the Belgian Issuer. See *“Description of the Notes—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange—Belgian Issuer Accession”*.

In addition, following completion of the Belgian Issuer Accession, an Initial Telenet Borrower may direct the implementation of the Finco Loans Borrower Exchange. Upon the consummation of the Finco Loans Borrower Exchange, the relevant Initial Telenet Borrower will be released from all of its obligations under each of the 2017 Finco Loans, the Indenture, the Notes, the relevant Related Agreements, the Collateral Sharing Agreement and the other Finance Documents (as defined in the Senior Credit Facility) and all references to each of the Initial Telenet Borrowers, as applicable, in such documents will be to the Belgian Borrower. Following the Finco Loans Borrower Exchange, if any, all references to each of the 2017 Finco Loans, each of the 2017 Finco Accession Agreements and the Telenet Service Agreement in the Notes and the Indenture will be to the relevant New Finco Loan, the relevant New Finco Accession Agreement and the New Telenet Service Agreement, respectively. See *“Description of the Notes—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange—Finco Loans Borrower Exchange”*.

The Belgian Issuer Accession and the Finco Loans Borrower Exchange may be completed at the option of an Initial Telenet Borrower without any further consent from the Issuer or the holders of the Notes, and the Issuer or holders of the Notes shall upon receipt of the notice of the Belgian Issuer Accession and the notice of the Finco Loans Borrower Exchange, as the case may be, be deemed to have consented to any transfer of rights and obligations pursuant to the Belgian Issuer Accession and the Finco Loans Borrower Exchange (*provided* that, in each case, any relevant corresponding condition in the Indenture and the Finance Documents (as defined in the Senior Credit Facility) have been satisfied). For the avoidance of doubt, an Initial Telenet Borrower may elect to complete the Belgian Issuer Accession without completing the Finco Loans Borrower Exchange; however, if an Initial Telenet Borrower does not elect to complete the Finco Loans Borrower Exchange concurrently with the Belgian Issuer Accession, the Belgian Issuer will grant, or procure the grant of, security in favor of holders of the Notes of substantially the same type, scope and priority as the New Note Collateral.

Following completion of the Belgian Issuer Accession and/or the Finco Loans Borrower Exchange (as applicable), the holders of the Notes will continue to benefit from substantially the same rights and obligations under the Indenture and the Notes. In addition, through the covenants in the Indenture and the security interests in the New Note Collateral (as defined in the *“Description of the Notes”*) granted to secure the Belgian Issuer’s obligations under the Notes, the holders of Notes will be provided indirectly with the benefits, rights and protections granted to the Belgian Issuer as a Telenet Lender, including the benefit of the covenants contained in the Senior Credit Facility and the guarantees and security granted for the benefit of the Telenet Lenders.

Mandatory redemption

Following a change of control as defined under the Senior Credit Facility, Telenet International Finance will be required, at the election of the

Majority Lenders under, and as defined in, the Senior Credit Facility, to prepay the relevant 2017 Finco Loan plus a payment equal to 1% of the principal amount of such 2017 Finco Loans. Following any such repayment, the Issuer will redeem all of the Notes issued under the indenture governing the Notes at a redemption price equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of redemption.

Optional redemption

In the event that all or any portion of a 2017 Finco Loan or a New Finco Loan, as applicable, is voluntarily prepaid by Telenet BVBA, Telenet Group BVBA and/or the relevant Initial Telenet Borrower or the Belgian Borrower, as applicable, pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Senior Credit Facility (an “Early Redemption Event”), subject to and in accordance with the terms of the Senior Credit Facility and the relevant 2017 Finco Accession Agreement or the relevant New Finco Accession Agreement, as applicable, the relevant 2017 Finco Accession Agreements or the relevant New Finco Accession Agreement, as applicable, will provide for the payment of certain additional payments to be made to the Issuer that correspond to the premiums payable to holders of the Notes (or the relevant series of Notes) upon early redemption, as described below.

At any time prior to December 1, 2022, upon the occurrence of an Early Redemption Event, in respect of the relevant 2017 Finco Loan or the relevant New Finco Loan, as applicable, the Issuer will redeem (i) an aggregate principal amount of Dollar Notes equal to the principal amount of Finco Loan AJ or New Finco Loan AJ-B, as applicable, prepaid in such Early Redemption Event (not to exceed 10% of the Dollar Notes (including the Additional Dollar Notes, if any) and/or (ii) an aggregate principal amount of the Euro Notes equal to the principal amount of Finco Loan AK or New Finco Loan AK-B, as applicable, prepaid in such Early Redemption Event (not to exceed 10% of the Euro Notes (including the Additional Euro Notes, if any), in each case, during each twelve month period commencing on the Issue Date), at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest to (but excluding) the date of redemption. See “*Description of the Notes—Redemption and Repurchase—Optional Redemption*”.

At any time prior to December 1, 2022, upon the occurrence of an Early Redemption Event in respect of the relevant 2017 Finco Loan or the relevant New Finco Loan, as applicable, the Issuer will redeem (i) an aggregate principal amount of the Dollar Notes equal to the principal amount of the Finco Loan AJ or the New Finco Loan AJ-B, as applicable, prepaid in such Early Redemption Event and/or (ii) an aggregate principal amount of the Euro Notes equal to the principal amount of Finco Loan AK or the New Finco Loan AK-B, as applicable, prepaid in such Early Redemption Event, in each case, by paying a “make whole” premium as described under “*Description of the Notes—Redemption and Repurchase—Optional Redemption*”.

On or after December 1, 2022, upon the occurrence of an Early Redemption Event in respect of the relevant 2017 Finco Loan or the relevant New Finco Loan, as applicable, the Issuer will redeem (i) an aggregate principal amount of the Dollar Notes equal to the principal amount of the Finco Loan AJ or the New Finco Loan AJ-B, as applicable, prepaid in such Early Redemption Event, and/or (ii) an aggregate principal amount of the Euro Notes equal to the principal amount of the Finco Loan AK or the New Finco AK-B, as applicable, prepaid in such Early Redemption Event, in each case, at the redemption prices as described under “*Description of the Notes—Redemption and Repurchase—Optional Redemption*”.

At any time prior to December 1, 2022, upon the occurrence of an Early Redemption Event in respect of the relevant 2017 Finco Loan or the relevant New Finco Loan, as applicable, with the net cash proceeds of one or more Equity Offerings (the “Equity Offering Early Redemption Proceeds”), the Issuer will redeem (i) up to 40% of the aggregate principal amount of the Dollar Notes (including the Additional Dollar Notes, if any) equal to the principal amount of the Finco Loan AJ prepaid with any Equity Offering Early Redemption Proceeds and/or (ii) up to 40% of the aggregate principal amount of the Euro Notes (including Additional Euro Notes, if any) equal to the principal amount of the Finco Loan AK prepaid with any Equity Offering Early Redemption Proceeds, in each case, in such Early Redemption Event, at the redemption price set forth under “*Description of the Notes—Redemption and Repurchase—Optional Redemption*”.

Optional redemption with disposal proceeds

In the event of certain asset sales, Telenet BVBA and Telenet International Finance may elect, at their option, (i) to offer to prepay a principal amount of the relevant 2017 Finco Loan equal to the aggregate principal amount of the relevant series of Notes tendered in a related asset sale offer to be made by the Issuer (not to exceed the available proceeds from the related asset sale) or (ii) subject to the payment of certain premiums, to prepay the relevant 2017 Finco Loan in an amount equal to the available proceeds from the related asset sale, and in the cases of clauses (i) and (ii) the Issuer will redeem a corresponding amount of the relevant series of Notes. See “*Description of the Notes—Redemption and Repurchase—Disposal Proceeds*”.

Additional amounts; tax redemption

All payments in respect of the Notes will be made without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. See “xz”. If withholding or deduction is required by law in a Relevant Tax Jurisdiction (as defined below), subject to certain exceptions, the Issuer will pay Additional Amounts so that the net amount you receive is no less than that which you would have received in the absence of such withholding or deduction. See “*Description of the Notes—Withholding Taxes*”. Subject to certain exceptions, the Issuer may redeem the relevant series of the Notes in whole, but not in part, at any time, upon giving prior notice, in the event of an optional prepayment of a 2017 Finco Loan or New Finco Loan pursuant to Clause 10.8(a)(i) (*Right of Repayment and Cancellation of a Single Lender*) of the Senior Credit Facility or if certain changes in tax law impose certain withholding taxes on amounts payable on the relevant series of Notes and, as a result, the Payor is required to pay Additional Amounts with respect to such withholding taxes. If the Issuer decides to exercise such redemption right, it must pay holders a redemption price equal to the principal amount of the relevant series of Notes being redeemed, together with accrued and unpaid interest and Additional Amounts, if any, to the date of redemption. See “*Description of the Notes—Redemption and Repurchase—Redemption for Changes in Withholding Taxes*”.

Certain covenants

The Issuer issued the Notes under the Indenture. The Indenture contains covenants with respect to restrictions on the business activities of the Issuer; maintenance of the existence of the Issuer; listing; maintenance of rating; minimum period for consents under loan documents; payments for consent; amendments to loan documents to be applied equally to all lenders; information; and impairment of liens.

Voting in respect of the 2017 Finco Loans and the Senior Credit Facility

The Issuer will vote as a lender under the Senior Credit Facility pursuant to the 2017 Finco Loans. The voting method to be used to determine the voting position of the Issuer on any matter subject to a lender vote under the Senior Credit Facility is described under “*Description of the Notes—Amendment,*

Supplement and Waiver—To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements”.

Each of the 2017 Finco Accession Agreements and the New Finco Accession Agreements contains the consent of the Issuer, as a Telenet Lender, to certain significant amendments to the Senior Credit Facility (including the First Senior Credit Facility Amendments, the Second Senior Credit Facility Amendments, the Third Senior Credit Facility Amendments, the Fourth Senior Credit Facility Amendments, the Fifth Senior Credit Facility Amendments, the Sixth Senior Credit Facility Amendments and the Seventh Senior Credit Facility Amendments) set forth in schedules 4, 5, 6, 7, 8, 9 and 10 of Annexes B and C, and schedules 4, 5, 6, 7, 8, 9 and 10 of Schedule 11 of Annexes B and C in these Listing Particulars (the “**Senior Credit Facility Amendments**”). The Senior Credit Facility Amendments include material modifications to certain affirmative and negative covenants, financial maintenance covenants and related definitions, representations and warranties, events of default, mandatory prepayment provisions, administrative provisions and provisions relating to the security package. The Senior Credit Facility Amendments are generally less restrictive and provide greater flexibility to the Telenet Bank Group than the provisions currently included in the Senior Credit Facility. Specifically, the Senior Credit Facility Amendments include, but are not limited to, the following (capitalized terms used in the following description have the meanings currently provided in the Senior Credit Facility, without giving effect to the Senior Credit Facility Amendments)

- amend the definition of “80% Security Test” to provide that where a Guarantor generates negative earnings before interest, tax, depreciation and amortization, such Guarantor shall be deemed for the purpose of calculating the 80% Security Test numerator to have zero earnings before interest, tax, depreciation and amortization;
- amend the definition of “Affiliate” to include a proviso that any provision which uses such term, an Affiliate of the Company that issues notes, bonds or other securities for the purpose of on-lending proceeds of such issuance under a Facility and to a Borrower shall not be an Affiliate of the Company and such entity shall not be deemed to be managed by, or under control of, the Company or any of its Affiliates and any payments made to such entity in connection with any fees, costs, indemnity claims or expenses payable to it in connection with transactions related to the issuance of any notes, bonds or other securities will be a “Permitted Payment”;
- amend the definition of “Consolidated EBITDA” to include the amount of loss on transfer of assets in connection with an asset securitization programme, receivables factoring transaction or other receivables transaction;
- amend the definition of “Consolidated EBITDA” to add equity based compensation expenses and to remove the option for fees or other amounts charged or credited to the Company and the Guarantors related to Intra-Group Services to the extent that they are not included in the Company’s externally reported operating case flow or are deemed to be exceptional or unusual items;
- amend the definition of “Finance Document” to provide that an Increase Confirmation will be, and a Transfer Certificate won’t be, a Finance Document;

- amend the definition of “Finance Document” to provide that a Hedging Agreement is only a Finance Document, and to amend the definition of “Finance Party” to provide that a Hedge Counterparty is only a Finance Party, for the purpose of the guarantee provisions;
- amend the definition of “Financial Indebtedness” to remove any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or other instrument issued by a bank or financial institution;
- amend the definition of “Impaired Agent” to include any Facility Agent which is also a Defaulting Lender as a result of the Facility Agent being an L/C Bank which has failed to issue a Documentary Credit or failed to pay a claim;
- amend the definition of “Majority Lenders” to provide that the definition is subject to the snooze lose provision;
- amend the definition of “Measurement Period” to refer to each period of approximately six months covering two quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under the Senior Credit Facility are prepared, provided that the Company may make an election to establish that “Measurement Period” means each period of approximately 12 months covering four quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (and if such an election has been made, the Company may not elect to change the test period back);
- amend the definition of “Permitted Acquisition” to add a new limb to permit the acquisition by a member of the Group for the purposes of a solvent reorganisation of the Group where the acquisition is of share capital of a person which has not traded and does not own any assets or is a dormant subsidiary of the Ultimate Parent and which has no liabilities;
- amend the definition of “Permitted Acquisition” to add a new limb to permit the acquisition by any member of the Group of any Senior Unsecured Notes provided that an amount equal to the purchase price paid for the acquisition of any such Senior Unsecured Notes could have been used by such member of the Group to fund a Permitted Payment and provided further that to the extent any such acquisition is made in reliance on any basket amount provided for under the definition of “Permitted Payments”, such amount shall be reduced by an amount equal to the consideration paid for such acquisition;
- amend the definition of “Permitted Acquisition”, in particular limb (e), to remove the requirement to meet the ratio of Net Total Debt to Consolidated Annualised EBITDA being less than 6.00:1;
- amend the definition of “Permitted Acquisition”, in particular limb (j), to extend the time period for making the issued shares subject to Security to 60 days;
- amend the definition of “Permitted Disposal”, in particular limb (hh) of such definition, to mean disposals of real property where the aggregate fair market value does not exceed the greater of €150,000,000 and 3%

of Total Assets in any financial year (with unused amounts being carried over);

- amend the definition of “Permitted Disposal”, in particular limb (ii) of such definition, to mean disposals of assets pursuant to sale and leaseback transactions where the aggregate fair market value does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year;
- amend the definition of “Permitted Disposal”, in particular limb (t) of such definition, to mean disposals of assets where the aggregate fair market value does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year (with unused amounts being carried over);
- amend the definition of “Permitted Disposal”, in particular limb (ww) of such definition, to remove the requirement for the Company to provide a certificate certifying the re-calculated financial ratio for the purposes of a disposal under such limb;
- amend the definition of “Permitted Disposal” to add a new limb to permit the disposal of undertakings, assets, rights or revenues comprising interests in the share capital of persons not holding or engaged in the distribution business (i.e. the business of upgrading, constructing, developing, acquiring etc. cable television network for the transmission, reception and/or delivery of multi-channel television and radio programming, telephony and internet and/or data services to the residual markets) of the Group or other undertakings, assets, rights or revenues not constituting part of such distribution business of the Group;
- amend the definition of “Permitted Disposal” to add a new limb to permit new disposals which constitute the concurrent purchase and sale or exchange of related business assets or a combination of such assets, cash and Cash Equivalent Investments between any member of the Group and another person provided that the member of the Group receives consideration at least equal to fair market value for the assets;
- amend the definition of “Permitted Disposal” to permit disposals by one member of the Group to another member of the Group provided that, if such assets subject to the disposal are subject to existing security, the Borrower within 15 Business Days of such disposal ensures that the assets remain subject to security;
- amend the definition of “Permitted Disposal” to permit disposals of shares or other interests in project companies, entities excluded from the Group which are subsidiaries of the Company or joint venture companies (each as defined in recent Liberty precedent) or the assignment of any Financial Indebtedness owed to a member of the Group by any project companies, entities excluded from the Group which are subsidiaries of the Company or a joint venture company;
- amend the definition of “Permitted Financial Indebtedness” to add a new limb to permit Financial Indebtedness incurred in connection with the Hedging Agreements and other hedging arrangements permitted by the Senior Credit Facility;
- amend the definition of “Permitted Financial Indebtedness” to add a new limb to permit Financial Indebtedness of any member of the Group, in respect of which the person to whom such Financial

Indebtedness is owed has no recourse to any member of the Group for any payment or repayment in respect thereof other than recourse to such member of the Group for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness in an enforcement of any Security Interest given by a member of the Group over Non-Distribution Assets;

- amend the definition of “Permitted Financial Indebtedness, in particular limb (r) of that definition, to provide that a Default would not be a drawstop to Financial Indebtedness arising in respect of any guarantee given by a member of the Group in respect of any issuer of Holdco Debt’s obligations under any Holdco Debt;
- amend the definition of “Permitted Joint Venture”, in particular limb (b), to remove the requirement to meet the ratio of Net Total Debt to Consolidated Annualised EBITDA being less than 6.00:1;
- amend the definition of “Permitted Joint Venture” to remove the requirement that an acquisition would not fall within such definition if an Event of Default had occurred and was continuing at the time of such acquisition;
- amend the definition of “Permitted Joint Venture” to permit Telenet BVBA to contribute freely pledged loan and guarantee receivables to the Permitted Joint Venture’s share capital without requiring a release from the Security Agent (subject to confirmation or re-taking of security over such pledged loan and guarantee receivables);
- amend clause 21.11 (*Restricted Payments*) to add an additional limb to permit payment by any member of the Group of Management Fees during such period as the applicable ratio for the purposes of clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) is 3.50:1 (or less);
- amend the definition of “Permitted Payment” to add an additional limb to permit any payment by way of transfer to any Restricted Person of any Non-Distribution Business Assets (to the extent they are permitted under the definition of Permitted Disposal);
- amend the definition of “Permitted Payment”, in particular limb (cc) of such definition, to mean payments in connection with a start-up financing or seed funding where the aggregate value of the payment does not exceed the greater of €50,000,000 and 1% of Total Assets;
- amend the definition of “Permitted Payment”, in particular limb (kk) of such definition, to mean payments in relation to tax losses received by a member of the Group from any member of the Wider Group that is not a member of the Group where the amount of tax losses does not exceed the greater of €200,000,000 and 3% of Total Assets in any financial year;
- amend the definition of “Permitted Payment”, in particular limb (ll) of such definition, to mean payments not covered by other parts of the definition where the amount of the payment does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year (with unused amounts being carried over);

- add a new limb to the definition of “Permitted Payment” to permit a payment in relation to any “Permitted Business Division Transaction” or any “Acceptable Joint Venture” (each as referred to above);
- add a new limb to the definition of “Permitted Security Interest” to permit any Security Interests attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business;
- add a new limb to the definition of “Permitted Security Interest” to permit any Security Interests over Non-Distribution Business Assets, securing Financial Indebtedness in respect of such Non-Distribution Business Assets;
- amend the definition of “Permitted Security Interest” to permit the Company to secure Financial Indebtedness on a *pari passu* or junior ranking basis provided that (other than in the case of a refinancing of other secured Financial Indebtedness in the same or a lesser principal amount) the Net Total Debt to Consolidated Annualised EBITDA ratio on a pro forma basis would not be greater than 5.50:1.00 and provided that such Financial Indebtedness is subject to an intercreditor agreement on terms which are satisfactory to the Security Agent (acting on the instructions of the Majority Lenders) and where (in the case of such Financial Indebtedness being secured on a junior ranking basis) the rights of the holders of such Financial Indebtedness in respect of any payment will be contractually subordinated to the rights of the Lenders on terms comparable to the Loan Market Association’s form of intercreditor agreement at such time for mezzanine debt;
- replace the definition of “Spin Off” under the Senior Credit Facility with a new definition which refers to a transaction by which all outstanding ordinary and or equity shares of the Common Holding Company and or any Holding Company of the Common Holding Company directly or indirectly owned by the Ultimate Parent are distributed to (a) all of the Ultimate Parent’s shareholders, or (b) all of the shareholders comprising one or more group of the Ultimate Parent’s shareholders as provided by the Ultimate Parent’s articles of association, in each case, either directly or indirectly through the distribution of shares in a company holding the Common Holding Company’s shares or such Holding Company’s shares;
- add a new definition of “Sub-participation” referring to any sub-participation or sub-contract (whether written or oral) or any other agreement or arrangement having an economically substantially similar effect, including any credit default or total return swap or derivative (whether disclosed undisclosed, risk or funded) by a Lender of or in relation to any of its rights or obligations under, or its legal, beneficial or economic interest in relation to, the Facilities and/or Finance Documents to a counterparty and “sub-participate” shall be construed accordingly;
- amend the definition of “Majority Lenders” to reduce the fractions specified, from two thirds or more (for any or all purposes under the Credit Agreement or any other Finance Document (including for the purposes of any Telenet Additional Facility)) to more than 50.00% and to exclude the available commitments of defaulting lenders for the purposes of amendments or waivers;

- amend the definition of “Super Majority Lenders” so that amendments and waivers in respect of the release of any guarantee or security only requires the consent of Lenders representing 90.00% of Commitments;
- amend clause 29.3 (*Transfers by Lenders*) of the Senior Credit Facility to include a restriction on sub-participations of rights and obligations and is subject to the same consent regime as for assignments and transfers;
- add a new provision to provide that there will be no restrictions on sub-participations provided that certain conditions, which include, the Lender retaining exclusive control over all rights and obligations in relation to the participations, the relationship between the Lender and the proposed sub-participant being that of a contractual debtor and creditor and the proposed sub-participant having no proprietary interest in the benefit of the Senior Credit Facility or any of the Finance Documents or in any monies received by the relevant Lender;
- add a new provision to require any person granting a sub-participation to maintain a register on which it enters the name and address of each sub-participant in which each sub-participant has an interest or obligation;
- add a new provision which provides that no transfer of an interest in an Advance or Commitment under the Senior Credit Facility is effective unless and until it is recorded in the register referred to in the Senior Credit Facility;
- amend the additional facilities clause that each Lender under a Telenet Additional Facility shall be required to become such a party to the Senior Credit Facility and be entitled to share in the Security in accordance with the terms of the Intercreditor Agreement and the Security Documents *pari passu* with the Lenders under the other Facilities provided that the Company and the relevant Telenet Additional Facility Lenders may agree that a Telenet Additional Facility shares in the Security on a junior basis to the other Facilities or shall not be entitled to share in the Security either in accordance with the terms of the Intercreditor Agreement or pursuant to ancillary intercreditor arrangements;
- amend the Additional Facilities Cap such that (A) it includes an additional limb for the aggregate amount of any voluntary prepayments of Term Facility Advances under Revolving Facilities to the extent the relevant prepayment or cancellation is not funded or effected with any long term Financial Indebtedness and (B) the Company shall have the ability to classify such amounts of Financial Indebtedness on the date of their incurrence and shall only be required to include the amount and type of such Financial Indebtedness in more than one of the types of Financial Indebtedness described in such paragraphs, and, from time to time, may reclassify all or a portion of such Financial Indebtedness, in any manner;
- amend the definition of Consolidated EBITDA under the Senior Credit Facility to provide that any adjustments to reduce the impact of the cumulative effect of a change in accounting principles or policies and changes as a result of a the adoption or modification of accounting principles or policies can be added (at the Company’s option) to the operating income of the Group for that measurement period;

- amend the Senior Credit Facility to provide that any Affiliate of the Company may accede to the Senior Credit Facility as a Guarantor in accordance with the terms of the Senior Credit Facility (provided that Security has been granted in form and substance satisfactory to the Facility Agent (acting reasonably) in favour of the Security Agent over 100% of its shares and all rights in relations to loans from members of the Wider Group to it) and that such Affiliate shall be a member of the Group and an Additional Guarantor;
- add a new definition of “Affiliate Subsidiary” such that it means any Affiliate of the Company that accedes to the Senior Credit Facility as a Guarantor pursuant to the amendments described in the paragraph above and provided that it has not resigned as a Guarantor in accordance with the terms of the Credit Agreement;
- amend the definition of “ERISA Affiliate” to mean any person treated as a single employer with any Obligor under section 414 of the Code;
- amend the definition of “Plan” to mean an “employee benefit plan” as defined in section 3(3) of ERISA, which is subject to Title IV of ERISA (A) maintained by any Obligor or any ERISA Affiliate, or (B) to which any Obligor or any ERISA Affiliate is required to make any payment or contribution;
- amend the definition of “Reportable Event” to mean (A) an event specified as such in section 4043 of ERISA or any regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation, or (B) a failure to meet the minimum funding standard under section 412 or 430 of the Code or section 302 of ERISA, whether or not waived;
- amend the Senior Credit Facility so that the ERISA representation only applies to an Obligor and not all members of the Group and there is no Event of Default triggered in respect of ERISA;
- amend the Senior Credit Facility to amend the undertaking relating to ERISA such that each Obligor and its ERISA Affiliates must (A) be, and remain, in compliance in all material respects with all laws and regulations relating to each of its Plans and (B) must ensure that no event or condition exists at any time in relation to a Plan which is reasonably likely to result in the imposition of a lien or other encumbrance on any of its assets or which is reasonably likely to have a Material Adverse Effect;
- amend the definition of “Limited Condition Transaction” to include any Restricted Payment;
- amend the representation at clause 18.17 (*United States Regulations*) so that the representation to be given is that no Obligor is required to be registered as an “investment company” under the United States Investment Company Act of 1940;
- amend the representation at clause 18.19 (*Margin stock*) so that the representation to be given is that no Obligor is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System of the United States), or extending credit for the purpose of

purchasing or carrying Margin Stock, and no proceeds of any borrowings will be used for any purpose that violates Regulation U;

- add a new provision to clause 21.13 (*Loans and Guarantees*) to permit any guarantee of any Financial Indebtedness of any Parent that is given by an Affiliate Subsidiary provided that (i) on the date of incurrence of such guarantee the ratio of Net Total Debt (including any Holdco Debt) to Consolidated Annualised EBITDA on a pro forma basis would not exceed 6.00:1 (provided that outstanding Net Total Debt (including Holdco Debt) for the purpose of calculating such ratio under this paragraph shall include any Financial Indebtedness represented by guarantees by any member of the Group of Financial Indebtedness of any Parent), (ii) such guarantee is expressed to be subordinated to the liabilities of such Affiliate Subsidiary under the Finance Documents and (iii) no Event of Default is continuing or occurs as a result of such Financial Indebtedness of that Parent being raised or issued;
- amend clause 21.13 (*Loans and Guarantees*), in particular limb (bb) of such clause, to mean loans made, credit granted or guarantees given by any member of the Group where the aggregate amount does not exceed the greater of €150,000,000 and 3% of Total Assets;
- amend Clause 21.13 (*Loans and Guarantees*), in particular limb (g) of such clause, to permit guarantees by an Obligor in respect of the liabilities of any other member of the Group which is not an Obligor provided that that other member of the Group must become an Additional Guarantor in accordance with the terms of the Senior Credit Facility within 30 days of the granting of the guarantee;
- amend clause 21.13 (*Loans and Guarantees*), in particular limb (z) of such clause, to mean loans made in connection with any start-up financing or seed funding where the aggregate value does not exceed the greater of €25,000,000 and 1% of Total Assets;
- add a new provision to clause 21.13 (*Loans and Guarantees*) to permit any loans or guarantees relating to Excess Capacity Network Services provided that the price payable to any member of the Group in relation to such Excess Capacity Network Services is no less than the Cost incurred by the relevant member of the Group in providing such Excess Capacity Network Services;
- add a new provision to clause 21.13 (*Loans and Guarantees*) to permit any guarantees or similar undertakings granted by any member of the Group in favour of any tax authority in respect of any obligations of a member of the Group in respect of tax in order to facilitate the winding up of any member of the Group provided that the Facility Agent shall have first received confirmation from the Company that based on discussions with such tax authority and the Company's reasonable assumptions, the Company does not believe that the liability under such guarantee will exceed €15,000,000 (such confirmation to be supported by a letter from the Company's auditors for the time being, confirming that based on the Company's calculations of such tax liability the Company's confirmation is a reasonable assessment of such tax liability);
- amend clause 10.2(b) (*Mandatory Prepayment—Change of Control*) to provide that upon consummation of (i) the Post-Closing Reorganization, the "Controlling Company" will mean the relevant New Intermediate Holdco and its successors or (ii) a Spin-Off in which the Common Holding Company and its successors is no longer a Parent

of the Company and any Permitted Affiliate Parent, the “Controlling Company” will mean a common Parent of the Company and any Permitted Affiliate Parent designated by the Company and any successors of such Parent;

- amend the definition of “GAAP” to provide that at any date after the date of preparation of the original financial statements, the Company may make an election to establish “GAAP” to mean GAAP as in effect on a date that is on or prior to the date of such election but provided that for the purposes of clause 19.1 (*Financial Statements*) GAAP means generally accepted accounting principles in the United States as in effect from time to time;
- amend the definition of “IFRS” to provide that at any date after the date of preparation of the original financial statements, the Company may make an election to establish “IFRS” to mean IFRS as in effect on a date that is on or prior to the date of such election but provided that for the purposes of clause 19.1 (*Financial Statements*) IFRS means generally accepted accounting principles in the United States as in effect from time to time;
- amendments to the Change in Accounting Principles clause to provided that all ratios and calculations based on IFRS shall be computed in conformity with IFRS and that the audited consolidated financial statements and unaudited quarterly consolidated management accounts shall be prepared in accordance with IFRS;
- amendments to the Change in Accounting Principles clause to provide that at the time of an election from the Company to apply or all purposes of the Senior Credit Facility, in lieu of IFRS, GAAP and, upon such election, references to IFRS in the Senior Credit Facility will be construed to mean GAAP, provided that all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of GAAP as in effect from time to time (including that, upon first reporting its financial year results under GAAP, the financial statements of the Reporting Entity shall be restated on the basis of GAAP for the year ending immediately prior to the first financial year for which financial statements have been prepared on the basis of GAAP) and from and after such election, all ratios, computations and other determinations based on GAAP contained in this Agreement shall, at the Company’s option (A) continue to be computed in conformity with GAAP (*provided* that, following such election, the annual and quarterly information required to be delivered under the Senior Credit Facility shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such GAAP presentation to the corresponding GAAP presentation of such financial information) or (B) be computed in conformity with GAAP with retroactive effect being given thereto assuming that such election had been made on the OFS Date, subject to any further election in accordance with the definition of GAAP. After such election, the Company may, at its option, elect to apply IFRS or GAAP and compute all ratios, computations and other determinations based on IFRS or GAAP;
- amend the definition of “Business Division Transaction” to remove the requirement for the approval of the Majority Lenders to such transactions;
- add a new definition of “Permitted Business Division Transaction” to mean a Business Division Transaction provided that after giving pro

forma effect thereto, an Obligor could incur at least €1.00 of additional Financial Indebtedness pursuant to limb (v) of the definition of Permitted Financial Indebtedness;

- add a new definition of “Acceptable Joint Venture” to mean a joint venture, partnership or similar arrangement formed by a member of the Group (a) by the contribution of some or all of the assets of the Group pursuant to a Business Division Transaction to such joint venture, partnership or similar arrangement with one or more persons and/or (b) for the purposes of network and/or infrastructure sharing with one or more Joint Ventures;
- amend the construction clause of the Senior Credit Facility to provide that the Senior Credit Facility is subject to the terms of the Intercreditor Agreement and the terms of the Intercreditor Agreement will prevail if there is a conflict between the terms of the Senior Credit Facility and the Intercreditor Agreement;
- amend the increase provisions so that, with the prior consent of a Lender, the Commitments of any Increase Lender can be increased without the drawstop of an Event of Default;
- amend the increase provisions to provide that at the election of the Company (in its sole discretion) it shall be a condition to an increase (A) that the aggregate principal amount of any proposed increase in the Commitments shall not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date that such increase in the Commitments becomes effective (giving pro forma effect to the intended use of proceeds of such increased Commitment and assuming that the entire amount of that increased Commitment is drawn on such date or (B) to any Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to clause 6.2 (*Renewal of Documentary Credits*)) of that increased Commitment that the aggregate principal amount of that increased Commitment to be drawn would not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date of that Utilisation;
- amend the provisions relating to compliance certificates to provide that the Company is only required to provide a Compliance Certificate with its financial statements to the Facility Agent if, as at the last day of the Measurement Period ending on the date of such financial statements, the Financial Ratio Test Condition is met;
- amendments to the financial covenant provisions so that (a) should any net indebtedness under each Ancillary Facility exceed an amount equal to 40 per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment, the ratio of Net Total Debt to Consolidated Annualised EBITDA shall not exceed 6.00:1 and (b) if the financial covenant set out in paragraph (a) has been breached for a Measurement Period but is complied with when tested for the next Measurement Period, then, the prior breach of such financial covenant or any Event of Default arising therefrom shall not constitute a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or Event of Default;
- amend the equity cure provisions to provide that the Company may cure a breach of the financial ratio by procuring that additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or greater than the amount which if it had been (A) deducted

from Net Total Debt or (B) added to Consolidated Annualised EBITDA for the Measurement Period in respect of which the breach arose, would have avoided the breach provided that such cure would not be effective unless an amount equal to or greater than the required amount of additional equity or the proceeds of any Subordinated Shareholder Loans is received by one or more members of the Group within 30 Business Days of delivery of the financial statements which show the breach of the financial ratio and provided further that if the Company makes such election for re-calculation it shall be under no obligation to apply the amount of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group in prepayment of the Facilities or for any other specific purpose and such amount will be deemed to be deducted from Net Total Debt or added to Consolidated Annualised EBITDA for the purposes of the financial ratio as at the last day of the relevant Measurement Period;

- amend the equity cure provisions to provide that the Company may cure a breach of the financial ratio by procuring that any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility are prepaid (from any source selected by the Company in its sole discretion) in an amount which if such prepayment had occurred immediately prior to the calculation on the last day of the Measurement Period in respect of which the breach arose, the Financial Ratio Test Condition as at the last day of that Measurement Period would not have been met and therefore the financial ratio would not have been required to be tested provided that such cure would not be effective unless the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are required to be prepaid are so prepaid within 30 Business Days of delivery of the financial statements which show the breach of the financial ratio and provided further that if the Company makes such election for re-calculation the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are prepaid shall be deemed to be deducted in the calculation of the Financial Ratio Test Condition as at the last day of the relevant Measurement Period;
- amend the representation provision in the Senior Credit Facility to (A) delete the representation that the Senior Credit Facility does not result in the creation of any Security Interest, (B) delete the representation that a member of the Group is not in default under any law, regulation or agreement, (C) to carve Licenses out of the scope of licenses in the authorisations representation and (D) to provide that the insolvency proceeding representation only extends to Obligors or Material Subsidiaries;
- amend the increased costs provisions to include an exception for any cost attributable to a change in the Tax Liability on the overall net income of the Finance Party, attributable to any penalty having been imposed by the relevant central bank or monetary or fiscal authority upon the Finance Party or attributable to a breach of a Finance Document by the Finance Party;
- amend the stamp taxes indemnity to carve out any Tax Liabilities payable in connection with the assignment or transfer by any Lender of any of its rights and/or obligations under the Finance Documents and any registration duties relating to a registration submission or filing

which is not required to maintain or preserve the rights of that Finance Party;

- amend the tax indemnity provision to carve out any loss, liability or cost which has been compensated under the stamp taxes indemnity provisions;
- amend the undertaking relating to share capital to include an additional carve out for members of the Group in order to permit a solvent liquidation and the reduction of capital or purchase or redemption of shares to the extent it relates to the cancellation of the share capital of any member of the Group or any Obligor;
- amend the further assurance provision to provide that there will not be a breach of the 80% Security Test if the members of the Group become Obligors within 60 days of the delivery of the relevant Compliance Certificate by the Company demonstrating that the 80% Security Test has not been satisfied;
- amend the breach of other obligations event of default to provide that the breach of the undertakings relating to pari passu ranking, negative pledge, disposals, acquisitions and mergers, restricted payments, loans and guarantees and share security will not trigger an event of default if such non-compliance is capable of remedy and is remedied within 30 days of the earlier of the Facility Agent giving notice of the breach to the Company or any Obligor become aware of the non-compliance;
- amend the cross-default event of default to delete the provision which states that it will be an Event of Default to the extent that Financial Indebtedness is placed on demand and include the additional requirement that it will not be an Event of Default if the relevant Financial Indebtedness is covered by a Documentary Credit or a letter of credit, bank guarantee, indemnity or other documentary credit under an Ancillary Facility;
- amend the information undertakings to remove the requirement for the Obligors to provide copies of material reports or other notice delivered by a member of the Group whose shares are subject to a pledge to their shareholders;
- amend the change of business undertaking to provide that it will not be breached by an Obligor or any member of the Group to the extent that it is as a result of a Permitted Disposal, Permitted Acquisition or Permitted Joint Venture;
- amend the insurance undertaking to provide that the Obligors are only required to procure compliance of Material Subsidiaries;
- amend the shareholder loan undertaking to provide that the Obligor has 60 days from the date of the shareholder loan to put in place the relevant security over such shareholder loan;
- amend the share security undertaking to include carve outs to the issuance of shares where (A) the shares are to a non-member of the Group if they are made subject to security in favour of the Senior Secured Creditors (as defined in the Intercreditor Agreement) and it does not result in a Change of Control, (B) to a member of the Group or to Telenet Group BVBA if they are made subject to the security in favour of the Senior Secured Creditors (as defined in the Intercreditor Agreement), (C) the shares are issued pursuant to the exercise of

Approved Stock Options, (D) the shares are part of an Acquisition or merger and do not result in a Change of Control, (E) the shares are issued by a member of the Group to all the holders of their shares pro rata and if relevant, are made subject to security in favour of the Senior Secured Creditors (as defined in the Intercreditor Agreement), and (F) shares issued pursuant to any agreement existing before the Signing Date and it does not result in a Change of Control;

- amend the group redesignation provision to provide that the Company may deliver a notice to the Facility Agent designating any Holding Company of the Company and/or any Holding Company of any Permitted Affiliate Parent as a “New Group Topco” for the purposes of this Agreement provided that taking into account any actions to be taken by the Company for the benefit of the Lenders, it would not be materially prejudicial to the interests of the Lenders in the opinion of the Facility Agent (acting reasonably);
- amend the merger provision to permit a merger of Telenet Group Holding NV, Telenet BVBA or Telenet Vlaanderen NV or any of their intermediate holding companies;
- amend the Clean Up Period to 180 days;
- amend the acceleration provision to remove the discretion of the Facility Agent once it has been instructed to do so by the Majority Lenders;
- amend the currency indemnity and break costs provisions to provide that the relevant Finance Party must be indemnified within 10 Business Days of demand;
- amend the amendment provisions to permit the Facility Agent (without the consent of the Lenders) to make modifications to a Finance Document if such modification is not materially prejudicial to the position of any Lender, is minor or operational, relates to an increase in the principal amount of a Commitment of a Lender and such increased Commitment has been requested by the Company to fund any original issue discount required to be paid to that Lender or relates to the implementation of any alternative basis for the calculation of interest that is binding on all Parties in accordance with the terms of the Senior Credit Facility;
- amend the amendment provisions to include an additional exception for a waiver of issuance or the release of any Guarantor from any of its obligations under the guarantee provisions of the Senior Credit Facility or a release of any Security under the Security Documents, in each case, other than in accordance with the terms of any Finance Document shall require the prior written consent of affected Lenders whose share in the outstanding Utilisations and whose undrawn Commitments amount in aggregate to more than 75 per cent. of all of the outstanding Utilisations and undrawn Commitments;
- amend the non-consenting lender provisions to remove the requirement for a 21 day time period to have elapsed from the date of the request for consent;
- amend the governing law clause to include non-contractual obligations arising out of or in connection with the Senior Credit Facility;

- amend the ancillary facilities provisions to provide that (i) a date specified in a conversion notice as the effective date for an ancillary facility commitment may be a date not less than 3 Business Days after the date such conversion notice is received by the Facility Agent, (ii) any proposed increase or reduction or extension of the ancillary facility commitment shall only take effect from a date not less than 3 Business Days after the date the Facility Agent has received notice of the relevant modification or variation or extension and (iii) an ancillary facility lender may demand repayment or prepayment of any amounts under its ancillary facility if the ancillary facility outstandings under that ancillary facility can be repaid by a revolving facility advance (and not less than 7 Business Days notice (or such shorter period as agreed to by the Company) is given to the relevant Borrower before payment becomes due);
- amend the defaulting lender provisions to include the right to replace a Lender (in whole and at par) if that Lender becomes a Defaulting Lender;
- amend the assignment of the Lender provisions to provide that the consent of the Company is not required for any assignment or transfer by a Lender if a non-payment, insolvency, insolvency proceedings, creditors' process and similar proceedings Event of Default is outstanding;
- amend the assignment of the Lender provisions to clarify that the Company should have the right to withhold consent in respect of an assignment/transfer of the Revolving Facility to an entity which is not a lender under a revolving facility to the wider Liberty group (subject to no consent being required in the case of transfers to other Lenders or affiliates of Lenders or following an event of default which is continuing). There should be no unreasonableness qualifier on this right (in respect of the Revolving Facility only). Remove requirement of deemed consent within 10 Business Days in respect of each Revolving Facility;
- amend the amendments and waivers provisions to provide that amendments and waivers of clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) to 20.4 (*Cure provisions*) shall only be made with the consent of the Company and the Composite Revolving Facility Instructing Group and shall not require the consent of any other Finance Party;
- amend the amendment and waivers provisions to introduce a class exception, whereby any amendment or waiver that relates only to the rights or obligations of a particular Utilisation or Facility and does not materially and adversely affect the rights or interests of Lenders in respect of other Utilisations or Facilities only requires the consent of the relevant proportion of Lenders participating in such Utilisation or Facility;
- amend the amendment and waivers provisions to require the consent of affected Lenders only and not all Lenders (and make any consequential changes by amending for example, all references to matters requiring all Lender consent to only requiring affected Lender consent);
- amend the amendments and waivers provision to provide that where a request for a waiver of, or an amendment to, any provision of any Finance Document has been sent by the Facility Agent to the Lenders at the request of an Obligor, each Lender that does not respond to such

request for waiver or amendment within 10 Business Days after receipt by it of such request (or within such other period as the Facility Agent and the Company shall specify), shall be excluded from the calculation in determining whether the requisite level of consent to such waiver or amendment was granted, and delete the proviso to the definition of Majority Lenders;

- amend the non-consenting lender provisions to remove the timing window of 90 days during which the Company may exercise its rights under such non-consenting lender provision at any time;
- amend the provisions in the Senior Credit Facility to provide that, subject to certain thresholds being met no Obligor nor any other member of the Group is required to provide any Security or guarantee other than Security over the shares that it holds in any Obligor, Security required under the terms of the Credit Agreement in respect of Subordinated Shareholder Loans and a guarantee from the Obligors under the terms of the Credit Agreement and include a provision to authorise the Security Agent to release any other Security or guarantees other than the aforementioned and to release Security in respect of Permitted Disposals and to permit relevant Security to be released if a Guarantor resigns in accordance with the terms of the Senior Credit Facility) provided that the guarantor coverage test would still be met notwithstanding such release;
- amend the assignment of the Obligors provisions to provide that any Benelux Borrower may assign or transfer any of its rights and obligations under the Revolving Facility or the Term Loans to another Benelux Borrower and so that any US Borrower may do the same to another US Borrower, in each case, without the prior consent of the Lenders provided that a solvency opinion and legal opinion are provided, if requested, in accordance with recent Liberty precedents in respect of an equivalent provision;
- amend the additional borrower provisions to provide that, in addition to the existing ability for an Additional Borrower incorporated in Benelux and the US to accede (without requiring any Lender consent), to provide an ability to accede Additional Borrowers incorporated in any other jurisdictions with the consent of the Majority Lenders; and
- amend the additional borrower provisions to permit Additional Borrowers to be incorporated in the Kingdom of Belgium, Netherlands, Luxembourg or, in relation to any new Additional Facilities, in the United Kingdom.

The above description is intended to summarize certain material amendments included in the Senior Credit Facility Amendments but is not complete and does not restate the Senior Credit Facility Amendments in their entirety. Given the significant nature of these amendments, you should read the Senior Credit Facility Amendments set forth in schedules 4, 5, 6, 7, 8, 9 and 10 of the 2017 Finco Accession Agreements (in the form attached hereto as Annexes B and C) and schedules 4, 5, 6, 7, 8, 9 and 10 of the New Finco Accession Agreements (in the form attached hereto as Schedule 11 of Annexes B and C) in their entirety before investing in the Notes.

The Senior Credit Facility Amendments will generally become effective upon the approval by lenders constituting the “Majority Lenders” (as currently defined, without giving effect to the Senior Credit Facility Amendments); however, certain of the Senior Credit Facility Amendments, including those related to amending the Senior Credit Facility, extending

the date of any payment and releasing guarantors and collateral, will become effective only upon the approval of all lenders under the Senior Credit Facility. Upon the issuance of the Notes, consent has already been obtained from the requisite lenders to bring into effect the Seventh Senior Credit Facility Amendments that require Majority Lenders' consent, and each of the 2017 Finco Accession Agreements and the New Finco Accession Agreements also contain the consent of the Issuer to bring into effect such Seventh Senior Credit Facility Amendments as set out in schedule 10 of the 2017 Finco Accession Agreements or schedule 10 of the New Finco Accession Agreements, as applicable, that require the consent of the Majority Lenders. It is therefore intended that the Senior Credit Facility will be amended and restated shortly after the issuance of the Notes to bring these Senior Credit Facility Amendments into effect.

The Issuer has the same voting rights as the other Lenders under the Senior Credit Facility. In the event that the Issuer, as a Telenet Lender, is eligible or required to vote (or otherwise consent) (including with respect to any enforcement decision) with respect to any matter arising from time to time under the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, in which all Telenet Lenders are eligible or required to vote (or otherwise consent), the Issuer will solicit votes (or other consents) from holders of Notes and any other applicable series of Additional Debt with respect to such Senior Credit Facility Decision (as defined in the *"Description of the Notes"*) in accordance with the provisions of the Indenture. The holders of the Notes will under (and effective as of the date of) the Indenture provide their consent to the Senior Credit Facility Amendments. The Issuer will therefore apply Noteholder Consent (as defined in the *"Description of the Notes"*) equal to the aggregate principal amount of the Notes outstanding in respect of any of the Senior Credit Facility Amendments for the purposes of the provisions of the Indenture described under *"Description of the Notes—Amendment, Supplement and Waiver—To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements"*. As a result, the Issuer will not solicit votes (or other consents) from the holders of the Notes with respect to the Senior Credit Facility Amendments.

In the event Telenet solicits the consents for any or all of these amendments to the Senior Credit Facility that do not become effective upon the issuance of the Notes, the Issuer will not be entitled to receive any consent fee or similar fee that may be paid to other lenders under the Senior Credit Facility in connection with their approval of these amendments (although Telenet will generally be required to pay to the Issuer the same consent fee that it pays to other lenders with respect to other amendments). See *"Description of the Notes—2017 Finco Accession Agreements and the Senior Credit Facility"* and *"Description of the Notes—Certain Covenants—Payments for Consent"* and *"Risk Factors—Risks Relating to the Notes—By investing in the Notes you will have provided consent to the Senior Credit Facility Amendments which will automatically become effective without any further consent from holders of the Notes upon Telenet obtaining the consent of the Majority Lenders (as defined in the Senior Credit Facility) (and, with respect to certain amendments, all Telenet Lenders)"*.

Transfer restrictions

The Notes have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transfer and may only be sold in transactions that are exempt from or not subject to the registration requirements of the U.S. Securities Act. See *"Transfer Restrictions"* and *"Plan of Distribution"*.

Absence of a public market for the Notes	The Notes will be new securities for which there is currently no market. Although the Initial Purchasers have informed the Issuer and Telenet Group BVBA that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market making at any time without notice. Accordingly, neither the Issuer nor Telenet Group BVBA can assure you that a liquid market for the Notes will develop or be maintained.
Use of proceeds	The net proceeds from the issuance of the Dollar Notes, together with fees payable to the Issuer (if any) by Telenet International Finance pursuant to the Telenet Dollar Fee Letter, were used by the Issuer to fund Facility AJ under the Senior Credit Facility to Telenet International Finance. The net proceeds from the issuance of the Euro Notes, together with fees payable to the Issuer (if any) by Telenet International Finance pursuant to the Telenet Euro Fee Letter, were used by the Issuer to fund Facility AK under the Senior Credit Facility to Telenet International Finance. Telenet intends to use substantially all of the proceeds from the 2017 Finco Loans for the Refinancing and to pay fees and expenses in connection therewith. See “ <i>Use of Proceeds</i> ”.
Listing	Application has been made for the Notes to be admitted to listing on the Official List and to trading on the Euro MTF Market. Notwithstanding the foregoing, the Issuer may at its sole option at any time, without the consent of the holders of the Notes or the Trustee de-list the Notes from any stock exchange for the purposes of moving the listing of such Notes to the Official List of the International Stock Exchange.
Trustee	The Bank of New York Mellon, London Branch
Transfer Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch
Registrar	The Bank of New York Mellon SA/NV, Luxembourg Branch
Paying and Domiciliary Agent	ING Belgium SA/NV
Luxembourg Listing Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch
Governing law	The Indenture and the Notes (other than the provisions relating to the meeting of holders of Notes following the Belgian Issuer Accession) are governed by, and construed in accordance with, the laws of the State of New York. Until the Belgian Issuer Accession, notwithstanding anything to the contrary, articles 84 to 94-8 of the Luxembourg law of August 10, 1915, as amended, on commercial companies shall not be applicable in respect of the Notes. The Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, the Collateral Sharing Agreement and the 2017 Telenet Fee Letters are governed by, and construed in accordance with, English law. Until the Belgian Issuer Accession, the Notes Security Documents are governed by, and construed in accordance with, Luxembourg or English law, as applicable. Following the Belgian Issuer Accession, the Notes Security Documents will be governed by, and construed in accordance with, Belgian or English law, as applicable. Following the Belgian Issuer Accession, the provisions relating to meetings of holders of Notes will be governed by, and construed in accordance with, the laws of Belgium.
Risk factors	Please see the “ <i>Risk Factors</i> ” section for a description of certain of the risks you should carefully consider before investing in the Notes.
Certain Tax Considerations	The Notes may be treated as having been issued with original issue discount for U.S. federal income tax purposes. An obligation generally is treated as

having been issued with original issue discount if its stated redemption price at maturity exceeds its issue price by at least a de minimis amount. If a Note is treated as issued with original issue discount, investors subject to U.S. federal income tax will be subject to tax on that original issue discount as it accrues, in advance of the receipt of cash payments attributable to that income (and in addition to stated interest). You are urged to consult your own tax advisors with respect to the U.S. federal, state, local and non-U.S. tax considerations related to purchasing, owning and disposing of the Notes. See “*Tax Considerations—Certain U.S. Federal Income Tax Considerations*”.

Certain ERISA considerations

The Notes and/or any interest therein may, subject to certain restrictions described herein under “*Certain Employee Benefit Plan Considerations*”, be sold and transferred to ERISA Plans (as defined in these Listing Particulars). See “*Certain Employee Benefit Plan Considerations*”.

SUMMARY CONDENSED CONSOLIDATED HISTORICAL FINANCIAL AND OTHER DATA OF TELENET

The tables below set out certain summary historical financial and operating data for Telenet Group Holding for the indicated periods. The summary condensed consolidated historical financial data as of September 30, 2017 and for the nine months ended September 30, 2017 presented below is derived from the Telenet September 30, 2017 Condensed Consolidated Interim Financial Statements included in these Listing Particulars, which have been reviewed by KPMG Bedrijfsrevisoren CVBA. The summary condensed consolidated historical financial data as of December 31, 2016, 2015 and 2014 and for the years ended December 31, 2016, 2015 and 2014 presented below is derived from the Telenet December 31, 2016 Consolidated Financial Statements, the Telenet December 31, 2015 Consolidated Financial Statements and the Telenet December 31, 2014 Consolidated Financial Statements included in these Listing Particulars, which have been audited by KPMG Bedrijfsrevisoren CVBA, as set forth in their auditors' report included elsewhere in these Listing Particulars.

The consolidated financial statements of Telenet included in these Listing Particulars have been prepared in accordance with EU-IFRS. The following information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of Telenet Group Holding", and the Telenet September 30, 2017 Condensed Consolidated Interim Financial Statements, the Telenet December 31, 2016 Consolidated Financial Statements, the Telenet December 31, 2015 Consolidated Financial Statements and the Telenet December 31, 2014 Consolidated Financial Statements included in these Listing Particulars. Telenet's historical results do not necessarily indicate results that may be expected for any future period.

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	€ in millions				
Revenue					
Video.....	432.3	424.5	565.5	552.1	542.9
Broadband internet	453.1	425.7	571.5	546.0	513.9
Fixed-line telephony.....	179.9	182.5	243.0	226.9	211.1
Cable subscription revenue	1,065.3	1,032.7	1,380.0	1,325.0	1,267.9
Mobile telephony.....	407.8	387.9	530.6	203.4	181.0
Total subscription revenue	1,473.1	1,420.6	1,910.6	1,528.4	1,448.9
Business services.....	98.5	90.6	122.3	118.1	105.5
Other.....	312.7	288.7	396.2	175.3	152.7
Total revenue	1,884.3	1,799.9	2,429.1	1,821.8	1,707.1
Expenses					
Cost of services provided	(1,190.2)	(1,021.6)	(1,449.9)	(997.9)	(934.8)
Gross Profit.....	694.1	778.3	979.2	823.9	772.3
Selling, general and administrative expenses	(352.6)	(362.0)	(493.8)	(280.8)	(240.1)
Operating profit.....	341.5	416.3	485.4	543.1	532.2
Finance income	210.3	0.3	6.5	16.5	2.4
Finance expenses.....	(407.1)	(326.2)	(376.4)	(280.2)	(334.0)
Net finance expense	(196.8)	(325.9)	(369.9)	(263.7)	(331.6)
Share of the result of equity accounted investees	(0.2)	(2.6)	0.1	(4.1)	0.4
Impairment of investments in equity accounted investees...	—	—	(31.0)	—	—
Profit before income tax.....	144.5	87.8	84.6	275.3	201.0
Income tax expense	(38.2)	(46.2)	(43.0)	(99.6)	(91.7)
Profit for the period	106.3	41.6	41.6	175.7	109.3
Other financial information					
Adjusted EBITDA ⁽¹⁾⁽³⁾	911.2	847.8	1,117.1	943.7	900.0
Adjusted EBITDA margin ⁽²⁾	48.4%	47.1%	46.0%	51.8%	52.7%

- (1) As Telenet uses the term, EBITDA is defined as profit before net finance expense, the share of the result of equity accounted investees, income taxes, depreciation, amortization and impairment. Adjusted EBITDA is defined as EBITDA before stock-based compensation and restructuring charges, and before operating charges or credits related to successful or unsuccessful acquisitions or divestitures. Operating charges or credits related to acquisitions or divestitures include (i) gains and losses on the disposition of long-lived assets, (ii) due diligence, legal, advisory and other third-party costs directly related to Telenet's efforts to acquire or divest controlling interests in businesses, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Adjusted EBITDA is an additional measure used by management to demonstrate Telenet's underlying performance and should not replace the measures in accordance with EU IFRS as an indicator of Telenet's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.

- (2) Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of revenue.
- (3) The following table presents a reconciliation between total profit for the period to Adjusted EBITDA for the period for the indicated periods:

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	€ in millions				
Profit for the period	106.3	41.6	41.6	175.7	109.3
Income tax expense	38.2	46.2	43.0	99.6	91.7
Share of the loss (result) of equity accounted investees	0.2	2.6	(0.1)	4.1	(0.4)
Impairment of investments in equity accounted investees	-	-	31.0	-	-
Net finance expense.....	196.8	325.9	369.9	263.7	331.6
Depreciation, amortization and impairment.....	526.8	414.3	609.1	(390.4)	355.5
EBITDA	868.3	830.6	1,094.5	933.5	887.7
Share based compensation	10.6	8.0	11.7	10.4	8.3
Operating charges related to acquisitions or divestitures	2.2	7.1	8.4	9.7	2.1
Restructuring charges (gains).....	30.1	2.1	2.5	(9.9)	1.9
Adjusted EBITDA	911.2	847.8	1,117.1	943.7	900.0

	September 30, 2017	December 31,		
		2016	2015	2014
	€ in millions			
Consolidated Balance Sheet Data:				
Cash and cash equivalents	37.0	99.2	277.3	189.1
Total assets	5,488.7	5,007.4	3,598.5	3,409.1
Total current liabilities	1,524.7	1,216.6	876.6	784.8
Total loans and borrowings (long and short term).....	4,804.6	4,781.9	3,793.9	3,733.5
Total liabilities	6,609.6	6,215.1	4,801.9	4,771.4
Total deficit	(1,120.9)	(1,207.6)	(1,203.4)	(1,362.3)

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	€ in millions				
Cash Flow Information:					
Net cash from operating activities.....	669.8	518.3	749.1	665.5	571.6
Net cash used in investing activities	(737.5)	(1,527.7)	(1,660.2)	(433.1)	(318.6)
Cash flow from (used in) financing activities.....	5.5	755.0	733.0	(144.2)	(278.0)
Net cash generated (used)	(62.2)	(254.4)	(178.1)	88.2	(25.0)

As adjusted covenant information of Telenet Group Holding:

	As of and for the six-month period ended September 30, 2017
	€ in millions, except ratios
Consolidated Annualized EBITDA ⁽¹⁾	1,225.9
As adjusted Consolidated Annualized EBITDA ⁽²⁾	1,329.2
As adjusted Net Total Debt ⁽³⁾	4,176.5
As adjusted Net Leverage Ratio ⁽²⁾⁽³⁾⁽⁴⁾	3.14x

(1) Consolidated Annualized EBITDA is calculated by multiplying Consolidated EBITDA (as defined in the Senior Credit Facility) for the six months ended September 30, 2017 (€612.9 million) by two.

(2) As Adjusted Annualized EBITDA gives effect to €103.3 million of unrealized cost synergies. This represents (i) 50% of the estimated €215 million annual run-rate FY 2020 cost synergies with regards to the February 2016 BASE acquisition, (ii) €7.8 million annual run-rate FY 2021 cost synergies with regards to the SFR Belux acquisition, less (iii) €12.0 million cost synergies already realized on an annual run-rate basis, that are estimated to be achieved in connection with the BASE and SFR Belux acquisitions. The estimated annual run-rate operating expense savings mentioned above have been based on Telenet management's assumptions. As Adjusted Annualized EBITDA has been adjusted to exclude a €29.2 million non-cash restructuring charge linked to the accelerated onboarding of Telenet's Full MVNO customer base to our its mobile network as disclosed in the Company's Q3 2017 earnings release.

- (3) As adjusted Net Total Debt is equal to Net Total Debt (as defined in the Senior Credit Facility, which excludes subordinated shareholder loans, capitalized elements of indebtedness under the clientele and annuity fees and any other finance leases) adjusted to reflect the Q4-2017 Refinancing Transactions. After giving effect to any incurrence of indebtedness in connection with any Potential Financing Transaction in compliance with the applicable covenants, including in connection with permitted refinancing debt, permitted acquisition debt or other exceptions to the restriction on our ability to incur indebtedness, the as adjusted Net Leverage Ratio could increase above the as adjusted Net Leverage Ratio as of September 30, 2017 (as shown above), and such increase could be material. See “Risk Factors—Risks Relating to Telenet’s Financial Profile—Telenet may incur additional indebtedness prior to, or within a short time period following, the Issue Date of the Notes and the funding of the 2017 Finco Loans, which indebtedness could increase Telenet’s leverage and may have terms that are more or less favorable than the terms of the Notes and Telenet’s other existing indebtedness.”
- (4) As adjusted Net Leverage Ratio is equal to as adjusted Net Total Debt divided by as adjusted Consolidated Annualized EBITDA.

	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2017	2016	2016	2015	2014
Other Operating Information:					
Footprint:					
Homes passed ⁽¹⁾	3,307,100	2,973,700	2,987,600	2,935,700	2,916,300
RGUs:					
Total video	2,046,900	2,028,600	2,017,500	2,054,800	2,083,300
Basic video ⁽²⁾	255,700	297,600	284,600	340,600	403,200
Enhanced video ⁽³⁾	1,791,200	1,731,000	1,732,900	1,714,200	1,680,100
Broadband internet ⁽⁴⁾	1,670,400	1,594,300	1,601,700	1,570,500	1,523,300
Fixed-line telephony ⁽⁵⁾	1,302,500	1,251,000	1,255,400	1,221,000	1,159,500
Total RGUs (excluding mobile) ⁽⁶⁾	5,019,800	4,873,900	4,874,600	4,846,300	4,766,100
Mobile telephony ⁽⁷⁾	2,882,100	3,020,000	2,991,900	1,001,200	894,300
Customer relationship information:					
Triple-play customers	1,183,300	1,128,600	1,134,100	1,094,300	1,028,100
Total customer relationships ⁽⁸⁾	2,201,800	2,156,300	2,149,300	2,177,500	2,196,300
Services per relationship ⁽⁸⁾	2.28	2.26	2.27	2.23	2.17
ARPU per customer relationship ^{(8) (9)}	55.2	53.2	53.4	50.6	47.8
Penetration:					
Video ⁽¹⁰⁾	61.9%	68.2%	67.5%	70.0%	71.4%
Broadband internet ⁽¹⁰⁾	50.5%	53.6%	53.6%	53.5%	52.2%
Fixed-line telephony ⁽¹⁰⁾	39.4%	42.1%	42.0%	41.6%	39.8%
Digitalization rate ⁽¹¹⁾	87.5%	85.3%	85.9%	83.4%	80.6%
Triple-play customers ⁽¹²⁾	53.7%	52.3%	52.8%	50.3%	46.8%

- (1) Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to the Combined Network without materially extending the distribution plant. Telenet’s Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results.
- (2) Basic Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives Telenet’s video service over the Combined Network either via an analog video signal or via a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Encryption-enabling technology includes smart cards, or other integrated or virtual technologies that Telenet uses to provide its enhanced service offerings. Telenet counts RGUs on a unique premises basis. In other words, a subscriber with multiple outlets in one premises is counted as one RGU and a subscriber with two homes and a subscription to Telenet’s video service at each home is counted as two RGUs.
- (3) Enhanced Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives Telenet’s video service over the Combined Network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced Video Subscribers are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives Telenet’s video service in one premises is generally counted as just one subscriber. An Enhanced Video Subscriber is not counted as a Basic Video Subscriber. As Telenet migrates customers from basic to enhanced video services, Telenet reports a decrease in its Basic Video Subscribers equal to the increase in its Enhanced Video Subscribers.
- (4) Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives internet services over the Combined Network.
- (5) Fixed-line Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives fixed-line voice services over the Combined Network. Fixed-line Telephony Subscribers exclude mobile telephony subscribers.
- (6) RGU is separately a Basic Video Subscriber, Enhanced Video Subscriber, Internet Subscriber or Fixed-line Telephony Subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer subscribes to Telenet’s enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, Internet and Fixed-line Telephony Subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one

RGU for any given service. On the other hand, if an individual receives one of Telenet's services in two premises (e.g. a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled cable, internet or fixed-line telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers, free service to employees) generally are not counted as RGUs. Telenet does not include subscriptions to mobile services in our externally reported RGU counts.

- (7) Telenet's mobile subscriber count represents the number of active subscriber identification module ("SIM") cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (via a dongle) would be counted as two mobile subscribers. Customers who do not pay a recurring monthly fee are excluded from Telenet's mobile telephony subscriber counts after a 90-day inactivity period.
- (8) Customer Relationships are the number of customers who receive at least one of Telenet's video, internet or fixed-line telephony services that Telenet counts as RGUs, without regard to which or to how many services they subscribe. Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives Telenet's services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Customer Relationships. Telenet excludes mobile-only customers from Customer Relationships.
- (9) ARPU per RGU and ARPU per customer relationship are calculated as follows: average total monthly recurring revenue (including revenue earned from carriage fees and set-top box rentals and excluding interconnection revenue, installation fees, B2B revenue, mobile telephony revenue and set-top box sales) for the indicated period, divided by the average of the opening and closing RGU base or customer relationships, as applicable, for the period.
- (10) Number of RGUs at the end of the relevant period as a percentage of the number of homes passed by the Combined Network at the end of the relevant period.
- (11) Number of enhanced video subscribers at the end of the relevant period relative to the total number of video subscribers at the end of the relevant period.
- (12) Number of triple-play subscribers at the end of the relevant period relative to the total number of customer relationships at the end of the relevant period.

RISK FACTORS

An investment in the Notes involves risks. Before purchasing the Notes, you should consider carefully the specific risk factors set forth below, as well as the other information contained in these Listing Particulars. If any of the events described below, individually or in combination, were to occur, this could have a material adverse impact on Telenet's business, prospects, results of operations and financial condition and could therefore have a negative effect on the trading price of the Notes and Telenet's ability to pay all or part of the interest or principal on the 2017 Finco Loans, and in turn, would have an adverse effect on the Issuer's ability to make payments on the Notes. Although described below and elsewhere in this document are the risks considered to be the most material, although there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on Telenet's results of operations, financial condition, business or operations in the future. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

These Listing Particulars also contain forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those anticipated in these forward looking statements as a result of various factors, including the risks described below and elsewhere in these Listing Particulars.

Risks Relating to Telenet's Financial Profile

Telenet's substantial leverage could adversely affect its business, financial condition and results of operations and prevent it from fulfilling its obligations under the 2017 Finco Loans, and in turn, prevent the Issuer from fulfilling its obligations under the Notes.

Telenet is highly leveraged. As of September 30, 2017, on an as adjusted basis after giving effect to the offering of the Notes, the funding of the 2017 Finco Loans and the application of proceeds thereof (including the Refinancing and excluding the Term Loan Refinancing), Telenet carried a total debt balance of €4,781.9 million, of which €1,876.4 million principal amount is owed under the Senior Credit Facility in each case, on an eliminated basis. Telenet's total debt balance at September 30, 2017 also included €188.8 million of short-term debt related to its vendor financing program and €23.7 million for the outstanding portion of the 3G mobile spectrum. The remainder primarily represents the capital lease obligations associated with the Interkabel acquisition.

Telenet's significant level of debt could have important consequences, for you as a holder of the Notes, including, but not limited to, the following:

- making it more difficult for Telenet International Finance to satisfy its obligations under the 2017 Finco Loans and in turn making it more difficult for the Issuer to satisfy its obligations under the Notes;
- requiring the Telenet Group to dedicate a substantial portion of Telenet's cash flows from operations to payments on its debt, thereby reducing the funds available to it to finance its operations, capital expenditures, working capital research and development and other general corporate purposes, including maintaining the quality of its network and product performance;
- placing Telenet at a competitive disadvantage compared to other broadband communications providers in its key markets that have less debt than it does;
- limiting Telenet's flexibility in planning for, or reacting to, changes in its business and the competitive and economic environment in which it operates; and
- impeding Telenet's ability to obtain additional debt or equity financing and increasing the cost of any such borrowing.

Any of these or other consequences or events could have a material adverse effect on Telenet International Finance's ability to satisfy its debt obligations, including the 2017 Finco Loans, and in turn, the Issuer's ability to satisfy its obligations under the Notes.

The terms of Telenet's Senior Credit Facility restrict, but do not prohibit, Telenet from incurring additional debt. Telenet may refinance its Senior Credit Facility and/or its other debt, and it may increase its consolidated debt for various business reasons, which might include, among other things, to finance acquisitions, or to fund the prepayment premiums, if any, on debt it refinances, to fund distributions to its shareholders or for general

corporate purposes. If new debt is added to Telenet's consolidated debt described above, the related risks that it now faces will intensify.

Telenet and the Issuer may incur additional indebtedness prior to, or within a short time period following, the Issue Date of the Notes and the funding of the 2017 Finco Loans, which indebtedness could increase Telenet's leverage and may have terms that are more or less favorable than the terms of the Notes and Telenet's other existing indebtedness.

Telenet or its subsidiaries may incur substantial additional indebtedness, including to refinance its existing indebtedness, to fund any future acquisition or for general corporate purposes of the Telenet Group, which may include loans, distributions or other payments to Telenet's direct or indirect shareholders or share buybacks. Such additional indebtedness may include the incurrence of Additional Notes issued by the Issuer under the Indenture and the upsizing of the 2017 Finco Loans. In connection with Telenet's financial strategy, it continually evaluates different financing alternatives, and it may decide to enter into new credit facilities, access the debt capital markets (including through an additional term loan facility, an increase to the 2017 Finco Loans or the entry into additional Finco Loans, funded with the proceeds of notes issued by the Issuer or another financing company) or incur other indebtedness from time to time, including following the consummation of this offering and prior to, or within a short time period following, the Issue Date of the Notes and the funding of the 2017 Finco Loans. Any such offering or incurrence of debt will be made at Telenet's election or the election of its relevant subsidiaries, and if such debt is in the form of securities (including Additional Notes under the Indenture), would be offered and sold pursuant to, and on the terms described in, a separate offering memorandum. The interest rate with respect to any such additional indebtedness will be set at the time of the pricing or incurrence of such indebtedness and, to the extent the interest rate is greater than the interest rate applicable to any indebtedness that is refinanced, or to the extent of any incremental indebtedness, such offering or incurrence would be expected to increase Telenet's cash interest expense on a pro forma basis. In addition, the maturity date of any such additional indebtedness will be set at the time of pricing of such incurrence or offering and may be earlier or later than the maturity date of the Notes. The other terms of such additional debt would be as agreed with the relevant lenders or holders thereof and could be more or less favorable than the terms of the Notes or Telenet's other existing indebtedness. There can be no assurance that Telenet or its subsidiaries will elect to raise any such additional debt or that any effort to raise such debt will be successful, and there can be no assurance as to the timing of such offering or incurrence, the amount or terms of any such additional debt. If Telenet incurs new debt in addition to its current debt, the related risks that Telenet now faces, even in a refinancing transaction, as described above and elsewhere in these "Risk Factors", could intensify.

Telenet may not be able to generate sufficient cash to meet its debt service obligations and fund its ongoing operations, and may be subject to certain tax liabilities.

Telenet's ability to service its debt and to fund its ongoing operations will depend on Telenet's ability to generate cash. Telenet cannot assure you that its businesses will generate sufficient cash flow from operations or that future debt or equity financing will be available to it in an amount sufficient to enable it to pay its debt obligations when due. Telenet's ability to generate cash flow is dependent on many factors, including:

- its future operating performance;
- the demand and price levels for its current and planned products and services;
- its ability to maintain the required level of technical capability in its network and in the subscriber equipment and other relevant equipment connected to its network;
- general economic conditions and other conditions affecting customer spending;
- competition;
- its ability to make use of its carry-forward tax losses;
- distributions to shareholders;
- the outcome of certain litigation in which Telenet is involved; and
- legal, tax and regulatory factors affecting its business.

Some of these factors are beyond Telenet's control. If Telenet is unable to generate sufficient cash flow, it may not be able to repay its debt, grow its business, respond to competitive challenges or fund its other liquidity and capital needs, including capital expenditures. If Telenet is unable to meet its debt service obligations, it may have to sell assets, attempt to restructure or refinance its existing indebtedness or seek additional funding in the form of debt or equity capital. Telenet may not be able to do so on satisfactory terms, if at all.

Belgian tax law does not currently allow for group-wide consolidation. Each group member is deemed a separate entity for tax purposes and intercompany transactions must be executed under arm's-length conditions. Mismatches between taxable income and deductible expenses (including interest on Telenet's debt) could adversely influence Telenet's ability to generate cash flow. Likewise, changes in Belgian tax law or the interpretation of permitted transactions could adversely affect Telenet's tax position and ability to utilize its carry-forward tax losses. As is standard practice in Belgium, Telenet is subject to audits of its tax returns by the Belgian tax authorities. As a result of such audits, Telenet may be presented with adverse conclusions regarding expenses it had deducted from its taxable earnings which could result in reducing its carry forward tax losses or could give rise to taxes which are due immediately. Although Telenet would retain the right to appeal any such adverse conclusions, it cannot provide assurance that these audits would not result in a reduction of its carry-forward tax losses or in the immediate payment of taxes.

The Belgian tax authorities may challenge the tax treatment of any restructuring for which Telenet or Telenet's subsidiaries did not seek an official tax ruling, including on the basis of a claim that the restructuring had tax fraud or tax evasion as one of its main aims (or under prior existing rules, that the transaction did not meet the business purpose test) or on any other grounds. If successful, such claim of the authorities could result in a reduction of Telenet's carry-forward tax losses and/or in an obligation for the immediate payment of taxes, and such reduction or obligation could be significant. Such a claim could adversely affect Telenet's business and financial position and cause a diversion of its resources and management time.

Telenet may have exposure to additional tax liabilities.

Telenet is subject to income taxes as well as non-income based taxes in Belgium, Luxembourg and Ireland. Significant judgment is required in determining Telenet's worldwide provision for income taxes and other tax liabilities. In the ordinary course of our business, there may be certain transactions and calculations where the ultimate tax determination is uncertain, however, and to a reasonable extent, Telenet covers these positions by internal or third party opinions or advanced decisions. Although Telenet believes that its tax estimates are reasonable, there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in Telenet's historical income tax provisions and accruals. Telenet is also subject to non-income based taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes in Belgium and Luxembourg. Telenet is regularly under audit by tax authorities with respect to these non-income based taxes in various jurisdictions including informative audits enabling tax authorities to determine their position e.g. in Belgium in relation to the VAT treatment of breakage fees which should not have a material impact on Telenet's results since it charges VAT on those breakage fees already. In addition, Telenet has obtained a number of tax rulings for its activities in Luxembourg in accordance with customary practice. Under the recent EU initiatives information of a general nature regarding the Luxembourg activities and the rulings obtained, has been transmitted to the European Commission. The ultimate outcome of the income tax and non-income based taxes may differ from the amounts recorded in Telenet's financial statements and may materially affect Telenet's financial results in the period or periods for which determination is made.

The agreements and instruments governing Telenet's debt contain restrictions and limitations that could adversely affect its ability to operate Telenet's business.

The terms of the Senior Credit Facility and the terms of Telenet's other outstanding debt contain a number of significant covenants or other provisions that could adversely affect its ability to operate its business. These covenants restrict Telenet's ability, and the ability of its subsidiaries, to, among other things:

- pay dividends or make other distributions;
- make certain investments or acquisitions, including participating in joint ventures;
- make capital expenditures;
- engage in transactions with affiliates and other related parties;

- dispose of assets other than in the ordinary course of business;
- merge with other companies;
- incur additional debt and grant guarantees;
- repurchase or redeem equity interests and subordinated debt or issue shares of subsidiaries;
- grant liens and pledge assets; and
- change its business plan.

Furthermore, the Senior Credit Facility requires Telenet to (in certain circumstances) maintain specified financial ratios and meet financial tests. Telenet's ability to comply with these provisions may be affected by events beyond its control. If Telenet cannot comply with these tests or is otherwise in default, the Telenet Group may not be able to borrow under the Senior Credit Facility, which could have a material adverse effect on Telenet's ability to operate its business and to make payments under its debt instruments.

In addition to limiting Telenet's flexibility in operating its business, the breach of any covenants or obligations under the agreements and instruments governing its debt will result in a default under the applicable debt agreement or instrument and could trigger acceleration of the related debt, which in turn could trigger defaults under other agreements governing Telenet's debt. In addition, the lenders under the Senior Credit Facility could foreclose on their collateral, which includes equity interests in Telenet's operating subsidiaries, exercise other rights of secured creditors and deny Telenet access to any unused amounts under the facility. A default under the Senior Credit Facility or under the agreements governing Telenet's other debt could materially adversely affect its growth, its financial condition and results of operations.

Telenet is exposed to interest rate risks. Shifts in such rates may adversely affect the debt service obligations of Telenet.

The majority of Telenet's debt, including all of its debt under the Senior Credit Facility (for the avoidance of doubt, this excludes the loans made pursuant to the Senior Credit Facility from the proceeds of the Telenet Finance V Luxembourg 6 3/4% Notes and the Telenet Finance VI Luxembourg Notes), bears interest at variable rates. An increase in the interest rates on Telenet's debt will reduce the funds available to repay its debt and to finance its operations, capital expenditures and future business opportunities and, as a result, will intensify the consequences of its leveraged capital structure. In addition, under the terms of Telenet's existing interest rate hedging arrangements, Telenet's effective interest rates may be higher than actual interest rates, resulting in increased costs for Telenet. Through Telenet's Senior Credit Facility, Telenet is exposed to changes in interest rates primarily as a result of the underlying fluctuations of the one, two, three or six-month (as applicable) EURIBOR and LIBOR rates or such other reference rate as agreed by the Facility Agent and Telenet. Although Telenet enters into various derivative transactions to manage exposure to movements in interest rates, there can be no assurance that it will be able to continue to do so at a reasonable cost.

Telenet is subject to increasing operating costs and inflation risks which may adversely affect its earnings.

While Telenet attempts to increase its subscription rates to offset increases in operating costs, there is no assurance that it will be able to do so. Telenet's ability to increase subscription rates is subject to regulatory controls. Also, Telenet's ability to increase subscription rates may be constrained by competitive pressures. Therefore, operating costs may rise faster than associated revenue, resulting in a material negative impact on Telenet's cash flow and net earnings (loss). Telenet is also impacted by inflationary increases in salaries, wages, benefits and other administrative costs in certain markets.

Currency fluctuations and hedging risks could adversely affect Telenet's earnings and cash flow.

Telenet's business is exposed to fluctuations in currency exchange rates. Telenet's functional currency is the euro. However, Telenet conducts, and will continue to conduct, transactions in currencies other than the euro, particularly the U.S. dollar. Telenet has U.S. dollar obligations with respect to the contracts it is party to for the supply of premium content. While approximately 3% of its costs of operations (including costs of network hardware equipment and software and premium cable television rights) in the year ended December 31, 2016

were denominated in U.S. dollars, the percentage of Telenet's operational costs that are denominated in U.S. dollars may increase in the future. The exchange rate between the U.S. dollar and the euro has fluctuated significantly in recent years and may continue to fluctuate significantly in the future. See "Exchange Rate Information". Telenet has historically covered a portion of its U.S. dollar cash outflows arising on anticipated and committed purchases through the use of foreign exchange derivative instruments. There can be no guarantee that Telenet's hedging strategies will adequately protect its operating results from the effects of exchange rate fluctuation, or that these hedges will not limit any benefit that it might otherwise receive from favorable movements in exchange rates.

Disruptions in the credit and equity markets could increase the risk of default by the counterparties to Telenet's derivative and other financial instruments, undrawn debt facilities and cash investments and may impact its future financial position.

Although Telenet seeks to manage the credit risks associated with its derivative and other financial instruments, cash investments and undrawn debt facilities, disruptions in credit and equity markets could increase the risk that its counterparties could default on their obligations to Telenet. Also, even though Telenet regularly reviews its credit exposure, defaults may arise from events or circumstances that are difficult to detect or foresee. As of September 30, 2017, Telenet's exposure to credit risk included (i) cash and cash equivalent balances of €37.0 million and (ii) aggregate undrawn revolving credit facilities of €400.0 million. While Telenet currently has no specific concerns about the creditworthiness of any counterparty for which it has material credit risk exposures, the current economic conditions and uncertainties in global financial markets have increased the credit risk of Telenet's counterparties, and Telenet cannot rule out the possibility that one or more of its counterparties could fail or otherwise be unable to meet its obligations to Telenet. Any such instance could have a material adverse effect on Telenet's cash flows, results of operations or financial condition. It is not possible to predict how economic conditions, sovereign debt concerns and/or adverse regulatory developments could impact the credit markets Telenet accesses and, accordingly, Telenet's future financial position or results of operations. In this regard, (i) the financial failures of any of Telenet's counterparties could reduce amounts available under committed credit facilities and adversely impact its ability to access cash deposited with any failed financial institution and (ii) sustained or further tightening of the credit markets could adversely impact Telenet's ability to access debt financing on favorable terms, or at all. In addition, sustained or increased competition, particularly in combination with weak economics, could adversely impact Telenet's cash flows and liquidity.

With respect to Telenet's derivative instruments, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in an insolvency of a derivative counterparty under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts or such termination may be mandatory following a formal insolvency proceeding of a defaulting counterparty. Any such compulsory termination may trigger early termination payment liabilities payable by Telenet reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set-off of amounts due under such derivative contracts against present and future liabilities owed to Telenet under other contracts between Telenet and the relevant counterparty. Accordingly, it is possible that Telenet may be subject to obligations to make payments, or may have present or future liabilities owed to it partially or fully discharged by set-off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not Telenet. To the extent that Telenet is required to make such payments, its ability to do so will depend on its liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, Telenet will be an unsecured creditor in respect of any amount owed to it by the defaulting counterparty, except to the extent of the value of any collateral Telenet has obtained from that counterparty.

The risks Telenet would face in the event of a default by a counterparty to one of its derivative instruments might be eliminated or substantially mitigated if Telenet is able to novate the relevant derivative contracts to a new counterparty following the default of its counterparty. While Telenet anticipates that, in the event of the insolvency of one of its derivative counterparties, Telenet would seek to effect such novations, no assurance can be given that it would obtain the necessary consents to do so or that Telenet would be able to do so on terms or pricing that would be acceptable to Telenet or that any such novation would not result in substantial costs to Telenet. If Telenet is unable or chooses not to novate to a different counterparty, it would continue to face such risks. Furthermore, the underlying risks that are the subject of the relevant derivative contracts would no longer be effectively hedged due to the insolvency of Telenet's counterparty, unless and until Telenet novates or replaces the derivative contract.

Telenet is exposed to sovereign debt and currency instability risks in Europe that could have an adverse impact on its liquidity, financial condition and cash flows.

Telenet's operations are subject to macro-economic and political risks that are outside of its control. For example, high levels of sovereign debt in the U.S. and certain European countries, combined with weak growth and high unemployment, could lead to fiscal reforms (including austerity measures), sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility, and, potentially, disruptions in the credit and equity markets, as well as other outcomes that might adversely impact Telenet. With regard to currency instability issues, concerns exist in the euro zone with respect to individual macro-fundamentals on a country-by-country basis, as well as with respect to the overall stability of the European Union and the suitability of a single currency to appropriately deal with specific fiscal management and sovereign debt issues in individual euro zone countries. The realization of these concerns could lead to the exit of one or more countries from the European Union and the re-introduction of individual currencies in these countries or, in more extreme circumstances, the possible dissolution of the euro entirely, which could result in the redenomination of a portion or, in the extreme case, all of Telenet's euro denominated assets, liabilities and cash flows to the new currencies. In addition, the capital market disruption that would likely accompany any such redenomination event could have a material adverse impact on Telenet's liquidity and financial condition. Furthermore, any redenomination event would likely be accompanied by significant economic dislocation, particularly within euro zone countries such as Belgium, which in turn could have an adverse impact on demand for Telenet's services, and accordingly, on Telenet's revenue and cash flows. Moreover, any changes from the euro to a non-euro currency in Belgium would require Telenet to modify its billing and other financial systems. No assurance can be given that any required modifications could be made within a timeframe that would allow Telenet to timely bill its customers or prepare and file required financial reports. In light of the significant exposure that Telenet has to the euro through its euro-denominated borrowings, derivative instruments, cash balances and cash flows, a redenomination event could have a material adverse impact on Telenet.

Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on Telenet's results of operations and cash flow.

The tax laws and regulations in the countries in which Telenet operates may be subject to change and there may be changes in interpretation and enforcement of tax law. As a result, Telenet may face increases in taxes payable if tax rates increase, or if tax laws and regulations are modified by the competent authorities in an adverse manner. In addition, the tax authorities in the countries in which Telenet operates may disagree with the positions Telenet has taken or intends to take regarding the tax treatment or characterization of any of its transactions, including the tax treatment or characterization of its indebtedness, including the Notes, existing and future intercompany loans and guarantees or the deduction of interest expenses. As a result, Telenet may face increases in taxes payable if tax rates increase, or if tax laws and regulations are modified by the competent authorities in an adverse manner. Telenet regularly assesses the likelihood of such outcomes and has established tax allowances, which represent management's best estimate of the potential assessments. In addition, Telenet and its subsidiaries are regularly under audit by tax authorities in many of the jurisdictions in which Telenet operates. Although Telenet believes that its tax estimates are reasonable, any material differences as a result of final determinations of tax audits or tax disputes, or the resolution of any of these tax matters, could have a material adverse effect on Telenet's cash flows, business, financial condition and results of operations for any affected reporting period.

Further changes in the tax laws of the foreign jurisdictions in which Telenet operates could arise as a result of the base erosion and profit shifting ("BEPS") project being undertaken by the Organization for Economic Co-operation and Development ("OECD"). The OECD, which represents a coalition of member countries that encompass most of the jurisdictions in which Telenet operates, is undertaking studies and publishing action plans that include recommendations aimed at addressing what they believe are issues within tax systems that may lead to tax avoidance by companies. It is possible that jurisdictions in which Telenet does business could react to the BEPS initiative or their own concerns by enacting tax legislation that could adversely affect Telenet or its shareholders through increasing its tax liabilities.

Risks Relating to Telenet's Business, Technology and Competition

The Belgian internet, data and telephony industries are highly competitive and the television industry has become more competitive, which could have a material adverse effect on Telenet's business.

Telenet faces significant competition from established and new competitors who provide television, internet, data and telephony services using DSL, public switched telephone network ("PSTN") or fiber connections. In some

instances, Telenet competes against companies with easier access to external financing at more advantageous terms, more comprehensive product ranges, greater personnel resources, wider geographical coverage, relatively greater advertising, sales and marketing budgets and greater experience or longer established relationships with regulatory authorities and customers. These companies may in some cases have fewer regulatory burdens with which they are required to comply because, among other reasons, they use different technologies to provide their services, do not own their own direct access network, or are not subject to obligations applicable to operators with “significant market power” as defined in Directive 2002/21/EC of the European Parliament and of the Council of March 7, 2002 on a common regulatory framework for electronic communications networks and services (“SMP”). The EU legal framework has been updated in 2009 to reflect technological and other developments. Obligations for operators with SMP may include pricing restrictions or the obligation to provide access to the network. Other emerging technologies include OTT platforms, broadcasting “over the top” of an existing broadband network, which allows such content providers to directly reach consumers through the broadcaster’s website or online aggregators of content. The full extent to which these alternative technologies will compete effectively with Telenet’s basic and enhanced video services system may not be known for several years.

Telenet’s largest competitor is Proximus, the incumbent telephony provider in Belgium, which offers its residential and business customers a suite of products and services that is comparable to those offered by Telenet. Proximus is rolling out its own glass fibre network in Belgium, with a view to increasing infrastructure-based competition with Telenet. In addition, the Flemish Government has announced plans to roll out a third glass fibre network (in addition to those of Telenet and Proximus) in order to facilitate the provision of ultra-fast Internet connections throughout Flanders in the near future in an open wholesale model. While Telenet is currently upgrading its network to allow for the provision of ultra-fast Internet speeds of 1 Gbps or more, there can be no assurances that this increased infrastructure-based competition will not affect its results of operations.

The competition from Orange Belgium in the fixed and mobile market has also intensified, including through the launch of its own bundle offering of television and broadband using Telenet’s regulated cable access offering.

This competition can make it difficult for Telenet to attract new customers and retain existing customers, thereby increasing Telenet’s churn levels. Increased competition, tiered offerings that include lower priced entry level products, and special promotions and discounts for customers who subscribe for multiple services from Telenet may contribute to increased average revenue per unique customer, but will likely reduce Telenet’s average revenue per user on a per-service basis for each of its telephony, broadband internet and premium cable television services.

Telenet expects competition to continue to increase amid the growing exploitation of legislation in Belgium that permits certain service providers to market a combination of television, internet and telephony products and services (a “bundle”) for an aggregate price which is lower than the price of the individual products and services in the bundle. In addition, Telenet expects additional competitive pressure to result from the convergence of broadcasting and communication technologies, as a result of which other participants in the Belgian media and telecommunications industries may seek to offer a package of fixed and mobile voice, internet and video broadcast services in competition with Telenet. Separately, competitors are offering certain of their services at a substantial discount when subscribing to multiple services, thereby reducing the cost of subscribing to its individual services. These competitive forces may create further downward pressure on prices, which may result in a decrease of Telenet’s average revenue per subscriber. These forces could also increase the rate at which Telenet loses subscribers, and increase its cost of providing content for its cable television subscribers. In addition, Telenet may bear higher costs if it introduces new products or services to maintain or improve its competitive positioning and reduce subscriber churn. In combination with difficult economic environments, these competitive pressures could adversely impact Telenet’s ability to increase, or in certain cases, maintain its ARPUs, RGUs, operating cash flows and liquidity.

Video. The Belgian television market is characterized by very high penetration rates and an increasing emphasis on new technologies and platforms, in particular digital, HD, interactive television services such as VOD and premium entertainment services, requiring high-bandwidth and bi-directional distribution platforms. The DSL-networks use IP-protocol to deliver the digital television service (“IPTV”). Belgium was one of the first European countries to deploy cable networks, doing so as early as the 1970s, and, as a result, other means of television delivery such as satellite and terrestrial broadcasters are less popular in Belgium than they are in other European countries. Cable is the most commonly used transmission medium for television services in Belgium. The advent of new technology in the provision of cable television has given rise to new competitors seeking to offer varied and enhanced offerings and Telenet cannot assure you that it will be able to remain competitive.

Telenet therefore expects increasing competition in the provision of television services in the future, especially in view of the CRC decision requiring Telenet to provide access to its Combined Network. See “*Risk Factors—Telenet may become subject to more extensive regulation if it is deemed to possess significant market power in any of the markets in which it operates.*” In order to remain competitive, Telenet is focused on developing new services for its subscribers and on updating and developing its products. Such new developments may involve substantial costs and Telenet cannot be certain that it will achieve a return on such investments. Telenet introduced HD programming to its subscribers, which required investments in new set-top box technology, distribution technology and the negotiation of appropriate content contracts. Telenet began offering set-top boxes on a rental basis, whereas previously it had only sold set-top boxes. Despite these developments it is introducing, Telenet expects to face continued competition from DSL, multi-channel satellite, digital terrestrial and other means of delivering multiple programming. If demand for Telenet’s products were to shift, it might not be able to reach certain minimum requirements set out in some contracts with broadcasters and studios pursuant to which it has to pay minimum fees regardless of the number of subscribers. In addition, it is expected that other forms of television offerings will become more important in Belgium in the years ahead, such as OTT and mobile television, provided by financially strong companies, including Google, Apple, Netflix, Proximus and Orange Belgium.

Internet. Telenet’s residential high-speed broadband internet service competes with companies including Proximus, that provide high-speed broadband access over DSL, as well as companies that provide lower- cost (or even free), slower connections to the internet over traditional telephone lines. Belgium has recently seen the development of more sophisticated product and pricing tiers in the internet market, with competitors offering a range of products with different download speeds, data transfer limits and other value added services. Continued upgrades to the quality of DSL-based broadband internet service to very- high-bitrate DSL (“**VDSL**”) and potentially even faster DSL variants and the possibility of widespread fiber-to-the-home installations, while time consuming and expensive, would have a negative impact on Telenet’s competitive position in the broadband internet market. Certain fixed and mobile voice operators in Belgium offer DSL services and there can be no guarantee that others may seek to also compete with Telenet’s broadband internet services using DSL in the near future. Moreover, mobile operators are increasingly able to utilize a combination of increasingly powerful handsets and high bandwidth technologies such as universal mobile telecommunications system (“**UMTS**”) and LTE technologies. Additional competition may come from satellite technologies and operators that use WiMax technologies. As a result, Telenet expects competition, including price competition, from current providers, new startups and other companies to increase in the future. For example, Telenet is also confronted with new pricing concepts introduced by its direct competitors, such as zero-based rating. Zero-based rating is generally defined as a practice through which a telecommunications service provider applies a zero tariff rate for fixed and/or mobile data traffic associated with a specific application or a specific category of applications. The zero-based rating concept has, for example, been applied by Proximus for certain popular applications. Telenet cannot assure you that the tiered offerings and other measures that it has introduced in response to these developments will be successful in attracting and retaining customers.

Fixed-Line Telephony. Competition in providing fixed-line residential telephony service is intense, with providers introducing substantial price reductions over the years. Proximus, Telenet’s principal competitor in the Flemish residential market, has an extensive telephone network throughout Belgium, strong market knowledge, high brand recognition and substantial capital resources. As of December 31, 2016, Proximus held a market share between 50% and 60% in the Belgian residential fixed-line telephony market according to the report describing the state of affairs of the electronic communications sector in 2016 (the “**BIPT 2016 Annual Report**”) issued by the BIPT. In addition, although Proximus is Telenet’s major competitor, Telenet depends on Proximus to provide certain services to its customers, including number portability, and to connect calls made by Telenet’s customers to customers of Proximus. Potential future proceedings with Proximus or other factors may adversely affect Telenet’s relations with Proximus and negatively impact its competitive position. See “*Description of Telenet’s Business—Legal Proceedings.*” Proximus has also applied resources to “win-back” activities that can entice Telenet’s existing telephony customers, as well as prospective telephony customers, to return or remain with Proximus by offering certain economic incentives. Although Telenet’s market share in this segment is increasing, it may not have the resources of, or benefit from the economies of scale available to Proximus.

Mobile telephony services, including those offering advanced higher speeds, higher bandwidth technologies and MVNOs, contribute to the competitive pressures that Telenet faces. In the past, Belgian mobile operators have engaged in “cut the line” campaigns and used attractive mobile calling tariffs to encourage customers with both fixed-line and mobile services to retain only their mobile services. According to the European Commission’s e-communications household survey conducted in October of 2015, approximately 27% of households in Belgium had a mobile telephone line and did not have fixed telephone access, as compared to a European average of approximately 33% for the comparable period. This substitution, in addition to the increasing use of alternative

communications technologies, may negatively affect Telenet's fixed-line call usage volumes and subscriber growth.

The ongoing unbundling of the Proximus "local loop", the network element used to connect a subscriber to the nearest switch or concentrator on the network, the use of carrier preselect services that allow entities to provide telephony services over the networks of other operators and the introduction of new technologies, including variations of the VoIP standard, such as voice-over-internet ("VON"), may also increase the number of competitors, as it has done in other countries. As new competitors and new technologies enter the market and prices decrease in line with the downward pressure on telephony prices experienced elsewhere in Europe, Telenet's telephony business may become less profitable and experience a decline in revenues and market share. In addition, Telenet may be forced to respond to such developments by investing resources into its own product development initiatives, which may be costly and ultimately unsuccessful.

Mobile Telephony. Telenet's mobile telephony service, which it offers through the MVNO Arrangement with Orange Belgium and its own mobile network following the BASE acquisition in February of 2016, competes with two other principal mobile network operators in Belgium, who together represent approximately 64% of the total market for mobile telephony services in Belgium based on the BIPT 2016 Annual Report. Telenet had an estimated market share of approximately 36% at the end of 2016. Telenet's market share has increased considerably as a result of the BASE acquisition, from approximately 14% prior to the acquisition. Telenet currently commercializes its mobile services under the "Telenet" and "BASE" brands; however, it may continue to face the challenge that the brand names of its competitors ("Proximus" and "Orange Belgium") are historically better recognized as mobile telephony providers and that these competing providers are part of larger, more established companies than Telenet.

Moreover, there is an increasing number of MVNOs operating on the Belgian market, including important content providers. Content providers are increasingly looking for preferred partnerships with mobile networks to distribute their content, on a tailored basis, to such mobile network providers' customers. Such preferred partnerships may strengthen the competition by such mobile network providers with Telenet's mobile offer.

Business Services. Competition in the provision of internet, data and voice products to business customers is intense. Proximus, several local telephony operators and several international telephony operators rank among Telenet's competitors. In addition to competitive activity, Telenet continues to see challenges in this segment of the market as a result of price erosion in existing products and the need to invest in new product development to satisfy the evolving preferences of prospective customers.

Competition can make it difficult to attract new customers and retain existing customers, thereby increasing churn levels, and may lead to increased price pressure. There can be no assurance that Telenet will be able to compete successfully against its current or future competitors in any of its businesses. Telenet's failure to do so could have a material adverse effect on its business, financial condition and results of operations.

Continuing uncertainties and challenging conditions in the global economy and in the countries in which Telenet operates may adversely impact Telenet's business, financial condition and results of operations.

The current macroeconomic environment is highly volatile, and continuing instability in global markets, including the ongoing struggles in Europe related to sovereign debt issues, the risk of deflation and the stability of the euro, has contributed to a challenging global economic environment. Future developments are dependent upon a number of political and economic factors, including the effectiveness of measures by the EU Commission to address debt burdens of certain countries in Europe and the overall stability of the Eurozone. As a result, we cannot predict how long challenging conditions will exist or the extent to which the markets in which Telenet operates may deteriorate. Additional risks arising from the ongoing economic challenges in Europe are described below under "*Telenet is exposed to sovereign debt and currency instability risks in Europe that could have an adverse impact on its liquidity, financial condition and cash flows*".

Telenet's growth prospects depend on a continued demand for cable and telecommunications products and services and an increased demand for bundled offerings.

The use of internet, television and telephony services in Belgium has increased sharply in recent years. Telenet has benefited from this growth in recent years and its growth and profitability depend, in part, on a continued demand for these services in its franchise area in the coming years. In particular, if demand for multiple-play

products does not increase as expected, this could have a material adverse effect on Telenet's business, financial condition and results of operations.

Customer churn, or the threat of customer churn, may adversely affect Telenet's business.

Customer churn is a measure of the number of customers who stop subscribing for one or more of Telenet's products or services. Churn arises mainly as a result of competitive influences, relocation of subscribers, deterioration of personal financial circumstances and price increases. In addition, Telenet's customer churn rate may also increase if it is unable to deliver satisfactory services over Telenet's network. For example, any interruption of its services or the removal or unavailability of programming, which may not be under Telenet's control, could contribute to increased customer churn. Increased customer churn may have a material adverse effect on Telenet's business, financial condition and results of operation.

Moreover, the 2012 Law and subsequent amendments has inserted certain provisions in the Electronic Communications Law aimed at the protection of end users of electronic communications services, including (i) the right for customers to terminate their contracts with the relevant providers at any time, and without any compensation to the provider if such termination occurs more than six months after the entry into the agreement, (ii) duration limitations for agreements entered into with end users, (iii) a requirement for uniform presentation of tariff plans facilitating comparison between operators (and thus facilitating decisions to churn) (iv) the requirement to propose a combined offer if a customer has subscribed to two or more tariff plans and if that combined offer is less expensive, and (v) customers' right to change tariff plans once a year free of any charges. This provision, which allows subscribers to terminate contracts at any time without compensation being due as of October 1, 2012, along with other consumer protective obligations introduced by the 2012 Law (and other changes introduced by later amendments and implementing Decrees to the Electronic Communications Law), has created pressure on operators (including Telenet) and may potentially give rise to increases in Telenet's customer churn rate.

In March 2015, the BIPT published a report in which it identified a number of obstacles that make it difficult for consumers to change fixed telecom operators. These obstacles are subdivided into three classes: (i) a poor coordination and procedure for changing operators; (ii) a lack of consumer information; and (iii) financial and practical obstacles. The BIPT proposed possible solutions in its report, which it has submitted to the Minister of Digital Agenda and Telecom. The BIPT organized a public consultation with respect to drafting new royal and ministerial decrees that are aimed at ensuring that consumers are able to change from one fixed telecom operator to another without significant obstacles or costs, which may potentially give rise to increases in Telenet's customer churn rate.

Consequently, a Royal Decree of September 6, 2016 on the migration of fixed line services and bundles in the electronic communications sector was adopted, and entered into force on July 1, 2017. This Royal Decree establishes an "easy switch" procedure, defined as a process intended to simplify the change of operators by users of electronic communications, and requires telecommunications services operators to facilitate the movement of users from one operator to another and cooperate to this end (for instance, in order to avoid service interruptions and double billing, and to allow users to choose the termination date of their contract).

Adverse economic developments could reduce customer spending for Telenet's cable television, broadband, telephony and mobile services and increase churn.

Most of Telenet's revenue is derived from customers who could be impacted by adverse economic developments globally, in Europe and in the countries in which Telenet operates. Ongoing struggles in Europe related to sovereign debt issues, among other things, have contributed to a challenging economic environment. Accordingly, unfavorable economic conditions may impact a significant number of Telenet's customers, including their spending patterns, both in terms of the products they subscribe for and usage levels. As a result, it may be (1) more difficult for Telenet to attract new subscribers, (2) more likely that subscribers will downgrade or disconnect their services and (3) more difficult for Telenet to maintain ARPUs at existing levels. Countries may also seek new or increased revenue sources due to fiscal deficits. Such actions may further adversely affect the Telenet Group. Accordingly, Telenet's ability to increase, or, in certain cases, maintain, the revenue, ARPUs, RGUs, operating cash flow, operating cash flow margins and liquidity of its operations could be materially adversely affected if the economic environment in Europe remains uncertain or declines further (including as a result of the United Kingdom's recent vote to leave the EU). Negative changes in demand as a result of declining economic environment could have a material adverse effect on Telenet's revenue and operating cash flow.

Telenet's net profit may decrease, or Telenet may not report net profit.

Telenet reported net profit of €41.6 million and €175.7 million for the years ended December 31, 2016 and 2015, respectively. Net profit for the year ended December 31, 2016 decreased 76% compared to the year ended December 31, 2015. Telenet reported net profit of €106.3 million for the nine months ended September 30, 2017, compared to the net profit of €41.6 million reported for the nine months ended September 30, 2016. The improvement in Telenet's net profit for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016 was primarily due to a €209.9 million non-cash foreign exchange gain. Without this foreign exchange rate gain, Telenet's net profit would have been lower for the period under consideration. Telenet cannot assure you that its profits will not decrease in any future period or that it will continue to report net profit in future periods.

Telenet's business is capital intensive and its capital expenditures may not generate a positive return or it may be unable or unwilling to make additional capital expenditures.

The television, broadband internet and telephony businesses in which Telenet operates are capital intensive. Significant capital expenditures are required to add customers to Telenet's networks and to upgrade Telenet's networks to enhance its service offerings and improve the customer experience, including expenditures for equipment and labor costs. No assurance can be given that Telenet's future capital expenditures will generate a positive return or that it will have adequate capital available to finance such future upgrades. If Telenet is unable to, or elects not to, pay for costs associated with adding new customers, expanding or upgrading its networks or making its other planned or unplanned capital expenditures, Telenet's growth and its competitive position could be materially adversely affected.

If Telenet fails to successfully introduce new technologies or services, or to respond to technological developments, its business and level of revenue may be adversely affected and it may not be able to recover the cost of investments that it has made.

Telenet's business is characterized by rapid technological change and the introduction of new products and services. If any new or enhanced technologies, products or services that Telenet introduces fail to achieve broad market acceptance or experience technical difficulties, its revenue growth, margins and cash flows may be adversely affected. As a result, Telenet may not recover investments that it makes in order to deploy these technologies and services. In addition, enhanced television, telephony, internet and data services provided by competing operators may be more appealing to customers, and new technologies such as voice over internet telephony may enable Telenet's competitors to offer not only new services, but to also offer existing standard services at lower prices. See “—*The Belgian internet, data and telephony industries are highly competitive and the television industry has become more competitive, which could have material adverse effects on Telenet's business*”. Telenet may not be able to fund the capital expenditures necessary to keep pace with technological developments. Telenet's inability to obtain the funding or other resources necessary to expand or further upgrade its systems and provide advanced services in a timely manner, or successfully anticipate the demands of the marketplace, could adversely affect its ability to attract and retain customers and generate revenue.

As the number of Telenet's customers and the services that it offers its customers increases, the complexity of its product offerings and network architecture also increases, as does network congestion. A failure to manage the growth and complexity of Telenet's network could lead to a degradation of service and network disruptions that could harm its reputation and result in a loss of subscribers. For example, while Telenet continues to promote a rapid take up of its iDTV service, it faces potential risks in securing the required customer set-top box equipment to maintain this roll out. Telenet currently relies on a single provider of set-top boxes to provide it equipment that is compatible with the conditional access software and related security features that have been deployed on Telenet's network. Currently, Telenet has a sufficient supply of these boxes available, but a future shortage may involve significant delays in seeking an alternative supply, may constrain its ability to meet customer demand and may result in negative customer reactions. Telenet is also dependent on other suppliers who are contributing products and services which are required for the implementation and operation of its iDTV service, and on the performance of partners with whom it expects to work. Although many of Telenet's iDTV products and services are built on standardized platforms, they have been adapted or tailored to Telenet's network and the offering it has designed, as a result of which it faces the risk of any newly implemented technology that there may be unexpected operational issues that arise. If Telenet was to experience a breakdown of equipment or technology that it cannot timely repair, it might lose subscribers. In addition, some studios or broadcasters would be entitled to terminate their content supply agreements with Telenet in case of a continuing breakdown of its equipment.

Telenet anticipates that over time, new products and services it may introduce will require upgraded or new customer premises equipment, which may therefore constrain Telenet's ability to market and distribute such new services.

Telenet has limited experience in offering mobile telephony services and problems may arise which either Telenet cannot control or which Telenet is not able to remedy for other reasons.

Telenet's mobile telephony offer was launched in August 2006 under the "Telenet" brand name. Since the acquisition of BASE Company, Telenet also offers mobile telephony services under the "BASE" brand name. Telenet currently provides its mobile telephony service through its BASE network as well as under the MVNO Arrangement, pursuant to which Telenet offers its customers mobile voice and data services over Orange Belgium's mobile telecommunications network, including 4G services.

Under the MVNO Arrangement, Telenet's ability to comply with applicable regulatory requirements for electronic communications providers may also in some cases depend on Orange Belgium's compliance. Telenet has entered into a number of long-term supply agreements in support of the MVNO Arrangement that exceed the duration of the MVNO Arrangement. Therefore, if the MVNO Arrangement is terminated early, or not extended at the expiry of its term at the end of 2018 as described below, Telenet may incur costs that are not offset by any corresponding revenue.

At the end of May 2016, Orange Belgium and Telenet reached an agreement setting the terms and conditions for the future termination of the MVNO Arrangement (the "**MVNO Termination Agreement**"). The MVNO Arrangement will run, and Telenet's mobile customers can continue to use Orange Belgium's network, until the end of 2018. Telenet committed to a minimum payment of €150.0 million (excluding VAT) over the 3-year period from 2016 to 2018. The actual amount paid by Telenet could exceed this minimum amount in the event there is higher network usage. Beyond 2018, an optional 6-month extension period has been agreed upon with a minimum amount of €15.0 million (excluding VAT) becoming payable if triggered. Through the MVNO Termination Agreement, all outstanding legal disputes between both companies, including the judicial recovery of invoices under the MVNO Arrangement, have been settled.

Telenet continued to make progress on the onboarding of its Full MVNO subscribers to the acquired mobile network with around 54% achieved at the end of September 2017. Given this progress and the continued modernization of Telenet's mobile network (with around 72% of macro sites having been upgraded at September 30, 2017) Telenet now aims to complete the onboarding by the end of the first fiscal quarter of 2018. However, there can be no assurances that Telenet will be able to successfully onboard all of its current MVNO subscribers to the BASE network or that the migration will not otherwise have material adverse effects on its results of operations.

Telenet still has limited experience in mobile network operations. Problems may arise which either Telenet cannot control or which it is not able to remedy for other reasons, which may have material adverse financial, operational and reputational effects for Telenet.

In July 2011, Telenet Tecteo Bidco, a majority-owned subsidiary of Telenet in which Nethys holds a 25% shareholding, acquired the fourth 3G mobile spectrum license in Belgium, for the minimum reserved price of €71.5 million. In total, Telenet Tecteo Bidco acquired 14.8 MHz of paired 3G spectrum in the 2.1 GHz band and confirmed to the BIPT that it would exercise the option to be awarded another 4.8 MHz of paired 2G spectrum in the 900 MHz band and 10 MHz of paired 2G spectrum in the 1800 MHz bands which both became available as of November 27, 2015, for a total consideration of €31.5 million. In December 2013, Telenet Tecteo Bidco determined, after concluding negotiations with network operators in Belgium and in the absence of regulatory alternatives, that it would not be able to utilize the spectrum rights under the 3G mobile spectrum license and, as a result, notified the BIPT on February 13, 2014 that it would return the acquired 3G mobile spectrum. This resulted in a triggering event with respect to the intangible asset related to the 3G mobile spectrum license, and, after performing an impairment analysis, Telenet recorded an impairment charge of €53.3 million during the fourth quarter of 2013 to reduce the carrying amount of this intangible asset to nil. On June 1, 2014, Telenet Tecteo Bidco returned the acquired 3G mobile spectrum to the BIPT. Furthermore, as a result of the above, Telenet Tecteo Bidco also informed the BIPT at the end of 2013 that it would not use the aforementioned 2G spectrum.

By decision of September 24, 2014, the BIPT formally accepted the return of the 3G spectrum. Telenet Tecteo Bidco is required to pay the outstanding amount of €23.7 million (as at September 30, 2017) of the €71.5 million

reserved price for the 3G spectrum. As per the agreement with the BIPT, this amount will continue to be repaid in installments until 2020, with the next installment of €7.4 million due in

December 2017 (excluding €0.6 million of interest-related charges due in December 2017). In addition to these repayments the BIPT also indicated that it expected to receive a payment of €31.5 million for the paired 2G spectrum that would have been made available in 2015. Telenet Tecteo Bidco initiated legal proceedings against the BIPT's claim. Eventually, the parties entered into a settlement agreement in January 2016, through which Telenet Tecteo Bidco paid an amount of approximately €4 million for the usage rights in the 2G spectrum, and committed to pay the BIPT the remainder of the fee for its former usage rights for the 3G spectrum, being an amount of approximately €31 million.

If Telenet is not successful in developing a high quality mobile offering, it may not be competitive compared to operators such as Proximus who are able to offer customers an integrated and fully converged suite of mobile and fixed-line telephony, internet and television services or mobile operators who could offer such a suite of services after having received access on Telenet's cable network.

Based on the limited experience Telenet has had offering mobile telephony services, Telenet cannot assure you that mobile services will have a positive financial impact on its business.

If Telenet is unable to obtain attractive programming, including from key broadcasters or necessary equipment and software on satisfactory terms for its enhanced video services, the demand for these services could be reduced, thereby lowering revenue and profitability.

Telenet relies on digital programming suppliers for the bulk of its programming content. Telenet may not be able to obtain sufficient high-quality programming for its enhanced video services on satisfactory terms or at all in order to offer compelling enhanced video services. This may also limit Telenet's ability to migrate customers from lower tier programming to higher tier programming, thereby inhibiting its ability to execute its business plans. Furthermore, Telenet may not be able to obtain attractive French language programming for video services in the parts of Brussels that its network includes. In addition, "must carry" requirements may consume channel capacity otherwise available for other services. Any or all of these factors could result in reduced demand for, and lower revenue and profitability from, Telenet's enhanced video services. Further, Telenet may not be able to obtain the equipment, software and services required for its businesses on a timely basis or on satisfactory terms. Telenet depends on third-party suppliers and licensors to supply its equipment, software and certain services. If demand exceeds these suppliers' and licensors' capacities or if they experience financial difficulties, Telenet's ability to provide some services may be materially adversely affected, which in turn could affect its ability to attract and retain customers.

The success of Telenet's basic and enhanced video services depends on access to both the content of the main local broadcasters in Belgium and an attractive selection of television programming from content providers. The ability to provide movie, sports and other programming, including soccer broadcast rights, is a major factor that attracts subscribers to television services, especially premium services. Historically, as the principal supplier of television broadcast services in Flanders, Telenet has negotiated transportation and distribution agreements with various broadcasters and other providers of content over its broadband cable network. Several of Telenet's competitors, however, including Proximus, have launched their digital television services in Belgium, which may make it more difficult for Telenet to procure content for both its premium and basic cable service on favorable terms, or which may make it more difficult for Telenet to extend such transportation and distribution agreements and other content agreements beyond their current terms.

Some of Telenet's broadcasting agreements require it to pay prices for the programming based on a guaranteed minimum number of subscribers, even if that number is larger than the number of actual subscribers. As a result, if Telenet misjudges anticipated demand for the programming, the profitability of Telenet's service may be impaired.

Failure in Telenet's technology or telecommunications systems or leakage of sensitive customer data could significantly disrupt its operations, which could reduce Telenet's customer base and result in lost revenue.

Telenet's success depends, in part, on the continued and uninterrupted performance of its information technology and network systems as well as its customer service centers. The hardware supporting a large number of critical systems for Telenet's cable network is housed in a relatively small number of locations. Telenet's systems are vulnerable to damage from a variety of sources, including telecommunications failures, power loss, malicious

human acts and natural disasters. Moreover, despite security measures, Telenet's servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautions Telenet has taken, unanticipated problems affecting its systems could cause failures in its information technology systems or disruption in the transmission of signals over Telenet's network. Sustained or repeated system failures that interrupt Telenet's ability to provide service to its customers or otherwise meet its business obligations in a timely manner would adversely affect Telenet's reputation and result in a loss of customers and net revenue. Moreover, if Telenet does not succeed in remedying these failures, certain studios and broadcasters would be entitled to terminate their content supply agreements with Telenet.

If any part of Telenet's network, including the Telenet Group's information technology systems, is subject to a flood, fire or other natural disaster, terrorism, a computer virus, a power loss, other catastrophe or unauthorized access, Telenet's operations and customer relations could be materially adversely affected. Although Telenet's network is built in resilient rings to ensure the continuity of network availability in the event of any damage to its underground fibers, if any ring is cut twice in different locations, transmission signals will not be able to pass through, which could cause significant damage to Telenet's business. In the event of a power outage or other shortage, Telenet does not have a back-up or alternative supply source for all of its network components.

Additionally, Telenet's business is also dependent on certain sophisticated critical systems, including Telenet's switches, billing and customer service systems, which could be damaged by any of the aforementioned risks. For example, if Telenet experiences problems in the operation of its billing systems, it may be difficult to resolve the issue in a timely and cost effective manner. In addition, the hardware that supports Telenet's switches, billing and customer service systems is housed in a relatively small number of locations and if damage were to occur to any of such locations, or if those systems develop other problems, it could have a material adverse effect on Telenet's business. Moreover, Telenet may incur liabilities and reputational damages to the extent that any accident or security breach results in a loss of or damage to customers' data or applications, or inappropriate disclosure of confidential information.

Telenet is not insured against war, terrorism (except to a limited extent under its general property insurance) and cyber-risks and does not insure the coaxial portion of its network. Any catastrophe or other damage that affects Telenet's coaxial network could result in substantial uninsured losses. In addition, disaster recovery, security and service continuity protection measures that Telenet has or may in the future undertake, and its monitoring of network performance from its network operating center in Mechelen, may be insufficient to prevent losses.

In addition, although so far no incidents have occurred in numbers that are statistically significant, Telenet's technical equipment has been and may continue to be subject to occasional malfunctioning due to technical shortcomings or imperfect interfaces with equipment in private homes, the networks of other operators or Telenet's own network or with other surrounding equipment. Telenet might incur liabilities or reputational damages as a result thereof.

The Telenet Network, the Partner Network, and the related systems depend on equipment and service suppliers that may discontinue their products, provide poor services or seek to charge Telenet prices that are not competitive, all of which may adversely affect Telenet's business and profitability.

Telenet has important relationships with several suppliers of hardware and services that it uses to operate its network. Telenet is also dependent on suppliers for equipment installed at its subscribers' premises and for services it offers its customers. In many cases, Telenet has made substantial investments in the equipment or software of a particular supplier, making it difficult for it to change supply and maintenance relationships in the event that Telenet's initial supplier refuses to offer it favorable prices or ceases to produce equipment or provide the support that Telenet's network requires. For example, Telenet historically experienced delays and increased costs as a result of issues with one of its network equipment suppliers, which required it to select an alternative supplier. See *"—If Telenet fails to successfully introduce new technologies or services, or to respond to technological developments, its business and level of revenues may be adversely affected and it may not be able to recover the cost of investments that it has made"*. Telenet cannot assure you that future shortages will not arise. Several of Telenet's supply agreements contain minimum volume commitments. If Telenet fails to purchase products in accordance with these commitments it may have to pay damages to its suppliers. Furthermore, if Telenet engages in a dispute with one of these suppliers, its services could be disrupted. Most of Telenet's supply agreements, such as its supply agreement for set-top boxes, are concluded for unlimited duration, entitling its suppliers to terminate their contract with Telenet at any time with reasonable prior notice.

Telenet depends on the supplier to which it outsourced certain services, including the management and content supply of its sports, movies and series pay television channels, for the delivery of those services. This supplier is also an important partner for the “Play” and “Play More” service. The outsourcing agreement does not provide for a minimum volume commitment as such, but Telenet has to pay minimum fees to that supplier regardless of the number of services purchased by its clients. If the demand for those services were to drop, those minimum fees would still be due to the outsourcing company. Moreover, if the outsourcing agreement were to be terminated, it is likely that Telenet could not restart offering the relevant services independently without some delay, given the assets, agreements and employees transferred in the framework of the outsourcing process.

Telenet also depends on subcontractors to install a substantial majority of its iDTV, internet and telephony equipment in customer homes, and relies on sales forecasts and supply chain management processes to ensure that it has the necessary levels of equipment and staffing to meet customer demands. If Telenet subcontractors do not satisfy Telenet’s quality standards or if Telenet’s forecasting and other logistics systems prove erroneous, Telenet may have difficulty obtaining needed equipment and staffing within required periods, which could have a material adverse effect on Telenet’s ability to attract and retain customers and generate revenue.

Third parties may claim that Telenet infringes their intellectual property rights.

The fact that Telenet has received ownership of, and licenses under, certain intellectual property rights from its contract partners is no guarantee that its activities do not infringe the intellectual property rights of third parties. The various Belgian laws relating to intellectual property, the international treaties valid in Belgium, and the Belgian code of civil procedures, all contain provisions allowing the proprietor of an intellectual property right to request the Belgian courts to grant various enforcement measures. Examples include (i) measures relating to the gathering and protection of evidence (such as the unilateral appointment by the courts of an expert with a mission to (amongst others) describe the alleged infringing goods), (ii) provisional and precautionary measures (such as a court order to provisionally stop the commercialization of the alleged infringing goods, under a penalty), (iii) corrective measures (such as a recall from the channels of commerce) or (iv) damages. In addition, the Belgian laws also provide for penal sanctions (fines and even imprisonment) for certain specific infringements (e.g. malicious or fraudulent copyright infringement). If a third party claims that Telenet has infringed its intellectual property rights, this may have an adverse effect on its ability to market certain of its products or specific parts thereof. In addition, Telenet might incur liabilities or reputational damages as a result thereof.

Telenet may pursue acquisitions that, if consummated, may adversely affect its business if it cannot integrate these new operations.

Historically, Telenet’s business has grown, in part, through selective acquisitions that enabled it to take advantage of existing networks, service offerings and management expertise. Telenet expects to continue to evaluate opportunities to grow its business through acquisitions that it believes could create synergies and strengthen its market position, among other perceived benefits. Any acquisition Telenet may undertake in the future could result in the incurrence of debt and contingent liabilities and an increase in interest expense and amortization expenses related to goodwill and other intangible assets or in the use by Telenet of available cash on hand to finance any such acquisitions. Telenet may experience difficulties in integrating acquired operations into its business, incur higher than expected costs and not realize all the benefits of these acquisitions, if any. In addition, Telenet’s management may be distracted by such acquisitions and the integration of the acquired businesses. Thus, if Telenet consummates any future acquisitions, there could be a material adverse effect on its business, financial condition or results of operations. In addition, Telenet’s debt burden may increase if it borrows funds to finance any future acquisition, which could have a negative impact on its cash flows and its ability to finance its overall operations. In addition, Telenet cannot also assure you it will be successful in the integration of the businesses it acquires, including SFR Belux or Nextel. Additional risks regarding the Coditel Acquisition are described below under “*The Coditel Acquisition is subject to conditions and may not be completed or may not be completed as described*”, “*We may not be able to integrate SFR Belux effectively and realize the anticipated synergies from the Coditel Acquisition*”, “*Belux may have liabilities that are not known to us and those that are may pose certain risks*” and “*Telenet remains reliant on Belux’s selling shareholders for certain key services until full integration of Belux into the Telenet Group has been achieved*”.

Difficult economic conditions may reduce subscriber spending for Telenet’s video, internet and telephony services and reduce Telenet’s rate of growth of subscriber additions.

The current macroeconomic environment is highly volatile, and continuing instability in global markets, including the ongoing turmoil in Europe related to sovereign debt issues and the stability of the euro, has contributed to a

global economic downturn. Future developments are dependent upon a number of political and economic factors, including the effectiveness of measures by the European Commission to address debt burdens of certain countries in Europe and the overall stability of the euro zone. As a result, Telenet cannot predict how long these challenging conditions will exist or the extent to which the markets in which it operates may further deteriorate. Additional risks arising from the ongoing turmoil in Europe are described below under *“Telenet is exposed to sovereign debt and currency instability risks in Europe that could have an adverse impact on its liquidity, financial condition and cash flows”*.

Because a substantial portion of Telenet’s revenue is derived from residential subscribers who may be impacted by these conditions, it may be (i) more difficult to attract new subscribers, (ii) more likely that certain of Telenet’s subscribers will downgrade or disconnect their services and (iii) more difficult to maintain ARPUs at existing levels. Accordingly, Telenet’s ability to increase, or in certain cases, maintain the revenue, ARPU, RGUs, operating cash flow, operating cash flow margins and liquidity could be adversely affected to the extent that relevant economic environments remain weak or decline further. Telenet is currently unable to predict the extent of any of these potential adverse effects.

Telenet’s brands are subject to reputational risks.

Telenet and BASE are well-recognized brands in Telenet’s franchise area. Telenet has developed its brands through extensive marketing campaigns, website promotions, customer referrals, and the use of a dedicated sales force and dealer networks. Telenet’s brands represent a material and valuable asset to Telenet.

Although Telenet tries to manage its brands, it cannot guarantee that its brands will not be damaged, notably by circumstances that are outside its control or by third parties (e.g., hackers, sponsors, interfaces with its clients, such as subcontractors’ employees or sales forces, public opinion or debates) with a resulting negative impact on Telenet’s business, results of operations and financial condition.

Telenet is exposed to sovereign debt and currency instability risks in Europe that could have an adverse impact on its liquidity, financial condition and cash flows.

Telenet’s operations are subject to macroeconomic and political risks that are outside of its control. For example, high levels of sovereign debt in the U.S. and certain European countries combined with weak growth and high unemployment, could lead to fiscal reforms (including austerity measures), sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility, and potentially, disruptions in the credit and equity markets, as well as other outcomes that might adversely impact Telenet. With regard to currency instability issues, concerns exist in the eurozone with respect to individual macro-fundamentals on a country-by-country basis, as well as with respect to the overall stability of the European monetary union and the suitability of a single currency to appropriately deal with specific fiscal management and sovereign debt issues in individual eurozone countries. On March 29, 2017, the U.K. formally notified the European Council of its intention to leave the European Union, under article 50 of the Treaty on European Union, following the U.K. referendum on June 23, 2016 in which voters approved, on an advisory basis, an exit from the EU, commonly referred to as “Brexit”. The British government will commence negotiations to determine the terms of the U.K.’s withdrawal from the EU. The U.K. is now scheduled to leave the EU by the end of March 2019 and until the U.K. officially exits the EU, EU laws and regulations will continue to apply, and changes to the application of these laws and regulations are unlikely to occur during negotiations. However, due to the size and importance of the U.K. economy, the uncertainty and unpredictability concerning the U.K.’s legal, political and economic relationship with Europe, there may continue to be instability in the international markets, significant currency fluctuations, and/or otherwise adverse effects on trading agreements or similar cross-border cooperation arrangements for the foreseeable future, including beyond the date of the U.K.’s withdrawal from the EU. It is also possible that members of the European monetary union could hold a similar referendum regarding their membership within the eurozone in the future. If the U.K. and the EU are unable to negotiate acceptable withdrawal terms or if other EU member states pursue withdrawal, barrier-free access between the U.K. and the other EU member states or among the European economic area overall could be diminished or eliminated. The realization of these concerns could lead to the exit of one or more countries from the European monetary union and the re-introduction of individual currencies in these countries, or, in more extreme circumstances, the possible dissolution of the euro entirely, which could result in the redenomination of a portion, or in the extreme case, all of Telenet’s euro-denominated assets, liabilities and cash flows to the new currency of the country in which they originated. This could result in a mismatch in the currencies of Telenet’s assets, liabilities and cash flows. Any such mismatch, together with the capital market disruption that would likely accompany any such redenomination event, could have a material adverse impact on Telenet’s liquidity and financial condition. Furthermore, any redenomination event would likely be accompanied

by significant economic dislocation, particularly within the eurozone countries, which in turn could have an adverse impact on demand for Telenet's products, and accordingly, on its revenue and cash flows. Moreover, any changes from euro to non-euro currencies would require Telenet to modify its billing and other financial systems. No assurance can be given that any required modifications could be made within a timeframe that would allow Telenet to timely bill its customers or prepare and file required financial reports. In light of the significant exposure that Telenet has to the euro through its euro-denominated borrowings, derivative instruments, cash balances and cash flows, a redenomination event could have a material adverse impact on Telenet.

The U.K. referendum advising for the exit of the U.K. from the E.U. could have a material adverse effect on Telenet's business, financial condition or results of operations.

On June 23, 2016, the U.K. held a referendum in which voters approved, on an advisory basis, an exit from the E.U., commonly referred to as "Brexit". The terms of any withdrawal are subject to a negotiation period that could take until March 2019. A withdrawal could, among other outcomes, disrupt the free movement of goods, services, people and capital between the U.K. and the E.U., undermine bilateral cooperation in key geographic areas and significantly disrupt trade between the U.K. and the E.U. or other nations as the U.K. pursues independent trade relations. The initial impact of the announcement of Brexit caused significant volatility in global capital markets.

The potential impacts, if any, of the uncertainty relating to Brexit or the resulting terms of the withdrawal of the U.K. from the E.U. on customer behavior, economic conditions, interest rates, currency exchange rates, availability of capital or other matters are unclear. Examples of the impact Brexit could have on Telenet's business, financial condition or results of operations include:

- (1) changes in foreign currency exchange rates and disruptions in the capital markets;
- (2) global economic uncertainty, which may cause its customers to re-evaluate what they are willing to spend on Telenet's products and services; and rules relating to data protection, consumer protection and e-commerce; and
- (3) various geopolitical forces may impact the global economy and Telenet's business, including, for example, other EU member states proposing referendums to, or electing to, exit the E.U.

Any of these effects of Brexit, and others that Telenet cannot anticipate, could adversely impact its business, results of operations and financial condition.

Risks Relating to Legislative and Regulatory Matters

Telenet is subject to significant government regulation and supervision, which could require it to make additional expenditures or limit its revenues and otherwise adversely affect its business.

Telenet's activities as a cable television and telephony operator in Flanders and part of Brussels are subject to regulation and supervision by various regulatory bodies, including local, Flemish and national authorities and the EU. These regulations may increase Telenet's administrative and operational expenses and limit its revenues. Telenet's enhanced video, internet and data business may also become subject to increasing risks and regulations. See "*Description of Telenet's Business—Regulation*".

Telenet is subject to, among other things:

- price regulation for certain services that it provides;
- rules governing the interconnection between different telephone networks and the interconnection rates that it can charge and that it pays;
- rules and remedies relating to non-discriminatory access, transparency and price control imposed on electronic communications services providers with SMP;
- risk of regulatory authorities granting third parties access to its network;

- rules, regulations and authorization requirements relating to consumer protection, including in respect of providing credit to consumers;
- requirements that, under specified circumstances, a cable system carry certain broadcast stations or obtain consent to carry a broadcast station;
- rules on identification of users and subscribers and other anti-terrorist regulations;
- rules for authorizations, licensing, acquisitions, renewals and transfers of licenses;
- rules and regulations relating to subscriber privacy;
- requirements that it provide or contribute to the provision of certain universal services, including requirements to provide certain “social” tariffs;
- taxes imposed on its public rights of way; and
- other requirements covering a variety of operational areas such as land use and environmental protection, moving the cables in its network underground, equal employment opportunity, technical standards and subscriber service requirements.

Telenet also offers new products in emerging areas, such as mobile broadband, that are not currently subject to extensive regulation. Changes in applicable law, regulations or government policy (or in the interpretation of existing laws or regulations) could greatly influence Telenet’s viability and how it operates its business and introduce new products and services. Telenet’s business could be materially and adversely affected by any changes in relevant laws or regulations (or in their interpretation) regarding, for example, licensing requirements, access and price regulation, interconnection arrangements or the imposition of universal service obligations, or any change in policy allowing more favorable conditions for other operators.

In addition, pursuant to the Electronic Communications Law as amended by the 2012 Law, all providers are required to contribute to the funding of universal services, which mainly consist of the offering of social tariffs. Contribution is made to a universal service fund managed by the BIPT and the request for such contributions will depend on a) whether the provider of social tariffs (in this case the incumbent) can demonstrate to the BIPT that offering social tariffs is generating net costs (as opposed to a profit) and b) whether such net costs are deemed by the BIPT to be an unfair burden for the relevant provider. The monetary value of potential contributions to the fund is based on the share of turnover in the overall (fixed and mobile) telephony and broadband market of a provider. No payments have yet been made to the fund with respect to social tariffs (fixed and mobile telephony), since part of the relevant Belgian legislation was successfully contested by the European Commission before the European Court of Justice and by KPN Belgium, Mobistar NV (now Orange Belgium) and others before the Belgian Constitutional Court. The Belgian Constitutional Court annulled the provisions of the law of April 25, 2007 that introduced the provisions on the methodology for calculating the net costs in the Electronic Communications Law on the basis of the European Court of Justice’s preliminary ruling that found that the Belgian legislation had failed to provide a proper methodology for calculating the net costs of providing social tariffs. The Electronic Communications Law, as amended by the 2012 Law, may require operators (including Telenet) to retroactively pay compensation for Proximus’ alleged net costs arising from the provision of the social tariff portion of the universal service for the period from mid-2005 to the present (if and to the extent these costs are deemed by the BIPT to be an unfair burden for Proximus). In a letter dated June 29, 2015, the BIPT confirmed that it had completed the analysis of the alleged unfair burden suffered by Proximus for the execution of the universal service obligations for the period from 2005 to 2012. The BIPT suspended the publication of the outcome of the analysis following the withdrawal by Proximus of its request for compensation. The relevant provisions of the Electronic Communications Law, as amended by the 2012 Law, were again disputed by KPN Group Belgium and Mobistar NV (now Orange Belgium) before the Belgian Constitutional Court, requesting annulment of the provisions relating to, a) the inclusion of social tariffs for mobile services and internet subscriptions in the universal service obligations compensation system, b) the retroactive application of the compensation mechanism and, c) the method of calculating the net costs/profits of offering social tariffs and the method of determining whether this constitutes an unfair burden. The Court rejected the second part of the claim (relating to the retroactive application of the compensation mechanism) and the third part of the claim (method of calculation). The Belgian Constitutional Court thereby confirmed the possible application of retroactive funding. If applied, Telenet may have to pay up to €1.6 million for each year beginning from mid-2005. Such exposure would amount to nearly €8.5 million for the period between mid-2005 and the end of 2010. In respect of the first

part of the claim, the Court requested on December 19, 2013 a preliminary ruling by the European Court of Justice on the compatibility of the social tariffs for mobile services and internet subscriptions with Directive 2002/22/EC (the Universal Service Directive). In its preliminary ruling of June 11, 2015, the European Court of Justice held that the Universal Service Directive only applies to internet subscription services requiring a connection to the internet at a fixed location, but not to mobile communication services, including internet subscription services provided by means of those mobile communication services. The European Court of Justice further held that Member States are free to consider mobile communication services (including internet subscription services provided by means of mobile communication services) as additional mandatory services, but in that case a financing mechanism for those services involving specific undertakings cannot be imposed on the operators. By a decision dated July 1, 2015, the Council of State partly annulled two Royal Decrees published in May 2013 fixing the reimbursement of social tariffs. The Council of State's decision applies to the period from 2007 to February 2013 and from February 2014 onwards, for which period no retroactive reimbursement of the social tariffs could be requested. However, the BIPT has not yet confirmed whether a reimbursement could be required for the period from April to December 2013. See *"Description of Telenet's Business—Regulation—Telephony Regulation—Universal Service"*.

Telenet's ability to introduce new products and services may also be affected if it cannot accurately predict how existing or future laws, regulations or policies would apply to such products or services.

Current legislation has significantly altered the regulatory regime applicable to Telenet, which could adversely affect its competitive position and profitability.

As of June 30, 2005, the Electronic Communications Law made significant changes to the regulatory regime applicable to the provision of telephony, internet and certain interactive communication features in Telenet's iDTV services. The Electronic Communications Law was adopted to implement the EU Framework Directive and the related EU Universal Service Directive, the EU Access Directive, the EU Authorization Directive, the EU Data Protection Directive on Privacy and Electronic Communications and the EU Competition Directive (collectively, the **"EU Framework"**). See *"Description of Telenet's Business—Regulation—The EU Framework"*. Under the EU Framework, as implemented in Belgium, the BIPT and the VRM may impose pricing restrictions and other requirements on entities which they deem to have SMP in any non-competitive relevant market in which those entities operate. This additional requirement could force Telenet to follow certain principles of transparency and non-discrimination, to grant others access to the networks that it uses and to apply cost allocation mechanisms and accounting separation between the different electronic communications services that Telenet provides. See *"—Telenet may become subject to more extensive regulation if it is deemed to possess significant market power in any of the markets in which Telenet operates"* and *"Description of Telenet's Business—Regulation—Broadcast Regulation—Decisions of the BIPT, the VRM, the CSA and the Medienrat"*.

The Flemish government implemented EU Directive 2007/65/EC on audiovisual media services into Flemish legislation on March 27, 2009 through the 2009 Broadcasting Decree. This directive amends the former EU Directive 89/552/EEC on television without frontiers, and this directive has since been codified in EU Directive 2010/13/EU of the European Parliament and of the Council of March 10, 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in EU member states concerning the provision of audiovisual media services (codified version) (the **"AVMS Directive"**). The most relevant changes are the extension of the scope of the previous directive to all types of TV-like services, which permits a fair competition between all audiovisual media services. The AVMS Directive covers not only linear services (*i.e.*, television broadcasting) but also—with some lighter rules—non-linear services (*i.e.*, on-demand services provided for the viewing of programs at the moment chosen by the user at request and on the basis of a catalogue of programs). As VOD services were already regulated by Belgian media law, especially in Flanders, the transposition of the AVMS Directive has not caused a significant change in the regulation of VOD services in Telenet's footprint. Advertising revenues remain the main source of financing free-to-air television programs. The update of these rules allows broadcasters to operate in a more sustainable way. The AVMS Directive lifts certain advertisement restrictions such as product placement advertising. See *"Description of Telenet's Business—Regulation Broadcasting—Regulation—Overview"*.

Directive 2009/140/EC, implemented into Belgian legislation by the 2012 Law, provides that national regulators for telecommunications, such as the BIPT, are required to promote net neutrality principles. These principles provide that internet service providers may not block data transmissions traffic on the internet. The net neutrality principles are being further developed at the European level as part of the "Connected Continent" legislative package proposed by the European Commission. Regulation 2015/2120 laying down measures concerning open internet access has been in force since April 30, 2016 and establishes common rules to safeguard equal and non-

discriminatory treatment of traffic in the provision of internet access services and related end-users' rights. Net neutrality principles might have the effect of reducing Telenet's ability to manage its network's resources in an effective manner and might possibly cause congestion or prevent it from using its bandwidth in ways that would generate maximum revenue.

By way of Decree of July 19, 2013, the Flemish Parliament inserted a provision in the Broadcasting Decree requiring the consent of the broadcasters for any functionality that a service provider (such as Telenet) offers to its end users in respect of any linear broadcasts from such broadcasters that allows the end users to watch the broadcasts in a delayed, shortened or altered manner. This provision aims in particular to target the "fast forward" function on set-top box devices, which allows end users to skip advertisement during delayed viewing of broadcasts (thereby reducing certain broadcasters' advertising income). Telenet believes that this and other related legislation may impact negotiations with broadcasters for new or renewed broadcasting agreements, and may have an adverse effect on Telenet's business in terms of additional payments due to broadcasters and/or to technical adjustments to equipment to be made. The distribution agreements with VRT and MEDIALAAN entered into during the course of 2014 and which are currently in place require Telenet to distribute the broadcasters' signal in an unaltered manner. Telenet is currently in the process of negotiating a new agreement with SBS in this respect. The relevant broadcasters have given Telenet the right to offer its customers a "slightly delayed viewing" and a personal video recorder (PVR) functionality. Telenet is required to pay a higher fee for each customer using these functionalities. See *"Risk Factors—If Telenet is unable to obtain attractive programming or necessary equipment and software on satisfactory terms for its enhanced video services, the demand for these services could be reduced, thereby lowering revenue and profitability"*.

Separately, it is possible that certain amendments will be made to the Broadcasting Decree in light of Telenet's 50% strategic investment in the Flemish media company De Vijver Media. De Vijver Media owns two free-to-air commercial channels ("VIER" and "VIJF") and a content production house ("Woestijnvis"). In February 2014, the VRM, at the request of the Flemish Minister for Media, issued a note regarding the possible consequences of an acquisition by Telenet of a shareholding in De Vijver Media with respect to concentrations in the Flemish media sector. In its note, the VRM indicated that there may be potential horizontal, vertical and cross-medial concentration issues. The VRM described a number of options to remediate such media concentration, including (i) imposing limitations to shareholdings in television broadcasting companies, (ii) expanding the "must-carry" obligations for service distributors, (iii) creating a "must-offer" obligation, which would require broadcasters to offer their signal to service distributors requesting such access, and (iv) imposing additional obligations on companies with significant market power in the content delivery market. The coalition agreement that was executed by the Flemish government in 2014 indicates that the Flemish media policy in the legislative period between 2014 and 2019 will aim to guarantee, among other things, a broad and balanced media landscape and measures to combat the negative consequences of media concentrations, vertical integration and cross-medial actions. For more information on the commitments that were made by Telenet and De Vijver Media to obtain clearance from the European Commission, see *"Management's discussion and analysis of financial condition and results of operations of Telenet—Key factors affecting Telenet's business—Acquisitions and divestitures"*.

Finally, the telecom regulator in Luxembourg, the ILR (*Institut Luxembourgeois de Régulation*), is currently preparing its draft market analysis for the regulation of the broadband markets for wholesale local and central access in Luxembourg. Although the broadband market shares of Coditel Lux are limited, timing and outcome of this analysis is not known yet. With the increased focus by telecom regulators on access to cable networks, there can be no assurances that these developments will not have an impact on Coditel Lux.

Telenet may become subject to more extensive regulation if it is deemed to possess significant market power in any of the markets in which it operates.

The EU Framework, as implemented in Belgium, imposes pricing and other potential requirements on entities deemed to have SMP in non-competitive relevant markets in which they operate. Among other markets, the European Commission has identified "wholesale broadband access", "termination on individual mobile networks" and "termination on individual public telephone networks at a fixed location" as relevant markets. Although the "broadcasting transmission services to deliver broadcast content to end-users" market has been deleted from the European Commission list of relevant markets, national regulators can analyze the wholesale broadcast market subject to such market meeting certain conditions set out by the European Commission.

Following the BIPT's analysis of the broadband access market, the regulator confirmed that the relevant market is national rather than regional, and that cable networks, including the Telenet Network, are not an effective equivalent market substitute on that market. Telenet cannot assure you that any potential future market analysis

may not reach a different conclusion. See “*Description of Telenet’s Business—Regulation— Provisions Applicable to All Electronic Communications—Entities with Significant Market Power*”.

In recent decisions from the BIPT, Telenet has been held to be an entity with SMP in certain relevant markets. The designation of Telenet as an SMP provider will result in requiring Telenet to provide other service providers access to its network for purposes of providing competing broadband and broadcasting services at regulated prices, and impose other restrictions on how it operates its network and markets its services. Granting such access would limit the bandwidth available for Telenet to provide other products and services to the customers served by its network. Such regulation could:

- impair Telenet’s ability to use its bandwidth in ways that would generate maximum revenue;
- create a shortage of capacity on its network, which could limit the types and variety of services Telenet could provide its customers;
- strengthen Telenet’s competitors by granting them access to Telenet’s network and lowering their costs to offer competing products and services; and
- have a significant adverse impact on Telenet’s profitability.

Wholesale broadband access market

In December 2010, the members of the CRC (BIPT, VRM, CSA and Medienrat) published their respective draft decisions reflecting the results of their analysis of the broadcasting market in Belgium. At the same time, the BIPT published its draft decision regarding the analysis of the broadband market in Belgium. After a public consultation, the draft decisions were submitted by the CRC to the European Commission. The European Commission issued a notice on the draft decisions which criticized the analysis of the broadcasting markets on several grounds, including the fact that the CRC failed to analyze upstream wholesale markets. It also expressed doubts as to the necessity and proportionality of the various remedies.

The CRC nevertheless adopted a final decision on July 1, 2011 (the “**July 2011 Decision**”) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (i) an obligation to make a resale offer at “retail minus” of the cable analog package available to third party operators (including Proximus), (ii) an obligation to grant third-party operators (except Proximus) access to digital television platforms (including the basic digital video package) at “retail minus,” and (iii) an obligation to make a resale offer at “retail minus” of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Proximus). A “retail-minus” method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding value-added taxes and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as, for example, costs for billing, franchise, consumer service, marketing, and sales).

After Telenet submitted draft reference offers in February 2012 to meet the three obligations described above in each of Flanders and Brussels, the CRC made its observations and launched a national consultation process and consulted with the European Commission. Although the European Commission expressed doubts regarding the proportionality of the analog resale obligation on August 8, 2013, the European Commission did not object to the CRC draft decision on the reference offers. On September 9, 2013, the CRC then published the final decisions on the draft reference offers (the decisions themselves are dated September 3, 2013). According to the CRC decision, the regulated wholesale services must be available within six months after a third-party operator files a letter of intent and pays an advance payment to each cable operator.

As a result of the July 2011 Decision, which imposed a retail minus pricing method, the CRC had to determine the retail minus tariffs applicable to the services referred to in the July 2011 Decision. On April 2, 2013, the CRC therefore issued a draft decision regarding the “retail minus” tariffs of minus 35% for basic TV (basic analog and digital video package) and minus 30% for the bundle of basic TV and broadband internet services. On October 8, 2013, the European Commission received a draft quantitative decision from the CRC in which they changed the “retail minus” tariffs to minus 30% for basic TV (basic analog and digital video package) and to minus 23% for the bundle of basic TV and broadband internet services. Even though the European Commission made a number of comments regarding the appropriateness of certain assumptions in the proposed costing methodology, the CRC adopted such retail minus tariffs on December 11, 2013.

The CRC soon initiated a consultative process to update the retail minus tariffs in certain respects. Between May 27, 2015, and June 16, 2015, the BIPT, VRM, CSA and Medienrat therefore started public consultations relating to their respective draft decisions reviewing the wholesale tariffs for the services for access to the cable in their respective regions. In these draft decisions, the regulators have stated that cable operators' retail offerings generally contain additional services (such as webmail, webspace, free content or content at a reduced price and access to public WiFi), which are reflected in the price of the retail offering. These additional services have been identified in the report and the regulators have aimed to identify the reference prices for these services. It was proposed that the basis for calculating the "retail minus" tariffs will be reduced accordingly, which would lead to significantly lower "retail minus" tariffs. During the public consultation process, Telenet observed that, due to the different elements taken into account by the CRC to fix the reduced wholesale tariffs, the decision was disproportionate and uncertain. A draft decision was sent by the CRC for review to the European Commission and eventually, the CRC adopted on February 19, 2016 a decision on the revision of retail minus wholesale tariffs for access services to cable networks in the Brussels Capital Region. The February 19, 2016 decision amended the December 11, 2013 decision in respect of retail minus tariffs by, among others, changing the minus determination model (excluding or taking into consideration certain elements for the determination of the retail minus tariffs) and the tariffication of decoders and modems and providing for the valuation of elements excluded from wholesale offers (WiFi access, second screen, etc.), thus reducing the applicable wholesale tariffs for access to the cable in the relevant markets (retail minus tariffs of minus 26% for basic television (basic analog and digital video package) and minus 18% for the bundle of basic television and broadband internet services during an initial two-year period. Following this two-year period, the tariffs would change to minus 15% and 7%, respectively). This February 2016 decision is addressed to Brut  l  , Numericable and Telenet.

On December 27, 2013, wireless operator Mobistar NV (now Orange Belgium) submitted a letter of intent to Telenet to obtain access to three regulated products of Telenet: (i) resale of the analog television offering; (ii) access to the digital television platform; and (iii) resale of the broadband access offering. Orange Belgium paid the advance payment on January 10, 2014. Telenet implemented the access obligations as described in its reference offers, and complied with its implementation obligation towards Orange Belgium in due time, *i.e.* within the period of six months as set forth by the regulator. Since June 23, 2014, access to the Telenet network has become operational and can be applied by Orange Belgium to offer analog television, digital television and the bundle television plus broadband internet to its clients. On November 14, 2014, Proximus also submitted a request to start access negotiations. Telenet contested this request and has asked the Belgian Regulatory Authorities to assess the reasonableness of the Proximus request. This question is addressed in the Belgian Regulatory Authorities draft market review decisions of July 7, 2017. The timing for a decision from the Belgian Regulatory Authorities on this assessment is not yet clear.

The above decisions have led to a number of proceedings and litigations. Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet's appeal of the July 2011 Decision and accepted Proximus' claim that Proximus should not be systematically excluded from access to Telenet's, among other operators', digital television platform and the resale of bundles of digital video and broadband internet services. On November 30, 2015, Telenet filed an appeal of this decision with the Belgian Supreme Court. In 2014, Telenet and wireless operator Orange Belgium each filed an appeal with the Brussels Court of Appeal against the initial retail minus decision of December 11, 2013. On April 25, 2016, Telenet also filed an appeal with the Brussels Court of Appeal challenging the February 19, 2016 retail minus decision. These proceedings against the February 19, 2016 decision have been joined by the Brussels Court of Appeal with the proceedings initiated by Telenet on February 20, 2014 against the decision of the CRC of December 11, 2013. On October 25, 2017, the Court of Appeal issued a judgment annulling both the December 11, 2013 and February 19, 2016 retail minus decisions, with effect from April 30, 2018. There can be no assurances that the decision of the Brussels Court of Appeal will not be appealed before the Supreme Court.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (i) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (ii) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts will be dependent on the extent to which competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments. Orange Belgium has since requested and obtained access to the Telenet network and has launched its television and broadband internet offer over the Telenet network. Similarly, Orange Belgium made an official request to obtain regulated access to Coditel Brabant's network in February 2016. As Orange Belgium argues that it had not been provided with effective access within the six-month implementation period, it brought a claim for

damages against Coditel Brabant on December 29, 2016 before the French-speaking Commercial Court of Brussels. Orange Belgium claimed to have suffered a loss of €8,973 per day of delay. These legal proceedings are currently ongoing. See also “*Description of Telenet’s Business—Regulation—Broadcasting Regulation—Decisions of the BIPT, the VRM, the CSA and the Medienrat*”.

On July 7, 2017, the BIPT published a draft decision regarding the analysis of the broadband and television broadcasting markets which it submitted for consultation. The public consultation ran until September 15, 2017, followed by a notification to the European Commission for advice by the end of 2017. In its draft decision, the BIPT defined retail markets (broadband over fixed network for residential customers, broadband over fixed network for non-residential customers, and provision of a television signal) as well as wholesale markets (local access, central access under ITU SG15 standardisation, central access under CableLabs standardization, and access to broadcasting over cable networks). For these markets, the BIPT concluded that Telenet, together with Proximus and other cable operators, such as Brute’le’, Nethys and SFR, have SMP, and proposed a number of regulations to ensure effective competition and user satisfaction. These measures relate to non-discrimination, transparency and price control. In respect of price control, the BIPT proposed a methodology to replace the pre-existing retail minus methodology: (i) a cost obligation over the local and central access services over the copper network, and (ii) an obligation to apply fair tariffs for the other wholesale services (over fibre and cable), and a cost orientation obligation for the ancillary services. By “fair”, the BIPT means a price which may exceed the costs while keeping a link with costs, allowing for a reasonable margin between the cost of the product and the wholesale price. Timing for a final decision is unknown. If this draft market review decision is adopted in 2018, it will replace the July 2011 Decision.

Termination on individual public telephone networks at a fixed location market

The European Commission has also identified the termination of calls “on a separate public network to a fixed location” as a market to be regulated by the BIPT. Under this defined market, whether a network operator would have SMP in terminating calls on its own network depends, among other things, on the relative market position of the operator and the other operators seeking to interconnect to its network. If an operator is found to have significant power in this market, it can be required to charge interconnection termination rates that reflect its cost of providing the service. In August 2006, the BIPT issued its decision on the fixed-line telephony termination market, imposing a linear glide path on all the alternative operators over three years towards near reciprocity of interconnection rates, starting in January 2007. In August 2010, the BIPT issued a decision aimed at correcting certain aspects of its decision of August 2006, which was partially annulled by the Brussels Court of Appeal in June 2009, particularly as regards the maximum mobile termination rates to be charged by operators having SMP from November 2006 to April 2008. From January 1, 2009 to March 31, 2012, Telenet was allowed to charge to Proximus the Proximus termination charge to Telenet plus 15%. As of April 1, 2012, this 15% surcharge has been cancelled by BIPT decision, thus reaching full reciprocity on the Belgian fixed-line telephony market. On July 14, 2015, the BIPT published a draft decision regarding the wholesale tariffs for call termination on the public telephone network provided at a fixed location. The BIPT has organized a public consultation on this draft decision which was open for reactions until September 15, 2015. On August 25, 2016, the BIPT Council published a decision on wholesale tariffs for call termination services on the public telephone network at a fixed location. The BIPT decision was later annulled by a decision of the Brussels Court of Appeal dated March 15, 2017 on the grounds of procedural irregularity, as the August 25, 2016 decision had not been notified to the Belgian Competition Authority.

Termination on individual mobile networks market

With respect to the third market on which Telenet is deemed to possess SMP (call termination on an individual mobile network), the BIPT published a new final decision on May 26, 2017 which replaces the previous decision on tariffs for call termination on an individual mobile network dated June 29, 2010. This decision designates Telenet (among other operators) as an entity having SMP and imposes a number of regulations to ensure effective competition and user satisfaction. These measures relate to non-discrimination, transparency and price control. Specifically in respect of price control, the decision imposes a bottom-up long run incremental cost model to calculate tariffs for call termination on individual mobile networks.

Telenet may be subject to conflicting regulations, inconsistent court judgments and regulatory rulings.

Telenet’s networks and related operations are subject to regulation by national, regional and local authorities. The national regulator has principal authority over regulating Telenet’s broadband internet and telephony operations, and the regional regulator has principal responsibility for regulating its broadcasting activities. Local authorities

may also pass regulations that affect Telenet's operations from time to time, including issuing orders that require Telenet to move its cables underground. Issues may arise with respect to conflicting regulations applying to the networks Telenet operates and for the services it provides. Aspects of iDTV, for example, e-mail functions, may be subject to regulation by the national regulator, whereas the broadcasting features of iDTV are regulated by the regional regulator. Decisions of the Constitutional Court resulted in cooperation agreements signed by all parties. Notwithstanding the existence of the cooperation agreements, the structure of the bodies that regulate Telenet may generate situations where progress is hindered by the requirement to coordinate among the parties to the cooperation agreements. See "*Description of Telenet's Business—Regulation—The EU Framework*," "*—Telephony Regulation—The Belgian Institute for Postal Services and Telecommunications*," and "*—Broadcasting Regulation—Overview*".

As another example, Telenet is subject to certain local regulations with respect to its networks, including network rights of way. For telecommunications networks, the 1991 Law explicitly provides that public authorities (e.g., municipalities) cannot charge network operators for the rights of way granted to them. Several municipalities have implemented a model regulation requiring payment for "the municipal services and the use of the municipal public domain as a result of works on permanent utilities on the municipal public domain". Telenet has asked the Flemish provincial governors to suspend these regulations on the grounds that they violate the 1991 Law. Several province governors have confirmed that the regulations do not apply to Telenet's networks because they are superseded by the 1991 Law. In light of the preliminary ruling by the European Court of Justice of September 4, 2014, as well as earlier judgments by the Belgian Constitutional Court of December 15, 2011 and the Belgian Supreme Court of March 30, 2012, relating to the local authorities' right to impose taxes on the economic activity of telecoms operators on their territory through cellular telephone communication masts, pylons or antennae, it cannot be excluded that local authorities may in the future also seek to impose taxes directly or indirectly related to other telecommunications networks, such as Telenet's network, on their territory. Telenet cannot give any assurances that its challenges of such taxes will be successful.

In addition, the Competition Authority has been given authority to resolve disputes between telecommunication operators regarding, among other things, interconnection. The BIPT may still intervene in such disputes on the basis of its general power to enforce relevant legislation. Belgian courts also have jurisdiction with respect to certain aspects of general competition law. These overlapping powers may result in Telenet being forced to litigate competitors' complaints in more than one forum on the same issue. There can be no assurance that the Competition Authority, the BIPT and the Belgian courts will always reach the same or consistent conclusions on identical or similar issues. Such uncertainty can lead to potentially conflicting compliance obligations being imposed on Telenet and forum shopping by potential litigants. These overlapping powers may have a material adverse effect on Telenet's financial condition.

Telenet does not have complete control over the prices that it charges or the programming that it provides, which exposes it to third-party risks and may adversely affect its business and results of operations.

The sixth Belgian state reform made pricing policy matters, including with respect to television distribution, a regional power. Telenet may not receive approval for additional cable television subscription price increases in the future, especially if it further reduces the number of channels included in its basic cable television package, which may have an adverse impact on its revenues, profitability of new products and services and ability to respond to market changes.

Telenet is also required to carry certain broadcast and other channels on its cable system that it would not necessarily carry voluntarily. Following the implementation of the EU Framework by the Flemish legislature, these "must carry" obligations apply to eight of the television channels that Telenet delivers to any specific end user. Telenet must carry the channels from the regional public broadcasters for no fee and also not charge a carriage fee to the other public broadcasters, but can charge commercial rates to other channels it is required to carry. See "*Description of Telenet's Business—Regulation—Broadcasting Regulation—Must Carry*". Telenet cannot guarantee that the remuneration that it receives for providing these required channels will cover its actual costs of broadcasting these channels, or provide the return that it would otherwise receive if Telenet was allowed to freely choose the programming Telenet offer on its system. Under the "must carry" regulations currently in force, it is possible that Telenet may be required to carry additional channels in the future. Increasing the number of channels that it must carry on its network would use valuable network capacity that it could otherwise use to deliver alternative channels or services that may be profitable.

Moreover, under the Electronic Communications Law, all providers of telephony and broadband services must offer social tariffs for specific categories of users by applying discounts and percentages as set out in the annex to

the Electronic Communications Law. See “*Description of Telenet’s Business—Regulation— Telephony Regulation—Universal Service*”. Such mandatory social tariffs may have an adverse impact on Telenet’s revenues, profitability of new products and services and ability to respond to market changes.

Telenet may incur significant costs to comply with city planning laws.

Approximately 40% of Telenet’s local loop is located above ground. Local municipal governments have the authority to require Telenet to move these network lines underground. Usually, Telenet is able to coordinate with other utility suppliers to share the costs associated with moving lines underground but it cannot assure you that it will always be able to do so. Nevertheless, the costs of complying with municipal orders can be substantial, and may require Telenet to incur significant costs in the future.

Telenet is subject to new anti-terrorist regulation

The Electronic Communications Law was amended by a law of September 1, 2016 extending existing identification obligations, in particular with respect to end users, on electronic communication services sales channels and companies providing identification services. The same law of September 1, 2016 amended the law of November 30, 1998 on information and security services, stating that such information and security services providers may, in the course of their duties, request some identification information from banks and financial institutions. A Royal Decree of November 27, 2016 implemented the modifications brought by the law of September 1, 2016 concerning the identification of prepaid cards’ users. These measures are intended to combat terrorism and human trafficking by imposing obligations on prepaid cards’ users, on companies providing such prepaid cards, on electronic communication services sales channels and on identification services providers. These obligations include, for instance, identification obligations for the users upon request of the company, limitations on the transfer of a prepaid card to a third party and an obligation to block a stolen prepaid card, among other things. Compliance with the aforementioned prepaid registration obligations requires an extensive operational and technical investment for Telenet as well as for its MVNOs and is subject to, in certain instances, criminal liability.

Article 19, § 1, 2nd indent, 2° of the Royal Decree of November 27, 2016 requires the relevant operators to opt for an identification method to be approved by the Minister of Justice. The method chosen by Telenet was approved by Ministerial Decree of December 19, 2016.

Moreover, a law of May 29, 2016 on the data collection and conservation in the field of electronic communications amended the Electronic Communications Law, requiring in particular that electronic communications operators retain data with respect to, among other things, the identification of users or subscribers, means of communications and access and connection, subject to certain exceptions. This law also requires that operators set up an internal coordination cell intended to provide the necessary identification information to public authorities.

Finally, a law of December 7, 2016, inserted a new article 106/1 in the Electronic Communications Law. The purpose of this new provision is to impose on mobile electronic communications operators an obligation to make their networks and services available for the central communication platform of the Ministry of Home Affairs in order to allow public authorities to warn the population in case of imminent danger, including terrorist threat. A public consultation was also organised by the BIPT on May 9, 2017 on the draft Ministerial Decree amending the Electronic Communications Law relating to the sending of a short text message in case of imminent danger or major disaster.

The Issuer and the 1940 Act.

The Issuer has not registered with the SEC as an investment company pursuant to the 1940 Act, in reliance on the exception contained in Section 3(c)(7) of the 1940 Act. Section 3(c)(7) of the 1940 Act provides that an entity will not be within the statutory definition of “investment company” so long as (a) such entity’s outstanding securities are beneficially owned by U.S. residents that are “qualified purchasers” or “knowledgeable employees” with respect to the Issuer at the time of acquisition of such securities and certain transferees thereof identified in Rules 3c-5 and 3c-6 under the 1940 Act and (b) such entity does not make, or propose to make, a public offering of its securities in the United States.

No opinion or no-action position has been requested of the SEC with respect to the status of the Issuer as an investment company under the 1940 Act. Because the Issuer will not be registered with the SEC as an investment company, investors in the Issuer will not be afforded the protections of the 1940 Act.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the 1940 Act had failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation of the registration requirement of the 1940 Act; and (iii) any contract to which the Issuer is party that is made in violation of the 1940 Act or whose performance involves such violation would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the 1940 Act. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

If the Issuer determines that a purchaser of the Notes that is a U.S. person was not a Qualified Purchaser at the time of its acquisition of the Notes, the Issuer will have the right, at its option, to require such person to dispose of its Notes to a person or entity that is qualified to hold the Notes immediately upon receipt of a notice from the Issuer that the relevant purchaser was not a Qualified Purchaser.

Litigation Risks

Legal proceedings concerning the agreement-in-principle and PICs Agreement concluded between Telenet and *the PICs, Interkabel and INDI*.

On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the “**PICs Agreement**”), which closed effective October 1, 2008. Beginning in December 2007, Proximus, the incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements. Proximus lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle and initiated a civil procedure on the merits claiming the annulment of the agreement-in-principle. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Proximus in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Proximus brought this appeal judgment before the *Cour de Cassation* (the Belgian Supreme Court), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet in the civil procedure on the merits, dismissing Proximus’ request for the rescission of the agreement-in-principle and the PICs Agreement. On June 12, 2009, Proximus appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Proximus is now also seeking compensation for damages. While these proceedings were suspended indefinitely, other proceedings were initiated, which resulted in a ruling by the Belgian Council of State in May 2014 annulling (i) the decision of the PICs not to organize a public market consultation and (ii) the decision from the PICs’ board of directors to approve the PICs Agreement. In December 2015, Proximus resumed the civil proceedings pending with the Court of Appeal of Antwerp seeking to have the PICs Agreement annulled and claiming damages of €1.4 billion.

Telenet intends to defend itself vigorously in the resumed proceedings. A judgment of the Court of Appeal of Antwerp is not expected before mid-December 2017. No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the annulment of the PICs Agreement and/or to an obligation of Telenet to pay compensation for damages, subject to the relevant provisions of the PICs Agreement, which stipulate that Telenet is responsible for damages in excess of €20.0 million. There can be no assurances that the ultimate resolution of this matter will not have a material adverse impact on Telenet’s results of operations, cash flows or financial position (although Telenet does not expect this to be the case). No amounts have been accrued by Telenet with respect to this matter as the likelihood of loss is not considered to be probable.

Telenet may become subject to class action suits by customers.

The law of March 28, 2014 introduced a new section in the Belgian Code of Economic Law entitled ‘actions for collective redress’, establishing a legal framework for class actions brought by groups of individual consumers. The law allows both opt-in systems (where consumers need to take action before becoming a member of the group) and opt-out systems (where consumers do not need to take such action). Although the law does not allow for class actions on the basis of general tort law, it does allow for claims brought by consumer groups against companies based on the violation of consumer protection legislation to which Telenet is subject, including general consumer protection rules in Book VI of the Belgian Code of Economic Law and specific consumer protection rules in the Electronic Communications Law and the relevant decrees thereto.

Therefore, it cannot be excluded that Telenet will be a defendant in a future class action law suit. Such class actions may have a material adverse effect on Telenet's business, reputation and financial condition.

Risks Relating to Telenet's Employees, Management, Principal Shareholders and Related Parties

The loss of certain key personnel could harm Telenet's business, and a failure to sustain a good working relationship with employee representatives could harm its business.

Telenet's key employees possess substantial knowledge of its business and operations. Telenet cannot assure you that it will be successful in retaining their services or that it would be successful in hiring and training suitable replacements without undue costs or delays. As a result, the loss of any of these key employees could cause significant disruptions in Telenet's business operations, which could materially adversely affect its results of operations.

In its business, Telenet relies on sales forces and call center employees to interface with the major part of its residential customers. Their reliability is key as is Telenet's relationship with employee representatives and unions, and Telenet's business could suffer reputational or financial harm, as a result of their strikes or other (collective) actions.

Telenet may have conflicts of interest with its principal shareholders, which could adversely affect its business and the value of its shares.

Liberty Global is Telenet's largest shareholder owning a 57.65% stake in Telenet as at October 31, 2017. When business opportunities, or risks and risk allocation arise, the interests of Liberty Global (or other Liberty Global controlled entities) may be different from, or in conflict with, Telenet's interests on a stand-alone basis. Because Telenet is indirectly controlled by the parent entity, Liberty Global may allocate certain or all of its risks to Telenet and Telenet cannot assure you that Liberty Global will permit it to pursue certain business opportunities.

Telenet may also have conflicts of interest if it engages in commercial transactions with other entities controlled by its principal shareholder, Liberty Global, or if there are business opportunities that both Telenet and another entity controlled by Telenet's principal shareholder would like to pursue. Telenet currently has management and technical service contracts with Liberty Global or its affiliates. Telenet cannot guarantee that conflicts will not in some instances arise.

In addition, Liberty Global may cause Telenet to make acquisitions that may increase the amount of Telenet's indebtedness (including secured indebtedness) or cause Telenet to sell assets. Furthermore, Liberty Global may also pursue acquisition opportunities that may be complementary to Telenet's business and, as a result, those acquisition opportunities may not be available to Telenet. So long as Liberty Global continues to own a significant amount of Telenet's capital stock, even if such amount is less than 50%, Liberty Global will continue to be able to strongly influence or effectively control Telenet's decisions. The interests of Liberty Global may not coincide with Telenet's interests.

Telenet may not be able to integrate SFR Belux effectively and realize the anticipated synergies from the Coditel Acquisition.

Realizing the benefits of the Coditel Acquisition will require the integration of some or all of the procurement, production, distribution and service, sales and marketing, finance, information technology systems and administrative operations of SFR Belux into those of the Telenet Group. If Telenet cannot successfully integrate SFR Belux within the anticipated time frame, it may not be able to realize the potential benefits anticipated from the Coditel Acquisition. Telenet will also be reliant on SFR Belux's selling shareholders for certain transitional services and on-going co-operation, as further described below. Telenet's failure to successfully integrate SFR Belux and the diversion of management attention and other resources from our existing operations could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, even if Telenet is able to successfully integrate the operations of SFR Belux Telenet may not be able to realize the cost savings, synergies and revenue enhancements that Telenet anticipates from the Coditel Acquisition, either in the amount or within the time frame that Telenet currently anticipates, and the costs of achieving these benefits may be higher than, and the timing may differ from, what Telenet expects. Telenet's ability to realize anticipated cost savings, synergies and revenue enhancements may be affected by a number of factors, including the following:

- the use of more cash or other financial resources on integration and implementation activities than Telenet expects, including restructuring and other exit costs; and
- increases in other expenses related to the Coditel Acquisition, which may offset the cost savings and other synergies from the Coditel Acquisition.

For example, Telenet expects to invest an estimated €12.0 million in SFR Belux for projected one-off investments in integration costs, and Telenet cannot assure investors that such investments will achieve or realize the anticipated benefits, cost savings or synergies.

SFR Belux may have liabilities that are not known to Telenet and those that are may pose certain risks.

There may be liabilities related to SFR Belux, including tax liabilities and legal or administrative actions, that Telenet failed or was unable to discover in the course of performing due diligence investigations into SFR Belux, and, although Telenet has certain specific indemnities and other contractual recourse in the sale and purchase agreement, Telenet may not have obtained sufficient contractual recourse for all key risks that it identified and the extent of certain potential liabilities identified may not have been fully uncovered in the course of performing due diligence investigations into SFR Belux. SFR Belux is also dependent on a number of concession agreements with certain municipalities. A number of these may have expired, may not have been entirely formalized or may be retendered in the future. For certain municipalities, there may be uncertainty as to Coditel Lux's continued operations in these municipalities or of the terms of such continued operation. SFR Belux's ability to renew its existing concessions upon expiration or enter into new written agreements, either on commercially attractive terms, or at all, depends on a range of commercial, political and operational factors which may be beyond SFR Belux's control.

Any such liabilities, individually or in the aggregate, could have a material adverse effect on Telenet's business, financial condition and results of operations. As Telenet integrates SFR Belux, Telenet may learn additional information about SFR Belux that adversely affects Telenet, such as unknown or contingent liabilities and issues relating to compliance with applicable laws. Additionally, Telenet cannot guarantee that the potential liabilities that Telenet has identified and mitigated with specific indemnities and other contractual recourse in the purchase and sale agreement do not pose certain incidental risks such as reputational damage. Such liabilities, known or unknown, could have a material adverse effect on Telenet's results of operations and reputation following the Coditel Acquisition.

Telenet remains reliant on SFR Belux's selling shareholders for certain key services until full integration of SFR Belux into the Telenet Group has been achieved.

The Telenet Group has entered into certain transitional arrangements with Altice NV and certain of its subsidiaries (the "**Altice Group**") to ensure SFR Belux's business continuity for a certain period after closing of the Coditel Acquisition, during which time SFR Belux's operations will be integrated into those of the Telenet Group. SFR Belux will particularly depend on the quality and continuity of certain IT and network services provided by the Altice Group during the agreed transition period. In addition, SFR Belux has obtained an exclusive license to use the SFR trademarks in the relevant Belgian and Luxembourg territories for a certain period of time.

Furthermore, Telenet is reliant on a supply agreement, entered into with certain members of the Altice Group, for the supply of La Box set-top boxes which are provided by SFR Belux to its end-customers. In the event of any issue with the manufacturing of the set-top boxes SFR Belux would not have direct recourse against the manufacturer, but must claim against the relevant members of the Altice Group.

These and certain other challenges arising from the continuing reliance on SFR Belux's selling shareholders may affect our ability to effectively integrate SFR Belux into the Telenet Group and may have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to the Notes and the Structure

The Issuer is a financing company which depends on payments under the 2017 Finco Loans to provide it with funds to meet its obligations under the Notes.

The Issuer has been formed as a financing company for the primary purpose of facilitating the offering of the Notes. The Issuer is a financing company that has no material business operations, no direct subsidiaries and no

employees, and, upon completion of the offering of the Notes, its only material assets are the 2017 Finco Loans and its rights under certain related agreements. Furthermore, the Indenture governing the Notes prohibits the Issuer from engaging in any activities other than certain limited activities permitted under the heading “*Description of the Notes—Certain Covenants—Limitations with Respect to Business Activities of the Issuer*”. As such, the Issuer is wholly dependent upon payments from Telenet International Finance which payments are guaranteed by Telenet Group BVBA under the 2017 Finco Loans, other than certain amounts due on the Notes (such as prepayment premiums and additional amounts following certain tax events), which are financed by Telenet International Finance pursuant to the 2017 Telenet Fee Letters or the Telenet Service Agreement, in order to service its obligations under the Notes.

Telenet International Finance conducts no business operations of its own. Telenet International Finance depends on payments from the other members of the Telenet Group to make payments on the 2017 Finco Loans.

Telenet International Finance conducts no business operations of its own. The ability of any of Telenet Group Holding’s direct or indirect subsidiaries to pay dividends or to make other payments or advances to Telenet International Finance depends on their individual operating results and any statutory, regulatory or contractual restrictions to which they may be or may become subject and in some cases Telenet International Finance’s receipt of such payments or advances may be subject to onerous tax consequences. Most of Telenet Group Holding’s operating subsidiaries are subject to the limitations and restrictions in the Senior Credit Facility and/or other debt facilities that restrict sales of assets and prohibit or limit the payment of dividends or the making of distributions, loans or advances to stockholders and partners, including Telenet International Finance. In addition, because these subsidiaries are separate and distinct legal entities they have no obligation to provide Telenet International Finance funds for payment obligations, whether by dividends, distributions, loans or other payments, except Telenet BVBA and Telenet Group BVBA which are guarantors under the Senior Credit Facility.

There can be no assurance that arrangements with Telenet Group Holding’s subsidiaries and the funding permitted by the agreements governing existing and future indebtedness of Telenet Group Holding’s subsidiaries will provide Telenet International Finance with sufficient dividends, distributions or loans to fund payments under the relevant 2017 Finco Loan, and in turn, fund payments by the Issuer under the Notes, when due.

The Notes are structurally subordinated to all indebtedness of the Issuer’s subsidiaries (if any) and will be effectively subordinated to any of the Issuer’s future obligations that are secured by assets or property that do not secure the Notes.

The Issuer does not currently have any subsidiaries, but may incorporate subsidiaries in future. Because none of the Issuer’s future subsidiaries, if any, will guarantee the Notes, none of the Issuer’s future subsidiaries will have any obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or otherwise. The Notes will therefore be structurally subordinated to all indebtedness and other obligations of all of the Issuer’s future subsidiaries, if any, such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any such subsidiary, all of the applicable subsidiary’s creditors would be entitled to payment in full out of such subsidiary’s assets before the Issuer would be entitled to any payment.

By investing in the Notes you have provided consent to the Senior Credit Facility Amendments which will automatically become effective without any further consent from holders of the Notes upon Telenet obtaining the consent of all Telenet Lenders.

The 2017 Finco Accession Agreements and the New Finco Accession Agreements, as applicable contain the consent of the Issuer, as a Telenet Lender, to the Senior Credit Facility Amendments. Accordingly, while the Issuer will have the same voting rights as the other Telenet Lenders in all matters under the Senior Credit Facility, the Issuer will have already provided its consent to any and all of the Senior Credit Facility Amendments at the time it enters into the 2017 Finco Accession Agreements and the New Finco Accession Agreements, as applicable and, therefore, will not be not entitled to vote on any request for consent to the Senior Credit Facility Amendments. As a result, the holders of Notes will not, directly or indirectly, be entitled to direct the vote of the Issuer on such matters and in the event Telenet solicits the consents for any or all of these amendments to the Senior Credit Facility or receive any consent fee or similar fee that may be paid to other Telenet Lenders under the Senior Credit Facility in connection with their approval of these amendments.

The Issuer has the same voting rights as the other Lenders under the Senior Credit Facility. In the event that the Issuer, as a Telenet Lender, is eligible or required to vote (or otherwise consent) (including with respect to any

enforcement decision) with respect to any matter arising from time to time under the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, in which all Telenet Lenders are eligible or required to vote (or otherwise consent), the Issuer will solicit votes (or other consents) from holders of Notes and any other applicable series of Additional Debt with respect to such Senior Credit Facility Decision (as defined in the “*Description of the Notes*”) in accordance with the provisions of the Indenture. The holders of the Notes will under (and effective as of the date of) the Indenture provide their consent to the Senior Credit Facility Amendments. The Issuer will therefore apply Noteholder Consent (as defined in the “*Description of the Notes*”) equal to the aggregate principal amount of the Notes outstanding in respect of any of the Senior Credit Facility Amendments for the purposes of the provisions of the Indenture described under “*Description of the Notes—Amendment, Supplement and Waiver—To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements*”. As a result, the Issuer will not solicit votes (or other consents) from the holders of the Notes with respect to the Senior Credit Facility Amendments. In addition, the Issuer will not be entitled to receive, and will expressly waive under the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, any right it may have to, any consent, waiver, amendment or other similar fee that may be paid to other Telenet Lenders in connection with their approval of the Senior Credit Facility Amendments (including the Issuer as a Telenet Lender in respect of any additional accession agreement to the Senior Credit Facility, or similar instrument or agreement, pursuant to which the Issuer advances the proceeds of the Notes (including any Additional Notes) or Additional Debt into the Telenet Bank Group).

The Senior Credit Facility Amendments include material modifications to certain affirmative and negative covenants, financial maintenance covenants and related definitions, representations and warranties, events of default, mandatory prepayment provisions, administrative provisions and provisions relating to the security package. The Senior Credit Facility Amendments are generally less restrictive and provide greater flexibility to the Telenet Bank Group than the provisions currently included in the Senior Credit Facility. For a summary of the key amendments included in the Senior Credit Facility Amendments, please see “*Description of the Senior Credit Facility and the Related Agreements—Senior Credit Facility—Changes during 2017—Proposed Amendments to the Senior Credit Facility*”. Given the significant nature of the Senior Credit Facility, you should read the Senior Credit Facility Amendments listed in schedules 4, 5, 6, 7, 8, 9 and 10 of Annexes B and C and schedules 4, 5, 6, 7, 8, 9 and 10 of Schedule 11 of Annexes B and C in these Listing Particulars in their entirety before investing in the Notes.

The effectiveness of the Senior Credit Facility Amendments is conditioned upon Telenet obtaining the consent of either the “Majority Lenders” (as defined in the Senior Credit Facility, without giving effect to the Senior Credit Facility Amendments) or with respect to certain amendments, all Telenet Lenders affected by such amendments. The commitments and loans of the Telenet Lenders under Facility V, Facility Z, Facility AB, Facility AH, Facility AG, Facility AI and Facility AI2 already represent those of the Majority Lenders outstanding under the Senior Credit Facility for the purposes of implementation of the First Senior Credit Facility Amendments. Following the issuance of the Notes offered hereby and the funding of the 2017 Finco Loans and the New Finco Loan, as applicable, the commitments and loans of the Issuer as a Telenet Lender is also included in those of the Majority Lenders outstanding under the Senior Credit Facility for the purposes of implementation of the First Senior Credit Facility Amendments. Accordingly, it is intended that the Seventh Senior Credit Facility Amendments that require consent of the Majority Lenders will become effective pursuant to an amendment and restatement of the Senior Credit Facility promptly following the issuance of the Notes. Once the requisite level of consents of Telenet Lenders under the Senior Credit Facility, which may include consents from lenders under future term loan or revolving credit facilities, has been obtained by Telenet, then the remaining Seventh Senior Credit Facility Amendments, as well as the First Senior Credit Facility Amendments, the Second Senior Credit Facility Amendments, the Third Senior Credit Facility Amendments, the Fourth Senior Credit Facility Amendments the Fifth Senior Credit Facility Amendments and the Sixth Senior Credit Facility Amendments also will become effective without any further consent by holders of the Notes.

The Senior Credit Facility Amendments include amendments that would allow the release of the collateral currently securing the 2017 Finco Loans and the Telenet Loans, other than share pledges over the shares of obligors and pledges in respect of subordinated shareholder loans (such released collateral, the “**Asset Collateral**”). These release provisions require the consent of all Telenet Lenders before they become effective. However, the Issuer will have already provided its consent to these amendments at the time it enters into the 2017 Finco Accession Agreements and, therefore, the Issuer will not be entitled to vote with respect to any future request for consent to release the Asset Collateral. Upon the effectiveness of such amendments, holders of the Notes will no longer have the indirect benefit of security in the Asset Collateral.

Certain transactions in connection with the potential Belgian Issuer Accession can be viewed as giving rise to a taxable event for holders of the Notes.

Certain transactions in connection with the potential Belgian Issuer Accession, as generally described in these Listing Particulars, can be viewed as giving rise to a significant modification of the Notes that results in a deemed exchange of the Notes for “new” Notes for U.S. federal income tax purposes. In such a case, U.S. Holders would recognize gain or loss on the amount realized with respect to the deemed exchange. Additionally, U.S. Holders may be treated as acquiring the “new” Notes with original issue discount and may be required to accrue original issue discount following the deemed exchange. For additional discussion of this matter, see “*Tax Considerations—Certain U.S. Federal Income Tax Considerations—Possible Effect of the Belgian Issuer Accession*”. Certain transactions in connection with the potential Belgian Issuer Accession may also have tax consequences in other tax jurisdictions. Holders should therefore consult their tax advisors regarding the tax consequences to them of the potential Belgian Issuer Accession in their respective tax jurisdictions.

Interest payments on the Notes may be subject to Belgian withholding tax following the Belgian Issuer Accession.

Following the Belgian Issuer Accession, payments of interest on the Notes made by the Belgian Issuer will be subject to Belgian withholding tax, currently 30% of the gross amount of the interest on the Notes, unless certain exemptions apply. One such exemption provides for payments of interest by the Belgian Issuer on the Notes without deduction or withholding tax in the event that the Notes are held by certain X/N Eligible Investors (as defined in the “*Description of the Notes*”) in an exempt security account that has been opened with a financial institution that is a direct or indirect participant in the X/N Clearing System operated by the NBB. As a result, if a holder of the Notes is not a X/N Eligible Investor or holds a Definitive Registered Note (as defined in the “*Description of the Notes*”) that can no longer be cleared through the X/N Clearing System, such holder may be subject to Belgian withholding tax. Additionally, in such circumstances, holders of the Notes will be unable to avail themselves to the withholding tax gross-up provisions under the Indenture. See “*Description of the Notes—Withholding Taxes*” and “*Tax Considerations—Belgium*”.

Your ability to recover under the collateral securing the Notes may be limited.

The holders of the Notes benefit from security interests in the Note Collateral.

According to Luxembourg conflict of laws rules, the courts in Luxembourg will generally apply the *lex rei sitae* or *lex situs* (the law of the place where the assets or subject matter of the pledge or security interest is situated) in relation to the creation, perfection and enforcement of security interests over such assets.

As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, bank accounts held with a Luxembourg bank governed by Luxembourg law, etc.

The Luxembourg law of 5 August 2005 on financial collateral arrangements, as amended (the “**Luxembourg Collateral Act 2005**”) governs the creation, validity, perfection and enforcement of pledges over shares and bank accounts located or deemed to be located in Luxembourg. Under the Luxembourg Collateral Act 2005, the perfection of security interests depends on certain registration, notification and acceptance requirements. For ranking purposes, a bank account pledge agreement must be notified to and accepted by the account bank so as to ensure that the account bank has waived any pre-existing security interests and other rights in respect of the relevant account. If (future) bank accounts are pledged, such additional notification to, acceptance and waiver by the account bank will be required. Article 11 of the Luxembourg Collateral Act 2005 sets out enforcement remedies available upon the occurrence of an enforcement event, including, but not limited:

- appropriation by the pledgee or appropriation by a third party of the pledged assets at (i) a value determined in accordance with a valuation method agreed upon by the parties or (ii) (if listed) the listing price of the pledged assets;
- sell or cause the sale of the pledged assets (i) in a private transaction at normal commercial terms (*conditions commerciales normales*), (ii) by a public sale at the stock exchange (if listed shares), or (iii) by way of a public auction;

- court allocation of the pledged assets to the pledgee in discharge of the secured obligations following a valuation made by a court-appointed expert; or
- set-off between the secured obligations and the pledged assets.

The Luxembourg Collateral Act 2005 expressly provides that financial collateral arrangements (including pledges) including enforcement measures are valid and enforceable, even if entered into during the hardening period, against third parties including supervisory, receivers, liquidators and any other similar persons or bodies irrespective of any bankruptcy, liquidation or other situation, national or foreign, of composition with creditors or reorganization affecting any one of the parties.

The Note Collateral securing the Notes is subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be set forth in the documents evidencing the security interests granted over the Note Collateral. The Initial Purchasers have neither analyzed the effect of, nor participated in any negotiations relating to, such exceptions, defects, encumbrances, liens and other imperfections. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Note Collateral securing the Notes as well as the ability of the Trustee to realize or foreclose on such Note Collateral.

As the Luxembourg Collateral Act 2005 does not provide any specific time periods and depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourses, and (iv) the possible need to involve third parties, such as, e.g., courts, stock exchanges and appraisers, the enforcement of the security interests might be substantially delayed. The security interests in the Note Collateral are subject to practical problems generally associated with the realization of security interests in Note Collateral. For example, the Security Trustee may need to obtain the consent of a third party to obtain or enforce a security interest in a contract. The Issuer cannot assure you that the Security Trustee will be able to obtain any such consent. It also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Trustee may not have the ability to foreclose upon those assets and the value of the Note Collateral may significantly decrease. The Trustee is not obliged to take any action to enforce the security interests or foreclose on any assets unless directed to do so by the applicable percentage of holders of the Notes in accordance with the Indenture and indemnified and/or secured to its satisfaction.

The perfection of the security interests created pursuant to pledge agreements does not prevent any third party creditor from seeking attachment or execution against the assets, which are subject to the security interests created under the pledge agreements, to satisfy their unpaid claims against the pledgor. Such creditor may seek the forced sale of the assets of the pledgors through court proceedings, although the beneficiaries of the pledges will in principle remain entitled to priority over the proceeds of such sale (subject to preferred rights by operation of law).

In addition, although Telenet International Finance has agreed pursuant to the Telenet Service Agreement to reimburse the Issuer for certain ongoing obligations of the Issuer, including in respect of the payment of Additional Amounts pursuant to the Indenture following certain tax events and the payment of additional interest required to be paid under the Notes on overdue principal and interest, such reimbursement obligations are limited so that the maximum amount owed at any one time does not exceed the greater of €10 million and the unused portion at that time of the basket described in paragraph (ff) of the definition of Permitted Financial Indebtedness in the Senior Credit Facility (or any corresponding basket following the implementation of the Senior Credit Facility Amendments). As a result, the amount that Telenet International Finance is obligated to pay to the Issuer in respect of such additional amounts or default interest may not be sufficient to enable the Issuer to pay the corresponding amounts due under the Notes and the Indenture. Any failure by the Issuer to pay such additional amounts or default interest will constitute a default under the Indenture.

Furthermore, on the Issue Date, the Issuer, the Trustee and the Security Trustee entered into the Collateral Sharing Agreement governing the relative rights of creditors under the Notes and Additional Debt of the Issuer that benefit from the shared Note Collateral on a *pari passu* basis. The Collateral Sharing Agreement sets out, among other things, the relevant ranking of certain debt of the Issuer, the consent level of the senior creditors required to cast votes and exercise their rights in respect of consents, instructions and remedies under the Indenture, the Notes, the Notes Security Documents (as defined under “*Description of the Notes*”) and the other debt instruments or agreements sharing in the Note Collateral, in each case, when enforcement action can be taken in respect of the Note Collateral by the Security Trustee and the turnover provisions. The Collateral Sharing Agreement provides that the security interests in the Note Collateral may be enforced only upon an acceleration of the amounts due under the Notes following an Event of Default (as defined under “*Description of the Notes*”) under the Indenture, subject to and in accordance with the terms of the Collateral Sharing Agreement. Neither the Trustee nor the

holders of the Notes may, individually or collectively, take any direct action to enforce any rights in their favor under the Notes Security Documents. The Trustee and the holders of the Notes may only take action to enforce the Notes Security Documents through the Security Trustee and the Collateral Sharing Agreement. In addition, pursuant to the Collateral Sharing Agreement, the ability of the Security Trustee to enforce the security interests in the Note Collateral will be restricted and will be at the discretion of the relevant creditors. Consequently, the ability of holders of the Notes to recover under the Note Collateral will be subject to the terms of the Collateral Sharing Agreement and may be limited.

The value of the Note Collateral securing the Notes may not be sufficient to satisfy the Issuer's obligations under the Notes and such Notes Collateral may be released, reduced or diluted under certain circumstances.

The Notes will be secured by (i) all of the Issuer's rights to and benefit in the Finco Loans (including all rights of the Issuer as a Telenet Lender under the Finance Documents (as defined in the Senior Credit Facility) (including the 2017 Finco Accession Agreements and any other Finco Accession Agreements) in respect of which the Issuer has any right, title, benefit and/or interest and the Intercreditor Agreement); (ii) all of the Issuer's rights, title and interests in the Related Agreements and any other Telenet Fee Letters; and (iii) all of the Issuer's rights, title and interests in its bank accounts, including the Issuer's Accounts. The Notes will share in the Note Collateral on a *pari passu* basis with the Issuer's Additional Debt, subject to the terms of the Collateral Sharing Agreement.

In the event of foreclosure on the Note Collateral, the proceeds from the sale of the Note Collateral may not be sufficient to satisfy the Issuer's obligations under the Notes. The value of the Note Collateral and the amount to be received upon a sale of such Note Collateral will depend upon many factors, including, among others, the ability to sell such Note Collateral in a sale in the ordinary course and the availability of buyers. In addition, the relevant Note Collateral may be illiquid and may have no readily ascertainable market value.

The security interest in the collateral securing the 2017 Finco Loans are not granted directly to the holders of the Notes.

The appointment of a foreign security agent will be recognized under Luxembourg law, (i) to the extent that the designation is valid under the law governing such appointment and (ii) subject to possible restrictions depending on the type of the security interests. Generally, according to paragraph 2(4) of the Luxembourg Collateral Act 2005, a security (financial collateral) may be provided in favor of a person acting on behalf of the collateral taker, a fiduciary or a trustee in order to secure the claims of third party beneficiaries, whether present or future, provided that these third party beneficiaries are determined or may be determined. Without prejudice to their obligations vis-à-vis third party beneficiaries of the security, persons acting on behalf of beneficiaries of the security, the fiduciary or the trustee benefit from the same rights as those of the direct beneficiaries of the security aimed at by such law.

The security interests in the collateral securing the 2017 Finco Loans are not granted directly to holders of the Notes. Instead, they are granted in favor of the security agent in respect of the Senior Credit Facility for the benefit of the lenders under the Senior Credit Facility, including the Issuer under the 2017 Finco Loans, and the Issuer's interest in the 2017 Finco Loans in turn serves as collateral for the obligations of the Issuer under the Notes.

As a result, upon the occurrence of an event of default under the Notes, the Trustee on behalf of the holders of the Notes will not have the right to enforce the collateral for the 2017 Finco Loans directly but, instead, would only have the right, through the Security Trustee (and subject to the terms of the Collateral Sharing Agreement), to enforce the security interest in the Issuer's interest in the 2017 Finco Loans (subject always to the Trustee and/or the Security Trustee, as applicable, being directed by the holders of the Notes and indemnified and/or secured to its satisfaction against any liabilities it may incur, and subject further to such enforcement being instructed in accordance with the terms of the Collateral Sharing Agreement, which provides that the holders and/or the lenders, as applicable, of the majority in the aggregate principal amount of all Notes (including any Additional Notes) and Additional Debt outstanding which share the benefit of the Note Collateral, will control any enforcement actions in respect of the Note Collateral, including the 2017 Finco Loans). In addition, subject to the terms of the Intercreditor Agreement, the security agent under the Senior Credit Facility is only obliged to take enforcement action where it is directed by the requisite amount of creditors under the Senior Credit Facility. This indirect claim over the collateral could delay or make more costly any realization of such collateral.

There are circumstances other than repayment or discharge of the Notes under which the security in the Note Collateral will be released, without your consent.

The security for the benefit of the Notes in the Note Collateral may be released under various circumstances, including following an Event of Default (as defined in the “Description of the Notes”) under the Indenture or a default under other Additional Debt of the Issuer secured by the Note Collateral, pursuant to the terms of the Collateral Sharing Agreement, acting at the direction of the relevant instructing group thereunder. The Indenture also permits amendments to any Notes Security Documents or the provisions of the Indenture dealing with Notes Security Documents, which are, taken as a whole, materially adverse to the holders of the Notes or otherwise release the Note Collateral with the consent of at least 75% of the aggregate principal amount of the Notes. In addition, in connection with any Additional Debt of the Issuer that can be incurred and secured over the same Note Collateral, the security may be released and retaken which may lead to renewed hardening periods in various jurisdictions and may limit your recovery in an enforcement proceeding.

Creditors under the Senior Credit Facility are entitled to be repaid with the proceeds of the collateral sold in any enforcement sale on a pari passu basis with the 2017 Finco Loans, and the value of the collateral may not be sufficient to satisfy the obligations of Telenet International Finance under the 2017 Finco Loans.

The security granted in favor of the 2017 Finco Loans also secures all other indebtedness existing under the Senior Credit Facility as a whole on a pari passu basis. In the event of a foreclosure on the liens securing the 2017 Finco Loans, any proceeds received by the security agent in respect of the Senior Credit Facility, as a whole, from the sale of the collateral would be distributed to repay on a pari passu basis all of the creditors under the Senior Credit Facility.

No appraisals of any collateral securing the Senior Credit Facility have been prepared in connection with this offering. The value of such collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers, the jurisdiction in which the enforcement action or sale is completed and the ability to readily liquidate the collateral. Each of these factors or any challenge to the validity of any arrangements governing creditors’ rights under the Senior Credit Facility could reduce the proceeds realized upon enforcement of the collateral. Consequently, there can be no assurance that the proceeds from the sale of the collateral will be sufficient to satisfy the obligations of Telenet International Finance under the 2017 Finco Loans. In addition, there can be no assurance that the collateral could be sold in a timely manner, if at all.

The Issuer’s ability to enforce its rights under the Senior Credit Facility (including the right to accelerate payments under the 2017 Finco Loans on the occurrence of an event of default under the Senior Credit Facility) is limited.

The occurrence of an event of default under the Senior Credit Facility will not automatically result in the Notes becoming due and payable. Only the Telenet Facility Agent may take enforcement steps upon the occurrence of such an event of default. The Telenet Facility Agent may, and must if so instructed by the Majority Lenders under and as defined in the Senior Credit Facility accelerate amounts due under the Senior Credit Facility (including under the 2017 Finco Loans) following the occurrence of such an event of default. The Issuer’s share in outstanding loans and undrawn commitments under the Senior Credit Facility is likely to contribute significantly less than the threshold required for such Majority Lender definition, which is generally two thirds of the aggregate of all outstanding loans and undrawn commitments under the Senior Credit Facility, from time to time. Accordingly, there can be no assurance that the Issuer will be able to require an acceleration of its rights under the 2017 Finco Loans following the occurrence of an event of default under the Senior Credit Facility.

The guarantees of the obligations under the Senior Credit Facility (including the 2017 Finco Loans) may be limited by applicable laws or subject to certain limitations or defences that may adversely affect their validity and enforceability.

As at the date of the Offering Memorandum, Telenet BVBA, Telenet Group BVBA, Telenet International Finance and Telenet Financing USD are the only guarantors of the obligations of the Obligors (as defined in the Senior Credit Facility) under the Senior Credit Facility. In addition, the Senior Credit Facility requires that additional members of the Telenet Group become guarantors under the Senior Credit Facility under certain circumstances. Such guarantees are, or will be, subject to certain specified guarantee limitations and defenses, including, but not limited to, the exclusion of liability to the extent that such guarantee would constitute unlawful financial assistance under applicable law. If one or more of these laws and defenses are applicable, such guarantor may have no

liability, or decreased liability, under any guarantee of the Notes or the obligations under the Senior Credit Facility (including the 2017 Finco Loans) may be unenforceable.

Luxembourg law may affect the validity of security granted over certain of our assets.

The enforceability of the Telenet Loan Collateral, the Initial Telenet Fee Letters Collateral and the Telenet Service Agreement Collateral (each as defined in “*Description of the Notes*”) (collectively, the “**Assignment**”) is uncertain in light of Luxembourg insolvency provisions. In particular, while the Luxembourg Collateral Act 2005 recognizes the validity and enforceability of outright transfers of title to “assets” (which are defined as financial instruments and claims, together, the “**Collateral Act 2005 Assets**”) against third parties, administrators, insolvency receivers, liquidators and other similar persons notwithstanding the existence of a reorganization measure liquidation proceedings or the occurrence of any competing claims between creditors, whether located in Luxembourg or not, it is untested and legally questionable whether assets (other than the Collateral Act 2005 Assets) transferred by way of security (as contemplated by the Assignment) would benefit from the provisions of the Luxembourg Collateral Act 2005.

Telenet International Finance may not have the ability to raise the funds necessary to finance required prepayments of the Senior Credit Facility (including prepayment of the 2017 Finco Loans) in the event of a change of control thereunder.

Upon the occurrence of a Change of Control (as defined in the Senior Credit Facility) and if the Majority Lenders thereunder (and as defined therein) so require, Telenet BVBA and/or Telenet International Finance will be required to prepay the Senior Credit Facility (including the 2017 Finco Loans) and to make a payment to the Issuer equal to 1% of the principal amount of the relevant 2017 Finco Loans. The ability of Telenet International Finance to prepay the relevant 2017 Finco Loan upon a Change of Control would be limited by its access to funds at the time of the prepayment and the terms of its other debt agreements, which agreements could restrict or prohibit such a prepayment. Upon a Change of Control and/or illegality, Telenet BVBA and/or Telenet International Finance may be required immediately to repay the outstanding principal, any accrued interest on and any other amounts owed by either of them under one or more of its other bank facilities. The source of funds for these repayments would be their available cash or cash generated from other sources. However, there can be no assurance that Telenet BVBA and Telenet International Finance will have sufficient funds available upon a Change of Control and/or illegality to make these repayments. If Telenet BVBA and Telenet International Finance are not able to make the required prepayment of the Senior Credit Facility (including the 2017 Finco Loans), the Issuer will not be able to redeem the Notes.

Under certain circumstances, following a tender offer or offer to purchase the Notes, the Issuer may, at its option, redeem the Notes of non-tendering holders.

If, pursuant to any tender offer or other offer to purchase all of the Notes, holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not withdraw such Notes, the Indenture permits the Issuer, at its option, to redeem the remaining outstanding Notes at a price equivalent to that paid pursuant to such purchase or tender offer. As a consequence, you may be required to surrender the Notes against your will at a price equivalent to that paid to tendering holders, including if such price is below par, and may not receive the return you expect to receive on the Notes. See “*Description of the Notes—Optional Redemption upon Certain Tender Offers*”.

Holders of the Notes have limited recourse to the Issuer, as payments under the Notes are limited to the amount of certain payments received by the Issuer under the Senior Credit Facility and the Related Agreements.

The obligations of the Issuer under the Indenture, the Notes, the Notes Security Documents (as defined under “*Description of the Notes*”) and the Collateral Sharing Agreement are limited as set forth in the Indenture. All payments to be made by the Issuer under the Indenture, the Notes and the Notes Security Documents will be made only from and to the extent of such sums received or recovered by or on behalf of the Issuer under the Senior Credit Facility, the Finco Accession Agreements, the Telenet Fee Letters and the Telenet Service Agreement, and other than under the limited circumstances described below under “*Description of the Notes—Events of Default and Remedies*”, none of the Security Trustee, the Paying and Domiciliary Agent, the Registrar or the holders of Notes will have any further recourse to the Issuer in respect thereof in the event that the amount due and payable by the Issuer under the Indenture, the Notes, the Notes Security Documents and the Collateral Sharing Agreement exceeds the amounts so received under the Senior Credit Facility, the Finco Accession Agreements, the Telenet Fee Letters and the Telenet Service Agreement.

The Trustee and the holders of the Notes are not permitted to take any action, commence any proceeding or petition a court for the liquidation of the Issuer, nor are they permitted to enter into any arrangement, reorganization or insolvency proceeding in relation to the Issuer, whether under the laws of Luxembourg or other applicable bankruptcy laws. The obligations of the Issuer are solely obligations of the Issuer, and the Trustee and the holders of the Notes do not have any recourse against any of the directors, officers or employees of the Issuer for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with any transactions contemplated by the Indenture, the Notes Security Documents, the Collateral Sharing Agreement and the related documents. Having realized the collateral securing the Notes and distributed the net proceeds thereof, in each case in accordance with the Indenture and the Collateral Sharing Agreement, none of the Security Trustee, the Paying and Domiciliary Agent, the Registrar and the holders of the Notes may take any further steps to recover any sum still unpaid in respect of the Notes, the Indenture, any of the Notes Security Documents or the Collateral Sharing Agreement or otherwise and all claims against the Issuer in respect of any such sum due but still unpaid shall be extinguished.

Holders of the Notes have limited direct recourse to Telenet International Finance.

Except for the specific interests of the Issuer as a Telenet Lender under the Senior Credit Facility or as otherwise expressly provided in the terms of the Indenture, no proprietary or other direct interest in the Issuer's rights under or in respect of the Senior Credit Facility exists for the benefit of the holders of the Notes. Further, subject to the terms of the Indenture, no holder of Notes can enforce any provision of the Senior Credit Facility or have direct recourse to Telenet International Finance as borrower, or any member of the Telenet Group except through an action by the Issuer, itself acting as directed by the Trustee pursuant to the rights granted to the Trustee and/or the Security Trustee under and in accordance with the Indenture, the Notes Security Documents and the Collateral Sharing Agreement. Under the Indenture, the Trustee shall not be required to take proceedings to enforce payment under the Senior Credit Facility unless it has been indemnified or secured by the holders of the Notes to its satisfaction and subject further to such enforcement being instructed in accordance with the terms of the Collateral Sharing Agreement, which provides that the holders and/or the lenders, as applicable, of the majority in the aggregate principal amount of all Notes (including any Additional Notes) and Additional Debt outstanding which share the benefit of the Note Collateral, will control any enforcement actions in respect of the Note Collateral. In addition, none of the Issuer, the Trustee or the Security Trustee is required to monitor Telenet International Finance's or any member of the Telenet Group's, financial performance.

United States securities laws restrict the circumstances under which you can transfer the Notes.

The Issuer offered the Notes in reliance upon exemptions from registration under the U.S. Securities Act and applicable state securities laws. Therefore, the Notes may be transferred or resold only in transactions registered under, exempt from or not subject to the registration requirements of the U.S. Securities Act and all applicable state securities laws. In addition, transfer restrictions with respect to the Notes which relate to exceptions provided for under the U.S. Investment Company Act of 1940, as amended, prohibit transfer except as provided by the transfer restrictions under "Plan of Distribution" and "Transfer Restrictions". You should read the discussions under "Plan of Distribution" and "Transfer Restrictions" for further information about these and other transfer restrictions. It is your obligation to ensure that your offers and sales of Notes comply with applicable law.

There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited.

The Notes are new securities for which there was no existing market on the Issue Date. The Issuer cannot assure you as to:

- the liquidity of any market in for the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, Telenet's operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible

that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of Telenet Group Holding's prospects and financial performance. The Initial Purchasers of the Notes have advised the Issuer that they intend to make a market in the Notes. However, the Initial Purchasers are not obliged to do so, and they may discontinue any market making activities at any time without notice. As a result, there is no assurance that an active trading market will develop for the Notes. If no active trading market develops, you may not be able to resell your Notes at a fair value, if at all.

Although the Issuer agreed to use all reasonable efforts to have the Notes listed on the Official List and admitted to trading on the Euro MTF Market within a reasonable period after the issue date of the Notes and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will remain listed. If the Issuer can no longer maintain the listing on the Luxembourg Stock Exchange or it becomes unduly burdensome to make or maintain such listing (for the avoidance of doubt, preparation of financial statements in accordance with EU-IFRS or any other accounting standard other than or any other accounting standard other than the accounting standard pursuant to which the Issuer prepares its financial statements shall be deemed unduly burdensome), the Issuer may cease to make or maintain such listing on the Luxembourg Stock Exchange, provided that the Issuer will use all reasonable efforts to obtain and maintain the listing of the Notes on another stock exchange (which may be a stock exchange that is not regulated by the European Union), although there can be no assurance that the Issuer will be able to do so. Notwithstanding anything herein to the contrary, the Issuer may cease to make or maintain a listing (whether on the Luxembourg Stock Exchange or on another recognized listing exchange for high yield issuers) if such listing is not required for the Issuer to benefit from an exemption on withholding tax on interest payments on the Notes or to otherwise prevent tax from being withheld from interest payments on the Notes.

Although no assurance is made as to the liquidity of the Notes as a result of listing on the Luxembourg Stock Exchange or another recognized listing exchange for high yield issuers in accordance with the Indenture, failure to be approved for listing or the delisting of the Notes from the Luxembourg Stock Exchange or another listing exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

Credit ratings may not reflect all risks.

Telenet currently maintains ratings with Fitch Ratings Inc., Moody's Investors Service, Inc. and Standard & Poor's Ratings Group. Any credit ratings assigned to the Notes are an assessment by the relevant rating agencies of the Issuer's ability to pay its debts when due, which is, in respect of payment obligations under the Notes, dependent upon the ability of the obligors under the Senior Credit Facility to pay their debts when due. Consequently, real or anticipated changes in Telenet's or the Notes' credit ratings may generally affect the market value of the Notes. Ratings may not reflect the potential impact of all risks relating to structure, market, additional factors discussed in these Listing Particulars, and other factors may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. An explanation of the significance of such rating may be obtained from the applicable rating agency. There is no assurance that such credit ratings will be issued or remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the applicable rating agency's judgment, circumstances so warrant. It is also possible that such ratings may be lowered in connection with the application of the proceeds of this offering or in connection with future events, such as future acquisitions. Holders of Notes will have no recourse against Telenet or any other parties in the event of a change in or suspension or withdrawal of such ratings. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Notes.

Volcker Rule

Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, together with the rules, regulations and published guidance promulgated thereunder (known as the "**Volcker Rule**") prevents "banking entities" (a term which includes affiliates of a U.S. banking organization as well as affiliates of a foreign banking organization that has a branch or agency in the U.S., regardless where such affiliates are located) from (i) engaging in "proprietary trading", or (ii) acquiring or retaining any "ownership interest" in, or in sponsoring, a "covered fund", in each case subject to certain exclusions or exemptions.

A "covered fund" includes any issuer which would be an investment company under the Investment Company Act but is exempt from registration solely in reliance on Section 3(c)(1) or 3(c)(7) of that Act. Because the Issuer will rely on Section 3(c)(7), it will be a covered fund within the meaning of the Volcker Rule, unless it fits within

an exclusion or exemption provided in the Volcker Rule. As a covered fund, if the Issuer cannot rely on an exclusion or exemption, there would be limitations on the ability of banking entities to purchase or retain any Notes deemed to be “ownership interests”.

“Ownership interest” is defined under the Volcker Rule as “any equity, partnership, or other similar interest.” The Notes are not equity or partnership interests. The phrase “other similar interests” is defined under the Volcker Rule as an interest that:

- (A) Has the right to participate in the selection or removal of a general partner, managing member, member of the board of directors or trustees, investment manager, investment advisor, or commodity trading advisor of the covered fund (excluding the rights of a creditor to exercise remedies upon the occurrence of an event of default or an acceleration event);
- (B) Has the right under the terms of the interest to receive a share of the income, gains or profits of the covered fund;
- (C) Has the right to receive the underlying assets of the covered fund after all other interests have been redeemed and/or paid in full (excluding the rights of a creditor to exercise remedies upon the occurrence of an event of default or an acceleration event);
- (D) Has the right to receive all or a portion of excess spread (the positive difference, if any, between the aggregate interest payments received from the underlying assets of the covered fund and the aggregate interest paid to the holders of other outstanding interests);
- (E) Provides under the terms of the interest that the amounts payable by the covered fund with respect to the interest could be reduced based on losses arising from the underlying assets of the covered fund, such as allocation of losses, write-downs or charge-offs of the outstanding principal balance, or reductions in the amount of interest due and payable on the interest;
- (F) Receives income on a pass-through basis from the covered fund, or has a rate of return that is determined by reference to the performance of the underlying assets of the covered fund; or
- (G) Any synthetic right to have, receive, or be allocated any of the rights in Clauses (A) through (F) above.

On the Issue Date, pursuant to and in accordance with the Indenture, the Trustee was appointed to act as a creditor representative of the holders of the Notes and the Security Trustee was appointed to act as security trustee for the creditors (including the holders of the Notes) that benefit from the Note Collateral (the “**CSA Secured Parties**”). Subject to and in accordance with the terms of the Indenture and the Collateral Sharing Agreement, prior to the occurrence of a CSA Enforcement Event (as defined in the “*Description of the Notes*”) (following the occurrence of an Event of Default (as defined in the “*Description of the Notes*”) which is continuing and the acceleration of the Notes pursuant to the terms of the Indenture), the Issuer may continue to exercise its rights under the Note Documents (including with respect to its assets comprising the Note Collateral), and the provisions of the Indenture and the other Note Documents do not otherwise afford any holder of the Notes with the right to (i) take any corporate action or other steps or legal proceedings for the winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator, examiner or similar officer of the Issuer or of its revenues and assets; or (ii) take any steps for the purpose of obtaining payments of amounts payable to it under the Notes or any Note Documents, or to take any steps to recover any debts whatsoever owing to it by the Issuer. See “*Description of the Notes*” included elsewhere in these Listing Particulars. These rights of the holders of the Notes to enforce the rights and remedies granted for the benefit of the holders of the Notes under the Note Documents are the types of rights that are excluded from the rights that are included in the definition of “other similar interests”.

The holders of the Notes have no rights under the Note Documents to participate in the selection or removal of any of the types of partners, members or managers of the Issuer described in Clause (A) above. The Issuer is a wholly-owned subsidiary of Telenet International Finance. The members of the board of managers of the Issuer are as set out in “*Listing and General Information—Legal Information Regarding the Issuer—Management*” included elsewhere in these Listing Particulars. The holders of the Notes have no rights to participate in the selection or removal of the Issuer’s board of managers.

The holders of the Notes have no rights under the Note Documents to receive a share of the income, gains or profits of the Issuer as described in Clause (B) above, and have no rights to receive the underlying assets of the Issuer after all other interests have been redeemed and/or paid in full (excluding the rights of a creditor to exercise remedies upon the occurrence of an event of default or an acceleration event) as described in Clause (C) above. The Issuer is a financing company which, so long as any of the Notes are outstanding, are subject to the restrictions set out in the Indenture and the other Note Documents. The Notes are subject to the Limited Recourse Restrictions (as further described in the “*Description of the Notes*” included elsewhere in these Listing Particulars). The only assets of the Issuer available to meet claims of the holders of the Notes and the other CSA Secured Parties are the assets comprising the Note Collateral, which (as described above) cannot be enforced prior to a CSA Enforcement Event in accordance with the Collateral Sharing Agreement.

The holders of the Notes have no rights to receive any excess spread (the positive difference, if any, between the aggregate interest payments received from the underlying assets of Issuer and the aggregate interest paid to the holders of the Notes) as described in Clause (D) above.

On the Issue Date, the Issuer issued the Dollar Notes and the Euro Notes, each series of which bear interest at a fixed rate per annum as further described elsewhere in these Listing Particulars. While the Issuer, as a financing company, is wholly dependent on the payments it will receive in respect of the 2017 Finco Loans, the 2017 Finco Accession Agreements, the Initial Telenet Service Agreement, and the 2017 Telenet Fee Letters, and a failure by the Initial Telenet Borrower (or Telenet Group BVBA, as guarantor of the Initial Telenet Borrower’s obligations thereunder) to provide such funding may, in practice, negatively impact the ability of the Issuer to meet its obligations under the Note Documents (including the Notes), (subject to the Limited Recourse Restrictions) there are no contractual terms of the Notes under the Indenture or the other Note Documents which provide that the amounts payable by the Issuer (whether as principal or interest) with respect to the Notes will be reduced based on losses arising from the underlying assets of the Issuer as described in Clause (E) above. Furthermore, as each series of the Notes bear interest at a fixed rate, the rate of interest on the Notes is not determined by reference to the performance of the underlying assets of the Issuer as described in Clause (F) above. In addition, the Issuer expects that the holders of the Notes will not receive income on a pass-through basis from the Issuer as described in Clause (F) above, as the Issuer expects that the holders of the Notes will hold the Notes as debt and not as equity for U.S. federal income tax purposes. See “*Risk Factors—Risks Relating to the Notes and the Structure—The Issuer is a financing company which will depend on payments under the 2017 Finco Loans to provide it with funds to meet its obligations under the Notes*” and the “*Description of the Notes*” included elsewhere in these Listing Particulars. The Issuer is not entitled to make any modifications to the terms of the Notes which would have the effect of reducing the principal amount of the Notes or reducing the stated rate of or extend the stated time for payment of interest on the Notes, without the consent of holders of at least 90% of the aggregate principal amount of the then outstanding Notes or the relevant series of Notes, as applicable, in accordance with the terms of the Indenture. See “*Description of the Notes*” included elsewhere in these Listing Particulars.

The Indenture relating to Notes, and the other Note Documents, do not confer upon the holders of the Notes any synthetic rights to have, receive or be allocated any of the rights in Clauses (A) through (F) above.

None of the Issuer, Telenet Group Holding NV, Telenet Group BVBA, Telenet International Finance S.a`r.l., the Initial Purchasers, the Trustee, or the Security Trustee nor any of their affiliates makes any representation regarding whether the Notes are “ownership interests” in a “covered fund” for purposes of the Volcker Rule. Each investor in the Notes must make its own determination as to whether it is subject to the Volcker Rule, whether its investment in the Notes would be restricted or prohibited under the Volcker Rule, and the potential impact of the Volcker Rule on its investment, any liquidity in connection therewith and on its portfolio generally. See “*Transfer Restrictions*” in these Listing Particulars.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may impact on the price and liquidity of the Notes in the secondary market or restrict prospective investors’ ability to hold the Notes. Each purchaser is responsible for analyzing its own position under the Volcker Rule and any similar measures.

Luxembourg insolvency laws may not be as favorable as insolvency laws in other jurisdictions.

The insolvency laws of Luxembourg may not be as favorable to holders of Notes as insolvency laws of jurisdictions with which investors may be familiar. The Issuer is incorporated and has its center of main interests (*centre des intérêts principaux*) in Luxembourg for the purposes of the Regulation (EU) 2015/848 of the European Council and Parliament of May 20, 2015 on insolvency proceedings (recast) (the “**EU Insolvency Regulation**”) in Luxembourg. Accordingly, insolvency proceedings with respect to the Issuer would be governed by,

Luxembourg insolvency laws. The following is a brief description of certain aspects of insolvency laws in Luxembourg. Under Luxembourg insolvency laws, the following types of proceedings (together referred to as insolvency proceedings) may be opened against the Issuer to the extent that the Issuer has its registered office or center of main interests (*centre des intérêts principaux*) (for the purposes of the EU Insolvency Regulation) in Luxembourg:

- bankruptcy proceedings (*faillite*), the opening of which may be requested by the Issuer, by any of its creditors or by the Luxembourg public prosecutor. Following such a request, the courts having jurisdiction may open bankruptcy proceedings, if the Issuer (a) is in default of payment (*cessation de paiements*) and (b) has lost its commercial creditworthiness (*ébranlement de crédit*). If a court considers that these conditions are met, it may open bankruptcy proceedings, absent a request made by the Issuer or a creditor. The main effect of such proceedings is the suspension of all measures of enforcement against the Issuer, except, subject to certain limited exceptions, for secured creditors, and the payment of creditors in accordance with their rank upon the realization of assets;
- controlled management proceedings (*gestion contrôlée*), the opening of which may only be requested by the Issuer and not by its creditors; and
- composition proceedings (*concordat préventif de la faillite*), the opening of which may only be requested by the Issuer (having received prior consent of a majority of its creditors) and not by its creditors. The court's decision to admit a company to the composition proceedings triggers a provisional stay on enforcement of claims by unsecured creditors.

In addition to these proceedings, the ability of the holders of Notes to receive payment on the Notes may be affected by a decision of a court to grant a reprieve from payments (*sursis de paiements*) or to put the Issuer into judicial liquidation (*liquidation judiciaire*). Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious violation of the commercial code or of the Law on Commercial Companies. The management of such liquidation proceedings will generally follow similar rules as those applicable to bankruptcy proceedings.

The Issuer's liabilities in respect of the Notes will, in the event of a liquidation of the Issuer following bankruptcy or judicial liquidation proceedings, rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those of the concerned Issuer's debts that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law for instance include, among others:

- certain amounts owed to the Luxembourg Revenue;
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise;
- social security contributions; and
- remuneration owed to employees.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized).

During insolvency proceedings, all enforcement measures by unsecured creditors are suspended. The ability of secured creditors (save as provided for by the Luxembourg Collateral Act 2005) to enforce their security interest may also be limited in the event of controlled management proceedings automatically causing the rights of secured creditors to be frozen until a final decision has been taken by the court as to the petition for controlled management, and may be affected thereafter by a reorganization order given by the court. A reorganization order requires the prior approval by more than 50% of the creditors representing, via their claims which have not been challenged by the competent administrator, at least 50% of the Issuer's liabilities in order to take effect.

The Luxembourg Collateral Act 2005 expressly provides that all financial collateral arrangements (including pledges) including enforcement measures are valid and enforceable even if entered into during the pre-bankruptcy period, against all third parties including supervisors, receivers, liquidators and any other similar persons or bodies irrespective of any bankruptcy, liquidation or other situation, national or foreign, of composition with creditors or reorganization affecting anyone of the parties, save in the case of fraud.

Generally, Luxembourg insolvency laws may also affect transactions entered into or payments made by the Issuer during the pre-bankruptcy hardening period (*periode suspecte*) which is a maximum of six months and ten days preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date. In particular:

- pursuant to article 445 of the Luxembourg code of commerce, some specific transactions (in particular, the granting of a security interest for antecedent debts, save in respect of financial collateral arrangements within the meaning of the Luxembourg Collateral Act 2005; the payment of debts which have not fallen due, whether payment is made in cash or by an assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; the sale of assets without consideration or with substantially inadequate consideration) entered into during the suspect period (or the ten days preceding it) must be set aside or declared null and void, if so requested by the insolvency receiver;
- pursuant to article 446 of the Luxembourg code of commerce payments made for matured debts as well as other transactions concluded for consideration during the suspect period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt's cessation of payments;
- pursuant to article 21 (2) of the Luxembourg Collateral Act 2005 concerning financial collateral arrangements, notwithstanding the suspect period as referred to in articles 445 and 446 of the Luxembourg code of commerce, where a financial collateral arrangement has been entered into on the date of the commencement of a reorganization measure or winding-up proceedings, but after the opening of liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures, that agreement is enforceable and binding against third parties, administrators, insolvency receivers, liquidators and other similar organs if the collateral taker proves that it ignored the fact that such proceedings had been opened or that such measures had been taken or that it could not reasonably be aware of it; and
- pursuant to article 448 of the Luxembourg code of commerce and article 1167 of the civil code (*action paulienne*) gives the insolvency receiver (acting on behalf of the creditors) has the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

In principle, a bankruptcy order rendered by a Luxembourg court does not result in automatic termination of contracts except for *intuitu personae* contracts, that is, contracts for which the identity of the company or its solvency were crucial. The contracts, therefore, subsist after the bankruptcy order. However, the insolvency receiver may choose to terminate certain contracts. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate. The bankruptcy order provides for a period of time during which creditors must file their claims with the clerk's office of the Luxembourg district court sitting in commercial matters. After having converted all available assets of the company into cash and after having determined all the company's liabilities, the insolvency receiver will distribute the proceeds of the sale, on a pro rata basis, to the creditors after deduction of the receiver fees and the bankruptcy administration costs.

If an Initial Telenet Borrower decides to implement the Belgian Issuer Accession while the Notes are still outstanding, the Belgian Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes, the Indenture, the 2017 Finco Loans, the Related Agreements, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement, and upon such substitution, the Issuer will be released from its obligations under the Notes, the Indenture, the 2017 Finco Loans, the Related Agreements, the other Finance Documents (as defined in the Senior Credit Facility) and the Clearing Agreement. In addition, following the Belgian Issuer Accession, an Initial Telenet Borrower may elect to implement the Finco Loans Borrower Exchange, pursuant to which the 2017 Finco Loans would be refinanced or otherwise replaced, subject to certain procedures set forth therein being complied with, the New Finco Loans under the Senior Credit Facility, with the Belgian Borrower as a borrower thereunder. Furthermore, as the Belgian Issuer and the Belgian Borrower will be incorporated and will have their center of main interests in Belgium, insolvency proceedings with respect to the Belgian Issuer and the Belgian Borrower would be governed by Belgian insolvency laws. See “—The various insolvency and administrative laws to which Telenet is subject may not be favorable to creditors, including the Issuer as lender under the 2017 Finco Loans, and may limit the Issuer's ability to enforce its rights under the 2017 Finco Loans and, as a result, the ability of holders of Notes to enforce their rights under the Notes”

for a summary description of Belgian insolvency laws, subject to changes in the Belgian insolvency laws at the time of the Belgian Issuer Accession and the Finco Loans Borrower Exchange, as the case may be.

The various insolvency and administrative laws to which Telenet is subject may not be favorable to creditors, including the Issuer as lender under the 2017 Finco Loans, and may limit the Issuer's ability to enforce its rights under the 2017 Finco Loans and, as a result, the ability of holders of the Notes to enforce their rights under the Notes.

Each member of the Telenet Group (except for Telenet International Finance, Telenet Financing USD, Telenet Solutions Luxembourg S.A., Telenet Luxembourg Finance Center S.à r.l., Finance Center Telenet S.à r.l., Coditel S.à r.l. and Ulana Business Management Ltd.) is organized under the laws of Belgium and has its center of main interests within the meaning of the EU Insolvency Regulation in Belgium. Should the Belgian Issuer Accession and/or the Finco Loans Borrower Exchange come into force, the same would apply to the SPV Issuer and/or the Belgian Borrower.

Consequently, in the event of a bankruptcy or insolvency event with respect to any of the companies referred to above (each a “**Telenet Belgian Company**”), main insolvency proceedings would likely be initiated in Belgium while secondary proceedings could be initiated in one or more EU jurisdictions (with the exception of Denmark) in which the Telenet Belgian Companies then have an establishment. While, currently, none of the Telenet Belgian Companies has an establishment in any EU jurisdiction other than Belgium, such multi-jurisdictional proceedings would likely be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding enforcement of your rights.

Belgian insolvency laws may make it difficult or impossible to effect a restructuring. There are two primary insolvency regimes under Belgian law: the first, judicial reorganization (*gerechtelijke reorganisatie/reorganisation judiciaire*), is intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement/faillite*), is designed to liquidate and distribute the assets of a debtor to its creditors. The new Belgian insolvency legislation will enter into force on May 1, 2018 (or earlier as may be determined by Royal Decree). The summary descriptions of the judicial reorganization and bankruptcy procedures below apply to both the current legislative framework and the new legislative framework that is scheduled to enter into force on May 1, 2018.

Secured lenders with a first-ranking priority over financial collateral as defined in, and pursuant to the Belgian law of December 15, 2004 on financial collateral (including cash collateral and pledges in respect of shares and other financial instruments (“**Financial Collateral**”)) have the right to foreclose on their security despite the occurrence of a bankruptcy or, subject to certain conditions, judicial reorganization. The law of 26 September 2011 modified the Belgian law on Financial Collateral. Pursuant to this change, enforcement of a pledge on cash receivables is suspended during the period in which the debtor is in judicial reorganization unless a payment default can be invoked by the creditor seeking to enforce the pledge on cash receivables, with some limited exceptions. Enforcement of a pledge of shares remains possible however, even during judicial reorganization.

Judicial Reorganization

The judicial reorganization procedure is a voluntary procedure, for which the debtor, as a rule, can apply if its continuity is threatened, in the short or longer term. Note, however, that, in certain circumstances, the public prosecutor, a creditor or any third party interested in acquiring all or part of the debtor's assets also can apply for judicial reorganization through a court-supervised transfer. The board of the debtor, and its management, remain as a rule in charge of the company while the procedure is ongoing, subject to exceptions notably in the event of clear and gross negligence or bad faith by the management or the board. Upon accepting the debtor's request for judicial reorganization, the court will set the duration of the stay for a period of up to six months, extendable in certain circumstances of up to 18 months. During the stay, as a rule, the debtor cannot be judicially dissolved or declared bankrupt, and, generally, no enforcement measures (e.g., attachment, foreclosure) can be taken (except in certain limited circumstances). Under the new legislation, the stay does not affect the right of any creditor to benefit from any new security interest, including the conversion of any mortgage mandate). Debts, including those preceding the judicial reorganization, may however be paid to creditors on a voluntary basis insofar as the payments are necessary for the continuity of the company. In addition, while the stay affects secured and unsecured creditors alike, there is an exception for secured creditors benefiting from a receivables pledge, or from Financial Collateral, which are, subject to certain conditions, entitled to foreclose during the stay. The stay will not suspend guarantees or security granted by third parties for the debtor. Termination, suspension and acceleration clauses in agreements, such as the Senior Credit Facility, to which the debtor is a party that are

triggered by the fact of the judicial reorganization itself are null and void (with the exception of close-out netting clauses).

If a creditor continues to perform a contract despite the debtor's judicial reorganization, its claims that come to exist as a result thereof in the period following the judicial reorganization (such as, as a rule, interest payments) will not be suspended and will be enforceable. In case of a subsequent bankruptcy, such claims will, subject to certain conditions, have priority over the claims of unsecured creditors (and secured creditors, if the continuation of the contract has contributed to the preservation of the secured assets). Claims for reimbursement of principal would as a rule be suspended by the stay.

The stay can result in: (a) an in-court agreement with two or more creditors; (b) a collective agreement among the creditors on a reorganization plan; or (c) a court-organized auction leading to the transfer of part or all of the assets of the undertaking as a going concern to one or more third parties.

- (a) An in-court agreement requires unanimity among the creditors concerned. The debtor may petition the court to grant a grace period in respect of its payment obligations, e.g., in relation to interest payments, pending the negotiation of the agreement.
- (b) The reorganization plan may provide a broad range of measures, including, without limitation, (i) a rescheduling of debts, (ii) partial or total debt waivers (principal sum and/or interest), (iii) the conversion of debt into equity, and (iv) a differentiated treatment for certain categories of claims (e.g., based on nature or size). The performance period of the plan may extend to five years from the date of court approval. The plan cannot impose any of these measures to secured creditors unless they individually agree. The reorganization plan must be approved by the majority of the creditors participating in the vote (including the secured creditors) and such majority must represent at least half of the outstanding debt in principal sum. The court must also approve the plan, and can only refuse it in limited circumstances. Consequently, these majorities and consent requirements could preclude or inhibit the ability of the holders of the Notes to effect a restructuring of Telenet Group Holding and could reduce the holders' recovery in a Belgian insolvency proceeding. The court-approved reorganization plan is binding for all creditors in the stay. The plan cannot suspend the enforcement rights of secured creditors for a period in excess of 24 months (extendable with 12 months if the debtor can prove that it will be able to fully reimburse the secured creditors) from the initial filing for judicial reorganization (or, under the new legislation that is scheduled to enter into force on May 1, 2018, as from court homologation of the reorganization plan), and the debtor must continue to pay interest on the secured obligations during the period of the reorganization plan. Under the new legislation, creditors benefiting from a security interest will only benefit from their priority right up to the amount for which, on the date of opening of the reorganization procedure, the security interest is registered or, if it is not registered, the amount of the enforcement value of the underlying assets or, if the security interest relates to claims, the book value of those claims.
- (c) A debtor also has the possibility to file for a judicial reorganization with the objective to transfer part or all of the assets (but not its liabilities) to an acquirer, in which case the auction will be organized by a court-appointed expert (*gerechtsmandataris/mandataire de justice*). Under the new legislation, a new regime is introduced providing for the transfer of specific ongoing contracts (other than *intuitu personae* contracts) as selected by the candidate-transferee without the consent of the counterparty. In this case, the proceeds of the sale of the pledged assets will be paid in priority to the relevant secured creditors (under the new legislation this will be limited to the registered secured amount, the amount of the enforcement value or, if the security interest relates to claims, the book value of those claims). The judicial expert leading the auction, however, has no obligations as to minimum sales price, neither does it have to consult an expert to confirm that the sales price is reasonable. The only limitation is that a judicial expert may not take into account offers with a price lower than the expected price that would be obtained in case of a forced sale in the framework of a bankruptcy or a liquidation. Consequently, this procedure could result in the sale of certain assets for less than their going concern value. The assets will (with the exception of such assets that would be situated in an EU member state outside of Belgium in respect of which in rem rights are vested by creditors and other third parties, which is currently not the case for the Telenet Belgian Companies) be transferred free from any existing security, and the liabilities will remain with the debtor. The public prosecutor, a creditor or any third party interested in acquiring all or part of the debtor's business also can apply for a judicial reorganization with the objective of a court-supervised transfer of the debtor's assets if: (i) the conditions for bankruptcy have been fulfilled in relation to the debtor (*i.e.* the debtor has ceased to pay debts and is unable to obtain credit) and the debtor

has not initiated the judicial reorganization procedure itself; (ii) the court has refused to open the judicial reorganization; (iii) the court has ordered the early termination of the judicial reorganization; (iv) the creditors have not approved the reorganization plan; (v) the court has refused to confirm the reorganization plan; or (vi) the court has ordered the early termination of the reorganization plan.

Bankruptcy

A debtor which, on a sustained basis, ceases to make payments and whose credit is impaired, will be deemed to be in a state of bankruptcy. Within one month after the cessation of payments, the debtor must file for bankruptcy. Bankruptcy procedures may also be initiated on the request of unpaid creditors or on the initiative of the public prosecutor. A bankruptcy trustee will be appointed to assume the operation of the business and to organize a sale of the debtor's assets, the distribution of the proceeds thereof to creditors and the liquidation of the debtor.

The assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors on a pari passu basis, and certain creditors (such as secured creditors and preferential creditors) will have special rights that may adversely affect the interests of the Issuer as a lender under the Senior Credit Facility.

The grant of collateral security for the Senior Credit Facility, or any payment of debt not yet due, may be held ineffective if entered into or granted within specified hardening periods in advance of a bankruptcy event and/or if this is found to be detrimental to the creditors.

Certain of Telenet's agreements with its suppliers, content providers or others entitle the counterparty to terminate the agreement in case of its bankruptcy. In addition, in case of Telenet's bankruptcy, the emphytheotic leases in respect of the Partner Network under the PICs Agreement may be terminated.

The Issuer is incorporated under and subject to Luxembourg law and the Belgian Issuer would be incorporated under and be subject to Belgian law.

The Issuer is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg. The rights of holders of Notes and the responsibilities of the Issuer to the holders of the Notes under Luxembourg law may be materially different from those with regard to equivalent instruments under the laws of the jurisdiction in which the Notes are offered. If the Belgian Issuer Accession were to be implemented the rights of holders of the Notes and the responsibilities of the Belgian Issuer to the holders of the Notes under Belgian law may be materially different from those with regard to equivalent instruments under the laws of the jurisdiction in which the Notes are offered. The Belgian Issuer will be incorporated under the laws of Belgium.

Insolvency proceedings may be brought against the Issuer and such proceedings may proceed under, and be governed by, Luxembourg insolvency laws (see "*—Luxembourg insolvency laws may not be as favorable as insolvency laws in other jurisdictions*"). If the Belgian Issuer Accession were to come into force, insolvency proceedings may be brought against the Belgian Issuer and such proceedings may be held in compliance with, and be governed by, Belgian insolvency laws (see "*—The various insolvency and administrative laws to which Telenet is subject may not be favorable to creditors, including the Issuer as lender under the 2017 Finco Loans, and may limit the Issuer's ability to enforce its rights under the 2017 Finco Loans and, as a result, the ability of holders of Notes to enforce their rights under the Notes*" for a description of Belgian insolvency laws at the date hereof (subject to such laws as having been amended at the date of the Belgian Issuer Accession)).

The Notes may be treated as issued with original issue discount for U.S. federal income tax purposes.

The Notes may be treated as having been issued with original issue discount for U.S. federal income tax purposes. An obligation generally is treated as having been issued with original issue discount if its stated redemption price at maturity exceeds its issue price by at least a de minimis amount. If a Note is treated as issued with original issue discount, investors subject to U.S. federal income tax will be subject to tax on that original issue discount as it accrues, in advance of the receipt of cash payments attributable to that income (and in addition to stated interest). See "*Tax Considerations—Certain U.S. Federal Income Tax Considerations*".

Employee benefit plan considerations.

Each acquirer and each transferee of a Note or any interest therein will be deemed to have represented, warranted and agreed at the time of its acquisition and throughout the period that it holds such Note or any interest therein that (i) either (a) it is not, and is not acting on behalf of (and for so long as such acquirer or transferee holds such

Note or any interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor (as defined under “*Certain Employee Benefit Plan Considerations*”) or a governmental, church or non-U.S. plan which is subject to any Similar Laws (as defined under “*Certain Employee Benefit Plan Considerations*”), and no part of the assets used by it to acquire or hold any Note or any interest therein constitutes the assets of any Benefit Plan Investor or any such governmental, church or non-U.S. plan, or (b)(I) its acquisition, holding and disposition of such Note, or any interest therein, does not and will not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of ERISA (as defined under “*Certain Employee Benefit Plan Considerations*”) and/or Section 4975 of the Code (or, in the case of a governmental, church or non U.S. plan, a non-exempt violation of any Similar Laws); and (ii) neither the Issuer nor any of its affiliates is a fiduciary (within the meaning of section 3(21) of ERISA or Section 4975 of the Code or, with respect to a governmental, church or non-U.S. plan, any definition of “fiduciary” under Similar Laws) and (II) if it is a plan which is subject to ERISA or Section 4975 of the Code, the decision to purchase the Notes has been made by a duly authorized fiduciary (each, a “**Plan Fiduciary**”) who is independent of the issuer and its affiliates, which Plan Fiduciary (1) is a fiduciary under ERISA or the Code, or both, with respect to the decision to purchase the Notes, (2) it is not the individual retirement account (“**IRA**”) owner (in the case of an acquirer or transferee which is an IRA), (3) is capable of evaluating investment risks independently, both in general and with regard to the prospective investment in the Notes, (4) has exercised independent judgment in evaluating whether to invest the assets of such plan in the Notes, and (5) is either a bank, an insurance carrier, a registered investment adviser, a registered broker-dealer or an independent fiduciary with at least \$50 million of assets under management or control; provided, however, that plans will not be deemed to make the representations in this Clause 1(b)(II) to the extent that the regulations under Section 3(21) of ERISA issued by the U.S. Department of Labor on April 8, 2016 are rescinded; and (ii) none of Issuer or any of its affiliates is a fiduciary with respect to the acquirer or transferee in connection with any purchase or holding of the Notes, or as a result of any exercise by the Issuer or any of its affiliates of any rights in connection with the Notes, and no advice provided by the Issuer or any of its affiliates has formed a primary basis for any investment decision by or on behalf of the acquirer or transferee in connection with the Notes and the transactions contemplated with respect to the Notes. See “*Certain Employee Benefit Plan Considerations*” herein for a more detailed discussion of certain ERISA and related considerations with respect to an investment in the Notes.

See “*Certain Employee Benefit Plan Considerations*” herein for a more detailed discussion of certain ERISA and related considerations with respect to an investment in the Notes.

Transfers of the Notes are restricted, which may adversely affect the value of the Notes.

The Notes are being offered and sold pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws of the United States. The Notes have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. Therefore you may not transfer or sell the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, or pursuant to an effective registration statement, and you may be required to bear the risk of your investment in the Notes for an indefinite period of time. The Notes and the Indenture governing the Notes contain provisions that restrict the Notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S under the U.S. Securities Act, or other exemptions under the U.S. Securities Act. In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal amount of less than €100,000. Furthermore, the Issuer has not registered the Notes under any other country’s securities laws. It is your obligation to ensure that your offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See “*Transfer Restrictions*”.

You may be unable to recover in civil proceedings for U.S. securities laws violations.

The Issuer is organized under the laws of Luxembourg and does not have any assets in the United States. It is anticipated that some or all of the directors and executive officers of the Issuer will be non-residents of the United States and that all or a majority of their assets will be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or its directors and executive officers, or to enforce any judgments obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. In addition, the Issuer cannot assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in Luxembourg. See “*Enforcement of Judgments*”.

The Notes are initially held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies. The Issuer shall pay principal, premium, if any, and

interest due and payable on the Notes represented by the global notes directly, or indirectly through direct participants in the X/N Clearing System, if applicable, to the holders of such global notes, and in the event that the Paying and Domiciliary Agent recovers any amounts in respect of the Notes from the Issuer, the Paying and Domiciliary Agent will not be required to segregate the amounts received by it (if any) from the Issuer.

The Notes are represented by one or more global notes and held through financial intermediaries authorized to hold dematerialized securities on behalf of third parties in the records of the X/ N Clearing System (including Euroclear and Clearstream). For a full list of participating central securities depositories as of the date of these Listing Particulars, see <https://www.nbb.be/en/list-nbb-investor-icsds>. Interests in the global notes trade in book-entry form only, and the Notes in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests held in Euroclear and/or Clearstream (as a direct participant in the X/N Clearing System) only in very limited circumstances. Owners of book-entry interests will not be considered owners of the Notes. NBB or its nominee will be the sole registered holder of the global notes representing the Notes.

The Issuer shall pay principal and interest due and payable on the Notes represented by global notes directly, or indirectly through direct participants in the X/N Clearing System, if applicable, to the holders of such global notes (as shown on the record of the NBB, as notified by the Paying and Domiciliary Agent to the Issuer). However, in the event the Paying and Domiciliary Agent itself receives any amounts in respect of the Notes, the Paying and Domiciliary Agent will not be required to segregate or hold in trust such amounts received by it (if any) from the Issuer or any other person, including the Trustee. In the event that the Paying and Domiciliary Agent were subject to insolvency proceedings at any time when it held such amounts, owners of the book-entry interests would not have any further claim against the Issuer or the Trustee in respect of such amounts, and would be required to claim such amounts from the Paying and Domiciliary Agent in accordance with applicable Belgian insolvency laws.

Owners of book-entry interests do not have the direct right to act upon any solicitation by the Issuer or any request by the Issuer for waivers or other actions from holders of the Notes, including enforcement of security for the Notes. Instead, each owner of a book-entry interest is reliant on the X/ N Clearing System, or any nominee or participant thereof, to act on its instructions and/or is permitted to act directly only to the extent that such owner has received appropriate proxies to do so from the X/N Clearing System, or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable owners of book-entry interests to vote on any requested actions or to take any other action on a timely basis. See “*Book-Entry, Delivery and Form*”.

None of the Issuer, the Paying and Domiciliary Agent or any of its agents, or the Trustee or any of its agents have any responsibility, or are liable, for the proper performance by the X/N Clearing System or its participants of their obligations under their respective rules and operating procedures. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, the Notes within the X/N Clearing System. The Issuer’s obligations under the Notes are discharged once it has paid the X/N Clearing System or the participants in the X/N Clearing System, as applicable, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Notes of the X/N Clearing System and custodians or intermediaries.

Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the euro zone, or the potential dissolution of the euro entirely, could adversely affect the value of the Notes.

Despite the European Commission’s measures to address sovereign debt issues in Europe, concerns persist regarding the debt burden of certain euro zone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes.

USE OF PROCEEDS

The net proceeds from the issuance of the Euro Notes, together with fees payable to the Issuer (if any) by Telenet International Finance pursuant to the Telenet Euro Fee Letter, were €600.0 million. The net proceeds from the issuance of the Dollar Notes, together with fees payable to the Issuer (if any) by Telenet International Finance pursuant to the Telenet Dollar Fee Letter, were \$1,000.0 million.

The proceeds from the offering of the Dollar Notes were used by the Issuer to fund a loan in a principal amount equal to \$1,000.0 million (the “**Finco Loan AJ**”) borrowed under an additional facility by Telenet International Finance (“**Facility AJ**”) under the Senior Credit Facility. The proceeds from the offering of the Euro Notes were used by the Issuer to fund a loan in a principal amount equal to €600.0 million (the “**Finco Loan AK**”) borrowed under an additional facility by Telenet International Finance (“**Facility AK**”) under the Senior Credit Facility. The gross proceeds of the 2017 Finco Loans are intended to be used for the Refinancing, to pay fees and expenses in connection therewith and for general corporate purposes of the Telenet Group, which may include loans, distributions or other payments to Telenet Group BVBA and its direct or indirect parent companies. The Initial Purchasers’ commissions, if any, and certain estimated expenses incurred in connection with this offering were approximately €11.9 million (equivalent), including legal, accounting and other professional fees incurred in connection therewith. An amount equal to such expenses on the Notes, was paid by Telenet International Finance to the Issuer as part of the fees payable by Telenet International Finance to the Issuer under the Telenet Service Agreement. For a description of the 2017 Telenet Fee Letters and the Telenet Service Agreement, see “*Description of the Notes—Certain Transaction Documents*”.

CAPITALIZATION OF TELENET AND THE ISSUER

The following table sets forth, in each case as of September 30, 2017, (i) the actual consolidated cash and cash equivalents and capitalization of Telenet Group Holding, (ii) the consolidated cash and cash equivalents and capitalization of Telenet Group Holding on an as adjusted basis after giving effect to the Refinancing (including the offering of the Notes and the use of the proceeds therefrom as set forth in “*Use of Proceeds*”) and (iii) the consolidated cash and cash equivalents and capitalization of Telenet Group Holding on an as adjusted basis after giving effect to the Q4-2017 Refinancing Transactions.

This table should be read in conjunction with “*Use of Proceeds*”, “*Summary Condensed Consolidated Historical Financial and Other Data of Telenet*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of Telenet*”, “*Description of the Notes*”, and the September 30, 2017 Condensed Consolidated Financial Statements included elsewhere in these Listing Particulars.

Any changes to the derivative instruments that Telenet Group Holding uses to manage foreign currency or interest rate risk that may occur as a result of the issuance of the Notes have not been reflected in the as adjusted data presented in this table. Except as set forth in the footnotes to this table, there have been no material changes to Telenet Group Holding’s cash and cash equivalents and third-party capitalization since September 30, 2017.

	September 30, 2017		
	Actual	As Adjusted– Refinancing in millions	As Adjusted– Q4 2017 Refinancing Transactions
CASH AND CASH EQUIVALENTS AND CAPITALIZATION			
Total cash and cash equivalents⁽¹⁾	€ 37.0	€ 25.1	€ 11.3
Third-party debt:			
Telenet Finance V Notes	€ 250.0	€ 250.0	€ 250.0
Telenet Finance VI Notes	530.0	530.0	530.0
Senior Credit Facility:			
Revolving Facility Z ⁽²⁾	45.0	45.0	45.0
Facility AH ⁽³⁾	1,330.0	—	—
Facility AI ⁽³⁾	1,948.7	1,831.4	—
Facility AL ⁽⁴⁾	—	—	730.0
Facility AM ⁽⁴⁾	—	—	1,101.4
Total Senior Credit Facility	3,323.7	1,876.4	1,876.4
Notes offered hereby ⁽⁵⁾	—	1,447.3	1,447.3
Other long-term obligations	338.8	338.8	338.8
Total third-party debt before discounts and deferred financing costs	4,442.5	4,442.5	4,442.5
Discounts and deferred financing costs ⁽⁶⁾	(34.0)	(34.7)	(33.8)
Total carrying amount of third-party debt	4,408.5	4,407.8	4,408.7
Finance lease obligations	374.1	374.1	374.1
Total third-party debt and capital lease obligations	4,782.6	4,781.9	4,782.9
Total equity⁽⁷⁾	(1,120.9)	(1,128.3)	(1,138.0)
Total capitalization⁽⁸⁾	€ 3,661.7	€ 3,653.6	€ 3,644.8

(1) The “*As Adjusted—Refinancing*” amount reflects (i) the use of the proceeds of the Notes issued hereby to complete the Refinancing and (ii) the use of existing cash and cash equivalents to pay estimated fees and expenses of €11.9 million associated with the offering of the Notes. The “*As Adjusted—Q4-2017 Refinancing Transactions*” amount reflects the “*As Adjusted—Refinancing*” amount and is further adjusted to reflect the use of the proceeds from Facility AL and Facility AM, together with existing cash and cash equivalents of Telenet Group Holding of €13.8 million to (a) complete the Term Loan Refinancing and (b) pay estimated fees and expenses of €4.6 million associated with the completion of the Additional Term Loans. The “*As Adjusted*” amounts have not been reduced for the payment of applicable accrued interest in connection with the Q4-2017 Refinancing Transactions.

(2) In the fourth quarter of 2017, revolving facility Z was repaid in full and cancelled.

(3) The “*As Adjusted—Refinancing*” amounts reflect the completion of the Refinancing. The “*As Adjusted—Q4-2017 Refinancing Transactions*” amount reflects the “*As Adjusted—Refinancing*” amount and is further adjusted to reflect the Term Loan Refinancing.

(4) The “*As Adjusted—Q4-2017 Refinancing Transactions*” amounts reflect the Additional Terms Loans assumed to be entered into by Telenet in connection with the Term Loan Refinancing.

- (5) The “As Adjusted” amounts reflect the carrying value of the Notes, issued by Telenet Finance Luxembourg Notes S.à r.l., a financing company that is consolidated by Telenet Group Holding. Facility AJ and Facility AK are eliminated within the Telenet Group Financial Statements and not reflected in this table.
- (6) The “As Adjusted—Refinancing” amount reflects (i) the write-off of €11.2 million of aggregate deferred financing costs and unamortized discount associated with Facility AH and a portion of Facility AI in connection with the Refinancing and (ii) an estimated €11.9 million of fees and expenses assumed to be paid in connection with the issuance of the Notes. The “As Adjusted—Q4-2017 Refinancing Transactions” amount reflects the “As Adjusted—Refinancing” amount and is further adjusted to reflect (a) the write-off of €14.7 million of aggregate deferred financing costs and unamortized discount associated with the remaining portion of Facility AI in connection with the Term Loan Refinancing, (b) an estimated €4.6 million of fees and expenses assumed to be paid in connection with the completion of the Additional Term Loans and (c) an aggregate original issue discount of €9.2 million associated with the Additional Term Loans. The As Adjusted amounts assume that the Q4 2017 Refinancing Transactions will be treated as debt extinguishments or substantive modifications for accounting purposes.
- (7) The “As Adjusted—Refinancing” amount reflects the write-off of €11.2 million of aggregate deferred financing costs and unamortized discount associated with Facility AH and a portion of Facility AI in connection with the Refinancing, net of an assumed tax benefit of €3.8 million. The “As Adjusted—Q4-2017 Refinancing Transactions” amount reflects the “As Adjusted—Refinancing” amount and is further adjusted to reflect the write-off of €14.7 million of aggregate deferred financing costs and unamortized discount associated with the remaining portion of Facility AI in connection with the Term Loan Refinancing, net of an assumed tax benefit of €5.0 million. The As Adjusted amounts assume that the Q4 2017 Refinancing Transactions will be treated as debt extinguishments or substantive modifications for accounting purposes.
- (8) In the event that additional indebtedness were incurred in connection with any Potential Financing Transaction, there would be an expected impact on total cash and cash equivalents, total debt, total equity and total capitalization presented above. Any actual impact would depend on the amount of additional indebtedness incurred and the use of proceeds thereof, and could be material. See “Risk Factors—Risks Relating to Telenet’s Financial Profile—Telenet and the Issuer may incur additional indebtedness prior to, or within a short time period following, the Issue Date of the Notes and the funding of the 2017 Finco Loans, which indebtedness could increase Telenet’s leverage and may have terms that are more or less favorable than the terms of the Notes and Telenet’s other existing indebtedness.”

The following table sets forth, as of November 24, 2017, the date of incorporation of the Issuer, (i) the actual cash and cash equivalents and capitalization of the Issuer and (ii) the cash and cash equivalents and capitalization of the Issuer on an as adjusted basis, after giving effect to the issuance of the Notes offered hereby.

	November 24, 2017	
	Actual	As Adjusted
	in millions	
CASH AND CAPITALIZATION OF THE ISSUER		
Total cash	€ —	€ —
Total debt	—	1,447.3
Total stockholders’ equity	—	—
Total capitalization	€ —	€ 1,447.3

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF TELENET

The following discussion and analysis is intended to assist in providing an understanding of Telenet's financial condition, changes in financial condition and results of operations and should be read together with the September 30, 2017 Condensed Consolidated Interim Financial Statements, the Telenet December 31, 2016 Consolidated Financial Statements, the Telenet December 31, 2015 Consolidated Financial Statements and the Telenet December 31, 2014 Consolidated Financial Statements, including the accompanying notes, included elsewhere in these Listing Particulars. Some of the information in this discussion and analysis includes forward looking statements that involve risks and uncertainties. See "Forward Looking Statements" and "Risk Factors" for a discussion of important factors to be evaluated in connection with a prospective purchase of Notes. The capitalized terms used below have been defined in the notes to the Telenet December 31, 2016 Consolidated Financial Statements, the Telenet December 31, 2015 Consolidated Financial Statements and Telenet December 31, 2014 Consolidated Financial Statements. Unless otherwise indicated, convenience translations into euros are calculated as of December 31, 2016, as applicable.

Overview

Telenet is the largest provider of video services in Belgium. Telenet's HFC cable network spans the Flanders region, covers approximately 69% of Belgium by homes passed and includes the metropolitan centers of Antwerp and Ghent and approximately two-thirds of Brussels following the acquisition of Altice's former Belgian and Luxembourg cable operations ("Coditel Brabant" and "Coditel S.à r.l.", together "**SFR Belux**"), which Telenet acquired on June 19, 2017. Telenet Group Holding's shares are listed on the Euronext Brussels Stock Exchange under the ticker symbol TNET and it is part of the BEL20 stock market index. As of 6:00 p.m. London time on November 21, 2017, Telenet Group Holding's market capitalization amounted to €7,040 million.

Telenet offers basic and enhanced video, including HD, pay television and VOD services, high-speed broadband internet and fixed-line and mobile telephony services to residential subscribers who reside in Telenet's network area. Telenet also combines its services into packages, or bundles, which offer subscribers the convenience of being able to purchase video, broadband internet and telephony services from a single provider at an attractive and discounted price. In addition, Telenet offers voice and data services, as well as value-added services including cloud, hosting and security solutions, to SMEs and large-sized businesses throughout Belgium and parts of Luxembourg. Under the "BASE" brand, Telenet also offers mobile telephony services to residential and business customers across Belgium.

As of September 30, 2017, Telenet had 2,201,800 customer relationships, which represented 67% of the 3,307,100 homes passed by its network. As of September 30, 2017, 2,046,900 customers subscribed to its video services, 1,670,400 subscribed to its broadband internet services and 1,302,500 subscribed to its fixed-line telephony services. Telenet also had 2,258,800 mobile postpaid and 623,300 mobile prepaid subscribers as of September 30, 2017. In addition, approximately 88% of its video subscribers had upgraded from basic video to enhanced video services. For the year ended December 31, 2016, Telenet's total revenue was €2,429.1 million, a 33% increase over the year ended December 31, 2015 including the inorganic impact from the February 2016 BASE Company NV acquisition, and its Adjusted EBITDA was €1,117.1 million, an 18% increase over the year ended December 31, 2015. For the nine months ended September 30, 2017, Telenet's total revenue was €1,884.3 million, a 5% increase compared to the nine months ended September 30, 2016, and its Adjusted EBITDA was €911.2 million, a 7% increase over the nine months ended September 30, 2016.

The Combined Network is fully bi-directional and EuroDocs 3.0 enabled, and provides a spectrum bandwidth capacity of 600 MHz. In August 2014, Telenet announced a five-year €500.0 million network investment program as it plans to increase the capacity of the Combined Network to 1 GHz, enabling download speeds of at least 1 Gbps in the future, with the objective of allowing Flanders to offer some of the highest-capacity digital infrastructure in Europe. At September 30, 2017, approximately 58% of the nodes in the Combined Network had been upgraded.

Telenet is increasingly focused on offering its subscribers broadband internet and telephony subscriptions and services together with its video services in the form of attractively priced multiple-play bundles. Telenet has derived, and believes it can continue to derive, substantial benefits from the trend towards bundled subscriptions, through which it is able to sell more products to individual subscribers, resulting in significantly higher ARPU per customer relationship and, in its experience, the reduction of customer churn. For the nine months ended September 30, 2017, Telenet's ARPU per customer relationship was

€55.2, an increase of 4% compared to the nine months ended September 30, 2016 when the ARPU per customer relationship was €53.2.

Cable television is the principal medium for the provision of television services in Flanders, and Telenet is the largest provider of video services in Belgium. Almost all Flemish television households are passed by the Combined Network. The high penetration of Telenet's video business has resulted in a steady source of revenue and cash flow. As of September 30, 2017, Telenet provided video services to 2,046,900 subscribers, or 62% of homes passed by its network, including 82,200 inorganic additions through the June 2017 SFR Belux acquisition. All of Telenet's basic video subscribers have access to at least 21 basic analog television channels and an average of 26 analog radio channels. Telenet generally provides its basic cable television services under individual contracts with its subscribers, the majority of whom pay monthly. Telenet's basic video subscribers who have installed a set-top box or CI + module, and activated a smart card, have access to more than 70 digital channels, including 15 HD channels, and approximately 36 digital radio channels, for no additional fee. Telenet offers its basic video services in digital for no additional fee in order to encourage its subscribers to migrate to its enhanced video services giving them access to a more enriched TV experience, including access to EPGs, additional thematic content packs, exclusive movies and sports channels and a large VOD library of both local and international programs. For the nine months ended September 30, 2017, subscribers to total basic video services decreased by 41,900 as compared to December 31, 2016 on an organic basis as a result of the increased competitive environment, including the effects from regulated cable wholesale. The aforementioned organic loss rate excludes migrations to Telenet's enhanced video service and represents customers churning to competitors' platforms, such as other digital television, OTT and satellite providers, or customers terminating their television service or having moved out of Telenet's service footprint. Given the historical video penetration in its footprint, the limited expansion of the number of homes passed and strong competition in the domestic TV market, Telenet anticipates further churn of total video subscribers.

Telenet's interactive enhanced video service includes a combination of premium sports and film channels, a range of extended thematic channels, a selection of films and broadcast content available on an on demand basis and a variety of interactive features. Telenet's enhanced video offering is available to all subscribers passed by the Combined Network. At September 30, 2017, Telenet served 1,791,200 enhanced video customers, including 74,700 inorganic subscribers added through the SFR Belux acquisition. Telenet's digitalization ratio, which measures the total base of enhanced video customers relative to Telenet's total video subscriber base, continued to grow, and reached approximately 88% at September 30, 2017 compared to approximately 85% at September 30, 2016. All of Telenet's enhanced video subscribers can access the "Yelo Play" app, through which they can enjoy a unique content experience on multiple connected devices in the home and out-of-home through Telenet's WiFi Homespots and hotspots. At September 30, 2017, Telenet's subscription VOD packages "Play" and "Play More" had 393,100 customers, representing a 17% increase compared to September 30, 2016. This robust performance was driven by (i) an improvement in the linear viewing experience and the revamp of Telenet's premium entertainment platform "Play More",

(ii) continued investments in promising local content both through co-productions with Telenet's co-owned commercial channels "VIER", "VIJF" and "ZES" as well as certain proprietary content, and (iii) Telenet's exclusive partnership with HBO providing access to high-quality international content. In addition to the premium pay television channels, Telenet also provides the broadest sports offerings within its footprint through "Play Sports", which combines domestic and foreign football with other major sport events including golf, Formula One racing, volleyball, basketball and hockey. Telenet recently also added tennis with the ATP World Tour Masters, a major tennis event, to its sports line-up. At September 30, 2017, approximately 232,000 customers subscribed to Telenet's sports pay television channels, an increase of 1% compared to September 30, 2016. In May 2017, Telenet extended the non-exclusive broadcasting rights for the Jupiler Pro League for three seasons until the 2019-2020 season. In addition, we also gained the exclusive OTT rights in Q2 2017, while local media company De Vijver Media, in which we own a 50% shareholding, holds the exclusive rights on the match summaries.

Telenet is the leading provider of residential broadband internet services in Flanders. Today, Telenet offers consumers and businesses data download speeds of up to 200 and 500 Mbps, respectively, and upload speeds of 20 and 50 Mbps, respectively. Through Telenet's €500.0 million five-year "Grote Netwerf" investment program, which kicked off in early 2015 and is expected to be completed mid-2019, Telenet aims to boost the capacity of its network from 600 MHz currently to 1 GHz, enabling data download speeds of at least 1 Gbps in the future. As customers increasingly expect to enjoy seamless superfast connectivity whether at home, at work or on the move, WiFi remains one of the cornerstones of Telenet's connectivity strategy.

Mid-March 2017, Telenet introduced “Flow Tech”, a suite of smart technologies, to ensure that customers can seamlessly access both fixed and mobile networks across all of their devices. At September 30, 2017, Telenet has deployed around 1.4 million WiFi Homespots and operated nearly 2,000 WiFi hotspots in public areas. Through partnerships with its majority shareholder Liberty Global, certain of its affiliates, and Walloon cable operator VOO, broadband internet customers from both cable companies can freely use the WiFi Homespots on either company’s network in Wallonia and in certain other European countries where service is offered through other Liberty Global and certain affiliate networks. At the end of June 2017, Telenet boosted both the data upload and download speeds of its “Basic Internet” product. Priced at €27.8 per month (including 21% VAT) and providing a data download speed of 50 Mbps, Telenet’s “Basic Internet” offer remains one of the most attractive entry packages both within a Belgian and a wider European context. At September 30, 2017, Telenet served 1,670,400 broadband internet subscribers (+5% year-on-year), including 60,300 inorganic subscribers added through the SFR Belux acquisition and equivalent to 50.5% of the homes passed by its HFC network. For the nine months ended September 30, 2017, net organic subscriber additions for Telenet’s broadband internet service were 9,800. Telenet’s annualized churn rate was impacted by the intensely competitive environment and reached 8.9% for the nine months ended September 30, 2017 as compared to 7.7% for the nine months ended September 30, 2016.

Telenet offers its residential subscribers local, national and international long distance fixed-line telephony services and a variety of value-added features. In Flanders, Telenet believes it is currently the largest competitor of Proximus, the Belgian incumbent, due in part to Telenet’s emphasis on customer service and innovative flat-fee rate plans. Substantially all of Telenet’s fixed-line telephony subscribers use VoIP technology, which utilizes the open standards EuroDocsis protocol, and through which Telenet is able to provide both internet and fixed-line telephony services. Telenet served 1,302,500 fixed-line telephony subscribers at September 30, 2017 (+4% year-on-year), including 48,100 inorganic additions from the acquisition of SFR Belux and equivalent to 39.4% of the homes passed by its network. For the nine months ended September 30, 2017, Telenet lost 200 net organic fixed-line telephony subscribers as a result of the intensely competitive market environment and an overall declining market trend. Both these factors also drove a 150 basis points increase in the annualized churn rate to 10.0% for the nine months ended September 30, 2017 as compared to 8.5% for the nine months ended September 30, 2016.

In February 2016, Telenet finalized the acquisition of Belgian mobile operator BASE. Telenet offers its mobile telephony services under both the “Telenet” and “BASE” brand names and has entered into several wholesale partnerships. In addition to BASE’s mobile radio access network, Telenet has historically been operating through a MVNO partnership with Orange Belgium (the “**MVNO Arrangement**”). Pursuant to the MVNO Arrangement, Telenet offers its cable customers mobile voice and data services, including 4G/ LTE, through Orange Belgium’s mobile network. Through a partnership with Telenet, Nethys also uses the MVNO Arrangement to provide mobile services to its cable customers.

At the end of May 2016, Orange Belgium and Telenet reached an agreement setting the terms and conditions for the future termination of their MVNO Arrangement. The MVNO Arrangement will run until the end of 2018, implying Telenet’s mobile customers can continue to use Orange Belgium’s network until the end of 2018. Telenet committed to a minimum payment of €150.0 million (excluding VAT) over the 3-year period 2016-2018. The actual amount paid by Telenet could exceed this minimum amount in case of higher network usage. Beyond 2018, an optional 6-month extension period has been agreed upon with a minimum payment of €15.0 million (excluding VAT) if triggered. Through the MVNO Termination Agreement, all outstanding legal disputes between both companies, including the judicial recovery of invoices under the MVNO Arrangement, have now been settled. The rapid modernization of Telenet’s acquired mobile network is an important synergy enabler, allowing Telenet to accelerate the onboarding of its Full MVNO customers to its own mobile network. At September 30, 2017, approximately 54% of its Full MVNO customers had been onboarded on the own mobile network. Telenet now aims for full completion by the end of the three months ending March 31, 2018 versus the initial plan by end-2018. As the accelerated onboarding will affect the contractual commitments under the MVNO Arrangement, Telenet incurred a €29.2 million non-cash restructuring charge in the three months ended September 30, 2017.

Telenet’s active mobile subscriber base, which excludes subscribers under its commercial wholesale partnerships, totaled 2,882,100 SIMs at September 30, 2017, including 2,258,800 postpaid subscribers. The remaining 623,300 mobile subscribers receive prepaid services under the BASE brand and various branded reseller contracts. Compared to September 30, 2016, Telenet recorded a 5% decrease in the total number of active mobile subscribers as a result of the sale of its direct subsidiary Ortel Mobile to Lycamobile as of March 1, 2017 and the impacts from the June 2017 mandatory prepaid registration. As such, a total of 157,900 and 53,300 mobile SIMs have been removed from Telenet’s subscriber count in the three months ended March 31, 2017 and the three months ended June 30, 2017, respectively. For the nine months ended September 30 2017, Telenet added 143,400 net postpaid subscribers driven by the continued uptake of its all-in-one converged “WIGO” bundles and improved

offers. At the end of September 2017, Telenet revamped the mobile line-up under the “BASE” brand, by offering more flexible bundles adjusted to the customers’ needs so they can use the full capacity of their package, regardless of their appetite to use either more data, minutes or text messages.

Under the “Telenet Business” brand, Telenet offers a range of voice, data and internet products and services that are tailored to the size and needs of each customer. Telenet Business also offers its business customers an extensive range of reliable value-added services, including hosting, managed security and cloud services. Telenet provides services to business customers throughout Belgium and parts of Luxembourg. Telenet’s business customers include SMEs; larger corporations; public; healthcare and educational institutions; and carrier customers that include international voice, data and internet service providers. Telenet Business generated revenue of €98.5 million for the nine months ended September 30, 2017, up 9% compared to the nine months ended September 30, 2016. B2B revenue growth was primarily driven by higher security- related revenue and higher revenue from business connectivity solutions in the SME segment.

Key Factors Affecting Telenet’s Businesses

Telenet’s operations and the operating metrics discussed below have been, and may continue to be, affected by certain key factors as well as certain historical events and actions. The key factors affecting the ordinary course of Telenet’s business and its results of operations include, among others, the introduction of new products and services, including new enhanced video pay services, higher broadband internet access speeds and the introduction of new competitive mobile rate plans with the incorporation of the Base mobile network through which it seeks to enhance its mobile product offerings and market positioning, changes in its pricing, network upgrades and maintenance, its cost structure, customer churn and acquisitions and dispositions. Each of these factors is discussed in more detail below.

New products and services

Introduction of new all-in-one quad-play bundle “WIGO”

In June 2016, Telenet launched its all-in-one converged package for families and businesses, “WIGO”. All three residential “WIGO” bundles, each priced between €100.0 and €195.0 per month (including 21% VAT), include a superfast broadband connection, WiFi access, unlimited fixed and mobile calls in Belgium and a mobile data allowance to be shared among individual family members. At September 30, 2017, Telenet had 265,100 “WIGO” customers.

Launch of “The Digital Acceleration”

Telenet Business launched “The Digital Acceleration” in March 2017 to further stimulate digital entrepreneurship. Certain self-employed and SMEs can benefit from a free visit of an independent digital expert during which they get tailored advice about advertising on social media, creating a web shop, sending targeted e-mails etc.

Launch of “Flow Tech”

Mid-March 2017, Telenet introduced “Flow Tech”, a suite of smart technologies, to ensure that customers can seamlessly access both fixed and mobile networks across all of their devices. At September 30, 2017, Telenet has deployed around 1.4 million WiFi Homespots and operated nearly 2,000 WiFi hotspots in public areas. Through partnerships with its majority shareholder Liberty Global, certain of its affiliates, and Walloon cable operator VOO, broadband internet customers from both cable companies can freely use the WiFi Homespots on either company’s network in Wallonia and in certain other European countries where service is offered through other Liberty Global and certain affiliate networks.

Renewal of Belgian football broadcasting rights through the 2019-2020 season

In May 2017, Telenet extended the non-exclusive broadcasting rights for the Jupiler Pro League for three seasons until the 2019-2020 season. In addition, Telenet also gained the exclusive OTT rights, while local media company De Vijver Media, in which Telenet owns a 50% shareholding, holds the exclusive rights on the match summaries.

Telenet invests in a solution for the proliferation of programmes at work

In May 2017, Telenet invested in Antwerp-based company Spencer, a start-up active in the development of digital workplace applications.

Investment in Mobile IDF and launch of application “itsme”

At the end of May 2017, the application “itsme” was launched, a single digital identity that replaces all passwords on the web. Four major Belgian banks and all three Belgian mobile network operators have joined forces to form the Belgian Mobile ID consortium to develop a digital identity.

Revamp of all-in-converged quadruple-play bundles “WIGO”

In June 2017, Telenet boosted the mobile data allowances under its “WIGO” product, providing more value to its customers. Also for B2B-products, the data volume increased for no additional charges.

Faster “Basic Internet”

In June 2017, Telenet increased the speed of its Basic Internet, the entry level cable internet package. Going forward, both new and existing customers will enjoy data download speeds of 50 Mbps instead of 30 Mbps. The upload speed increased to 5 Mbps, while the volume remained the same, i.e., 150 GB.

Mobile rate plans “King” & “Kong” adapted

In June 2017, Telenet announced a return to the simplicity of the original “King” & “Kong” concept, i.e., 2 straightforward plans (“lots” and “ridiculous amounts”) at affordable price points. From now on, the new mobile plans will only be available to Telenet customers who also use a fixed Telenet product (broadband internet, fixed-line telephony and/or video). The new “Kong” plan costs €25 a month, with 4GB, 500 calling minutes and unlimited text messaging. The enhanced “King” plan costs €15 a month offering 50% more data with 1.5 GB, 150 calling minutes and unlimited text messaging.

Introduction of a new competitive mobile rate concept “Based on you”

Telenet launched a new competitive mobile rate concept “Based on you” under the BASE brand at the end of September 2017, offering customers a wealth of adjustable mobile data or voice minutes volumes and unlimited free text messages, to cater for almost everyone’s mobile needs. The “Based on you” concept provides the customer with flexibility, as the out-of-bundle rate equals the in-bundle rate and in which unused data or minutes are automatically transferred to the next billing period.

Telenet opens its own innovation centre in Brussels

In October 2017, Telenet opened its own innovation centre in Brussels. In this innovation centre, Telenet will not only test new technology for connectivity, entertainment, value-added services or customer experiences, but also give partners the opportunity to test their projects using Telenet technology and to appeal to the Telenet know-how. The Telenet Innovation Centre will also serve as a knowledge and innovation centre for the Liberty Global Group.

Pricing

Telenet regularly reviews its pricing policy, carefully weighing the current and future economic and competitive environment. Historically, Telenet has increased the video subscription fee in response to inflation. In February 2017, Telenet raised the subscription fee for certain fixed products, including its “Whop” and “Whoppa” bundles, broadband internet and fixed-line telephony products, by 1.99%.

Cost structure

Certain of Telenet’s total operating expenses, such as a proportion of its network operating, programming and payroll costs, are relatively fixed, while a proportion of its marketing, content, interconnect, customer care, billing and subscriber acquisition costs are relatively variable and hence directly driven by subscriber growth. Telenet’s

most significant expense items include payroll costs, programming costs, copyright costs, customer care and interconnection fees. Telenet pays interconnection fees to other network operators when it connects to its networks in order to terminate its voice and data services. Voice interconnection fees in Belgium are regulated and the amount Telenet pays in interconnection fees in any period will depend on the level of usage of its services.

Telenet's payroll costs relate to the number and salary levels of its full-time staff and external personnel. The number of full time equivalents employed by Telenet as of December 31, 2016 amounted to 3,387 compared to 2,318 as of December 31, 2015, including 859 full-time equivalents of BASE. Telenet still outsources a portion of its call center customer care and sales functions. The fees that the operators charge Telenet for external call center services generally depend on the level of its customer care call volume. The level of Telenet's customer care call volume may fluctuate during any given period as a result of, among other things, the introduction of new products and services that are unfamiliar to its customers or difficult to install, the quality and reliability of its services and the quality of its alternative customer support options, including its automated customer care functions on its website. Telenet has deliberately opted to increase the number of in-house call centers. Although this has resulted in higher employee costs, the cost increase will be offset through lower network operating and service costs in future periods, as Telenet anticipates improved efficiencies in its care and sales operations through a higher proportion of insourced call centers.

For the vast majority of programming, Telenet is dependent on broadcasters and other content providers for programming. Telenet pays copyright royalties to various copyrights societies in Belgium that represent content producers from various countries around Europe. Telenet also pays signal costs to broadcasters in order to carry their signal on its network. Telenet generally pays author copyright royalties and signal costs on a per subscriber basis. Telenet also pays royalties to its third-party content providers for its digital pay television programming. Telenet generally pays royalties on a per subscriber basis for subscription content and pays fixed amounts for on demand content that is purchased by its subscribers. As a result, Telenet expects that its content costs will increase along with increased sales of its digital pay television content. However, some of Telenet's content supply agreements require it to pay prices for the programming based on a guaranteed minimum number of subscribers, even if that number is larger than the number of actual subscribers.

Telenet also incurs costs related to the purchase of mobile handsets and its offering of subsidized handsets to existing Telenet customers subscribing to a specific mobile subscription. As a result of the 2012 Law, the typical 24-month contract duration for mobile subscriptions is no longer applied and Telenet has removed all fixed contract terms as of October 1, 2012. As a result, mobile telephony subscribers on a subsidized rate plan must pay the residual value of the handset if they wish to terminate their contract before the handset has fully depreciated and no additional termination fee is applied to terminate the mobile contract. The subscriber acquisition costs Telenet incurs are fully expensed within the relevant sales period.

Churn

Revenue growth from Telenet's residential businesses is driven primarily by ARPU and net subscriber growth, which in turn is a function of gross subscriber additions and churn. Churn is calculated as total product disconnects during a quarter (or for the full year, as appropriate), divided by the average subscriber base at the beginning of the quarter (or year) and at the end of the quarter (or year), multiplied in the case of the quarterly churn calculation by four to achieve the annualized result.

The video, broadband internet and telephony industries exhibit churn as a result of high levels of competition. Specifically for Telenet's video services, churn is also driven by the historically dense cable penetration in its footprint and customers now enjoying a wider variety of alternative television platforms. In addition to competitive alternatives, churn levels may be affected by changes in Telenet's or its competitors' prices, Telenet's level of customer satisfaction and the relocation of subscribers. Increases in churn may lead to increased costs and reduced revenue.

Telenet's churn rates have remained at moderate levels and compare favorably to most of its competitors. Despite the intensely competitive environment and the effects from the 2012 Law, making it essentially easier for consumers to switch operators, Telenet continues to achieve moderate annualized churn rates for substantially all of its advanced fixed services of broadband internet, enhanced video and fixed-line telephony. Telenet believes this strong performance is driven by the successful execution of its multiple-play strategy and its continued focus on providing a great customer experience. For the nine months ended September 30, 2017, annualized churn for advanced fixed services reached 8.9%, 8.9 % and 10.0% respectively, for Telenet's video, broadband internet and fixed-line telephony services, respectively.

Customer churn in the Belgian mobile telephony market has historically been higher relative to the fixed market as result of the intensely competitive environment, new technologies, mandatory mobile number portability and fairly low switching costs. Within the mobile telephony industry, postpaid churn rates have historically been much lower relative to the prepaid segment. As Telenet is currently active in the postpaid and prepaid market, primarily within its Flemish and Brussels footprint, annualized churn for Telenet's mobile services reached 13.3% for the nine months ended September 30, 2017, an improvement of 0.7 percentage points compared to the nine months ended September 30, 2016.

Network upgrades and maintenance

Telenet's ability to provide new high-definition and on-demand enhanced video services, broadband internet access at ever higher speeds and telephony services to additional subscribers depends in part on its ability to upgrade its network. At the end of 2009, Telenet completed the upgrade of its own network bandwidth capacity from 450 MHz to 600 MHz. Telenet has reduced the number of homes connected to an optical node from an average 1,400 at the start of the node-splitting project in 2010 to an average of approximately 480 homes as of September 30, 2017. As not all homes connected to the Combined Network subscribe to broadband internet services from Telenet, the number of active broadband households per optical node was approximately 290 at September 30, 2017. The Combined Network is an HFC upgraded network which uses EuroDocsis 3.0 technology with download speeds of up to 200 Mbps for certain of its residential customers and up to 500 Mbps for certain of its business customers. Under current offerings, all new bundled broadband internet customers enjoy download speeds of at least 100 Mbps, which exceed the base tier download speeds of Telenet's direct competitors. As part of its €500.0 million network investment program, Telenet plans to increase the capacity of its network to 1 GHz within the next five years, enabling download speeds of at least 1 Gbps in the future, with the objective of allowing Flanders to offer some of the highest-capacity digital infrastructure in Europe. At September 30, 2017, approximately 58% of the nodes in the Combined Network had been upgraded.

Acquisitions and divestitures

In June 2014, Telenet announced a strategic 50% investment in the Flemish media company De Vijver Media for €26.0 million and an additional €32.0 million capital increase. De Vijver Media owns three free-to-air commercial channels ("VIER", "VIJF" and "ZES") and a content production house ("Woestijnvis"). On February 24, 2015, the European Commission announced that the acquisition was cleared subject to several commitments made. Telenet and De Vijver Media committed to offer under fair, reasonable and non-discriminatory terms to any interested TV distributor in Belgium the following: (i) to license the channels; (ii) to license any new basic pay TV channel that De Vijver Media may launch in the future; and (iii) De Vijver Media must also license to distributors linked services such as catch-up TV and PVR. These commitments will be in place for seven years. They ensure that Telenet's competitors are able to offer the channels to their subscribers and have no competitive disadvantage vis-à-vis Telenet. Telenet and two other shareholders, Mediahuis NV and Waterman & Waterman NV, jointly control De Vijver Media. Telenet does not consolidate the activities of De Vijver Media but does account for its investment applying the equity method. Telenet believes that this investment drives innovation in local content and, together with Telenet's existing strong portfolio of channels, will continue to enable Telenet to offer Flemish viewers high quality and technologically advanced multimedia entertainment, while continuing to secure strategic access to local content.

In April 2016, Telenet acquired the Belgian nationwide mobile operator BASE Company from subsidiaries of KPN for €1,324.4 million. Through the acquisition, Telenet gained long-term mobile access to effectively compete for future growth opportunities in the mobile market. As a result of the acquisition, Telenet is well positioned to meet the rising demand from both residential and business customers for the full range of fixed and mobile services, and to continue providing a top-of-the-market customer experience. The rapid modernization of Telenet's acquired mobile network is an important synergy enabler, allowing Telenet to accelerate the onboarding of its Full MVNO customers to its own mobile network. At September 30, 2017, approximately 54% of its Full MVNO customers had been onboarded on the own mobile network. Telenet now aims for full completion by the end of the three months ending March 31, 2018 versus the initial plan by end-2018. As the accelerated onboarding will affect the contractual commitments under the MVNO Arrangement, Telenet incurred a €29.2 million non-cash restructuring charge in the three months ended September 30, 2017.

On June 19, 2017, Telenet signed a definitive agreement to acquire Coditel Brabant and its subsidiary Coditel Lux (together "SFR Belux") for €400 million on a cash and debt free basis. The acquisition values SFR Belux at 6.5x 2016E Adjusted EBITDA when adjusted for projected annual run-rate synergies of €16 million by 2021. The proposed synergies are mainly driven by (i) an extended footprint in Brussels, (ii) the introduction of competitive

and appealing quadruple-play offers (combination of video, high-speed internet, fixed and mobile telephony), (iii) B2B growth and (iv) overall cost synergies. Telenet financed the acquisition through a combination of existing cash and cash equivalents and available liquidity under its revolving credit facilities.

In November 2017, Telenet announced that its direct subsidiary Telenet Group BVBA had entered into an agreement with the current shareholders of TelelinQ NV on October 31, 2017 concerning the acquisition of Nextel. In order to support the Company's growth ambitions in the Belgian B2B market, this acquisition will provide Telenet with additional in-house expertise to design, construct and manage total solutions on behalf of other companies. As a Belgian integrator, Nextel currently works for major companies, SMEs, care institutions, non-profit organizations and government authorities. Nextel has offices in Wommelgem and Zaventem and to date has 315 permanent employees, having generated revenue of approximately €47.0 million in 2016. The acquisition will be submitted to the Belgian Competition Authority for approval, before it can be executed.

Key Operating Measures

Telenet uses several key operating measures, including RGUs and ARPU, to track the performance of its business. Neither of these terms is a measure of financial performance under EU-IFRS, nor have these measures been reviewed by an outside auditor, consultant or expert. Each of these measures is derived from management estimates. As defined by Telenet, these terms may not be comparable to similar terms used by other companies. See "Glossary".

RGUs

Telenet classifies its customers based on its main subscription based business activities. The following table summarizes Telenet's RGUs for its basic and enhanced video services, broadband internet and fixed-line and mobile telephony businesses as of and for the years ended December 31, 2016, 2015 and 2014 and as of and for the nine months ended September 30, 2017 and 2016.

	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2017	2016	2016	2015	2014
Other Operating Information:					
Footprint:					
Homes passed ⁽¹⁾	3,307,100	2,973,700	2,987,600	2,935,700	2,916,300
RGUs:					
Total video	2,046,900	2,028,600	2,017,500	2,054,800	2,083,300
Basic video ⁽²⁾	255,700	297,600	284,600	340,600	403,200
Enhanced video ⁽³⁾	1,791,200	1,731,000	1,732,900	1,714,200	1,680,100
Broadband internet ⁽⁴⁾	1,670,400	1,594,300	1,601,700	1,570,500	1,523,300
Fixed-line telephony ⁽⁵⁾	1,302,500	1,251,000	1,255,400	1,221,000	1,159,500
Total RGUs (excluding mobile) ⁽⁶⁾	5,019,800	4,873,900	4,874,600	4,846,300	4,766,100
Mobile telephony ⁽⁷⁾	2,882,100	3,020,000	2,991,900	1,001,200	894,300
Customer relationship information:					
Triple-play customers	1,183,300	1,128,600	1,134,100	1,094,300	1,028,100
Total customer relationships ⁽⁸⁾	2,201,800	2,156,300	2,149,300	2,177,500	2,196,300
Services per relationship ⁽⁸⁾	2.28	2.26	2.27	2.23	2.17
ARPU per customer relationship ^{(8) (9)}	55.2	53.2	53.4	50.6	47.8
Penetration:					
Video ⁽¹⁰⁾	61.9%	68.2%	67.5%	70.0%	71.4%
Broadband internet ⁽¹⁰⁾	50.5%	53.6%	53.6%	53.5%	52.2%
Fixed-line telephony ⁽¹⁰⁾	39.4%	42.1%	42.0%	41.6%	39.8%
Digitalization rate ⁽¹¹⁾	87.5%	85.3%	85.9%	83.4%	80.6%
Triple-play customers ⁽¹²⁾	53.7%	52.3%	52.8%	50.3%	46.8%

(1) Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to the Combined Network without materially extending the distribution plant. Telenet's Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results.

(2) Basic Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives Telenet's video service over the Combined Network either via an analog video signal or via a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Encryption-enabling technology includes smart cards, or other integrated or virtual technologies that Telenet uses to provide its enhanced service offerings. Telenet counts RGUs on a unique

premises basis. In other words, a subscriber with multiple outlets in one premises is counted as one RGU and a subscriber with two homes and a subscription to Telenet's video service at each home is counted as two RGUs.

- (3) Enhanced Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives Telenet's video service over the Combined Network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced Video Subscribers are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives Telenet's video service in one premises is generally counted as just one subscriber. An Enhanced Video Subscriber is not counted as a Basic Video Subscriber. As Telenet migrates customers from basic to enhanced video services, Telenet reports a decrease in its Basic Video Subscribers equal to the increase in its Enhanced Video Subscribers.
- (4) Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives internet services over the Combined Network.
- (5) Fixed-line Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives fixed-line voice services over the Combined Network. Fixed-line Telephony Subscribers exclude mobile telephony subscribers.
- (6) RGU is separately a Basic Video Subscriber, Enhanced Video Subscriber, Internet Subscriber or Fixed-line Telephony Subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer subscribes to Telenet's enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, Internet and Fixed-line Telephony Subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of Telenet's services in two premises (e.g. a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled cable, internet or fixed-line telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers, free service to employees) generally are not counted as RGUs. Telenet does not include subscriptions to mobile services in our externally reported RGU counts.
- (7) Telenet's mobile subscriber count represents the number of active subscriber identification module ("SIM") cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (via a dongle) would be counted as two mobile subscribers. Customers who do not pay a recurring monthly fee are excluded from Telenet's mobile telephony subscriber counts after a 90-day inactivity period.
- (8) Customer Relationships are the number of customers who receive at least one of Telenet's video, internet or fixed-line telephony services that Telenet counts as RGUs, without regard to which or to how many services they subscribe. Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives Telenet's services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Customer Relationships. Telenet excludes mobile-only customers from Customer Relationships.
- (9) ARPU per RGU and ARPU per customer relationship are calculated as follows: average total monthly recurring revenue (including revenue earned from carriage fees and set-top box rentals and excluding interconnection revenue, installation fees, B2B revenue, mobile telephony revenue and set-top box sales) for the indicated period, divided by the average of the opening and closing RGU base or customer relationships, as applicable, for the period.
- (10) Number of RGUs at the end of the relevant period as a percentage of the number of homes passed by the Combined Network at the end of the relevant period.
- (11) Number of enhanced video subscribers at the end of the relevant period relative to the total number of video subscribers at the end of the relevant period.
- (12) Number of triple-play subscribers at the end of the relevant period relative to the total number of customer relationships at the end of the relevant period.

At September 30, 2017, Telenet served 2,201,800 unique customer relationships subscribing to 5,019,800 fixed services across its footprint of 3,307,100 homes passed in Flanders and Brussels and including its extended footprint in Brussels, Wallonia and Luxembourg through the June 2017 SFR Belux acquisition. At September 30, 2017, Telenet's RGU count consisted of 2,046,900 video, 1,670,400 broadband internet and 1,302,500 fixed-line telephony subscriptions. In addition, around 88% of Telenet's video subscribers had upgraded to its enhanced video platform at September 30, 2017 so they can enjoy a much richer TV experience, including access to a wider range of digital, HD and pay television sports channels, a vast library of domestic and international VOD content both on a transactional and subscription basis and access to Telenet's OTT platform "Yelo Play". Telenet reached a bundling rate of 2.28 RGUs per unique customer relationship at the end of September 2017 (September 30, 2016: 2.26), which is indicative of the continued multiple play growth. At September 30, 2017, approximately 54% of Telenet's customers subscribed to a triple-play bundle, whereas approximately 20% subscribed to a double-play product and approximately 26% subscribed to just one product, indicating continued up-sell opportunity within the existing customer base. At September 30, 2017, Telenet also served 2,882,100 mobile subscribers as compared to 3,020,000 at September 30 last year. This 5% year-on-year decrease reflected both the sale of Telenet's direct

subsidiary Ortel Mobile to Lycamobile as per March 1, 2017 and the impacts from the mandatory prepaid registration as of June this year.

Net subscriber growth for Telenet's advanced fixed services of enhanced video, broadband internet and fixed line telephony for the nine months ended September 30, 2017 decreased relative to the nine months ended September 30, 2016, primarily reflecting an intensely competitive and promotional environment and a net decrease in fixed-line telephony subscribers due to a general decline in the market. Net subscriber growth for Telenet's all-in-one converged package "WIGO" for the nine months ended September 30, 2017 accelerated on the back of Telenet's improved line-up which includes higher mobile data allowances at unchanged prices. All "WIGO" bundles include a superfast broadband connection, WiFi access, unlimited fixed and mobile calls in Belgium and a mobile data allowance to be shared among individual family members. At September 30, 2017, Telenet reached 265,100 "WIGO" customers.

ARPU per customer relationship

Telenet considers the customer value, reported as ARPU per customer relationship, to be one of its key operational metrics since Telenet seeks to obtain a larger share of its customers' spending on media, entertainment and telecommunications services. ARPU per customer relationship is a measure Telenet uses to assess how effectively it is realizing potential revenue from customers. Telenet defines ARPU per customer relationship as average total recurring revenue (including revenue earned from carriage fees and rental set-top boxes and excluding interconnection revenue, installation fees, mobile telephony revenue and set-top box sales) for the indicated period, divided by the average of the opening and closing RGU base or customer relationships, as applicable, for the period.

The following table summarizes the ARPU per customer relationship for the different periods.

	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2017	2016	2016	2015	2014
	(in € per month)				
ARPU per customer relationship	55.2	53.2	53.4	50.6	47.8

For the nine months ended September 30, 2017, the ARPU per customer relationship yielded €55.2, up €2.0 or 4%, compared to the nine months ended September 30, 2016. Relative to the nine months ended September 30, 2016, the growth in the ARPU per customer relationship was underpinned by (i) a higher proportion of multiple-play subscribers in Telenet's overall customer mix, (ii) a larger share of enhanced video customers subscribing to its premium entertainment services, (iii) the benefit from the selective price increase on certain fixed services as of mid-February 2017 and (iv) a decrease in the total number of unique customer relationships as a result of an intensified competitive environment. These impacts were offset to some extent by a growing proportion of bundle discounts and other discounts.

Results of Operations

The following table depicts, for the periods indicated, statistics relating to Telenet's results of operations"

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	€ in millions				
Revenue					
Video	432.3	424.5	565.5	552.1	542.9
Broadband internet	453.1	425.7	571.5	546.0	513.9
Fixed-line telephony	179.9	182.5	243.0	226.9	211.1
<i>Cable subscription revenue</i>	1,065.3	1,032.7	1,380.0	1,325.0	1,267.9
Mobile telephony	407.8	387.9	530.6	203.4	181.0
<i>Total subscription revenue</i>	1,473.1	1,420.6	1,910.6	1,528.4	1,448.9
Business services	98.5	90.6	122.3	118.1	105.5
Other	312.7	288.7	396.2	175.3	152.7
Total revenue	<u>1,884.3</u>	<u>1,799.9</u>	<u>2,429.1</u>	<u>1,821.8</u>	<u>1,707.1</u>

Expenses

Cost of services provided.....	(1,190.2)	(1,021.6)	(1,449.9)	(997.9)	(934.8)
Gross Profit	694.1	778.3	979.2	823.9	772.3
Selling, general and administrative expenses	(352.6)	(362.0)	(493.8)	(280.8)	(240.1)
Operating profit	341.5	416.3	485.4	543.1	532.2
Finance income.....	210.3	0.3	6.5	16.5	2.4
Finance expenses	(407.1)	(326.2)	(376.4)	(280.2)	(334.0)
Net finance expense	(196.8)	(325.9)	(369.9)	(263.7)	(331.6)
Share of the result of equity accounted investees.....	(0.2)	(2.6)	0.1	(4.1)	0.4
Impairment of investments in equity accounted investors.....	-	-	(31.0)	-	-
Profit before income tax	144.5	87.8	84.6	275.3	201.0
Income tax expense	(38.2)	(46.2)	(43.0)	(99.6)	(91.7)
Profit for the period	106.3	41.6	41.6	175.7	109.3
Other financial information					
Adjusted EBITDA ⁽¹⁾⁽³⁾	911.2	847.8	1,117.1	943.7	900.0
Adjusted EBITDA margin ⁽²⁾	48.4%	47.1%	46.0%	51.8%	52.7%

- (1) As Telenet uses the term, EBITDA is defined as profit before net finance expense, the share of the result of equity accounted investees, income taxes, depreciation, amortization and impairment. Adjusted EBITDA is defined as EBITDA before stock-based compensation and restructuring charges, and before operating charges or credits related to successful or unsuccessful acquisitions or divestitures. Operating charges or credits related to acquisitions or divestitures include (i) gains and losses on the disposition of long-lived assets, (ii) due diligence, legal, advisory and other third-party costs directly related to Telenet's efforts to acquire or divest controlling interests in businesses, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Adjusted EBITDA is an additional measure used by management to demonstrate Telenet's underlying performance and should not replace the measures in accordance with EU IFRS as an indicator of Telenet's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.
- (2) Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of revenue.
- (3) The following table presents a reconciliation between total profit for the period to Adjusted EBITDA for the period for the indicated periods:

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	€ in millions				
Profit for the period	106.3	41.6	41.6	175.7	109.3
Income tax expense	38.2	46.2	43.0	99.6	91.7
Share of the loss (result) of equity accounted investees	0.2	2.6	(0.1)	4.1	(0.4)
Impairment of investments in equity accounted investees	-	-	31.0	-	-
Net finance expense.....	196.8	325.9	369.9	263.7	331.6
Depreciation, amortization and impairment.....	526.8	414.3	609.1	(390.4)	355.5
EBITDA	868.3	830.6	1,094.5	933.5	887.7
Share based compensation	10.6	8.0	11.7	10.4	8.3
Operating charges related to acquisitions or divestitures	2.2	7.1	8.4	9.7	2.1
Restructuring charges (gains)	30.1	2.1	2.5	(9.9)	1.9
Adjusted EBITDA	911.2	847.8	1,117.1	943.7	900.0
	€ in millions				
	September 30,		December 31,		
	2017	2016	2016	2015	2014
Consolidated Balance Sheet Data:					
Cash and cash equivalents.....		37.0	99.2	277.3	189.1
Total assets		5,488.7	5,007.4	3,598.5	3,409.1
Total current liabilities		1,524.7	1,216.6	876.6	784.8
Total loans and borrowings (long and short term).....		4,804.6	4,781.9	3,793.9	3,733.5
Total liabilities		6,609.6	6,215.1	4,801.9	4,771.4
Total deficit		(1,120.9)	(1,207.6)	(1,203.4)	(1,362.3)

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	€ in millions				
Cash Flow Information:					
Net cash from operating activities.....	669.8	518.3	749.1	665.5	571.6
Net cash used in investing activities	(737.5)	(1,527.7)	(1,660.2)	(433.1)	(318.6)
Cash flow from (used in) financing activities.....	5.5	755.0	733.0	(144.2)	(278.0)
Net cash generated (used)	(62.2)	(254.4)	(178.1)	88.2	(25.0)

Presentation of Rebased Growth Rates

For purposes of calculating rebased growth rates on a comparable basis for the three and nine months ended September 30, 2017 and for the year ended December 31, 2016, we have adjusted our historical revenue, Adjusted EBITDA and certain expenses to (i) include the pre-acquisition revenue and Adjusted EBITDA of BASE Company (fully consolidated since February 11, 2016) and SFR Belux (fully consolidated since June 19, 2017) in our rebased amounts for the nine months ended September 30, 2016 to the same extent that the revenue and Adjusted EBITDA of such entities are included in our results for the three and nine months ended September 30, 2017 and (ii) exclude the revenue and Adjusted EBITDA of the disposals of certain legacy fixed-line products at BASE Company and Ortel Mobile made during the first quarter of 2017 to the same extent that the revenue and Adjusted EBITDA of these disposed business is excluded from our results for the three and nine months ended September 30, 2017. We have reflected the revenue and operating profit of BASE and SFR Belux in our 2016 rebased amounts based on what we believe to be the most reliable information that is currently available (generally pre-acquisition financial statements), as adjusted for the estimated effects of (i) any significant effects of acquisition accounting adjustments, (ii) any significant differences between our accounting policies and those of the acquired entities and (iii) other items we deem appropriate. We do not adjust pre-acquisition periods to eliminate non-recurring items or to give retroactive effect to any changes in estimates that might be implemented during post-acquisition periods. As we did not own or operate the acquired businesses during the pre-acquisition periods, no assurance can be given that we have identified all adjustments necessary to present the revenue and Adjusted EBITDA of these entities on a basis that is comparable to the corresponding post-acquisition amounts that are included in our historical results or that the pre-acquisition financial statements we have relied upon do not contain undetected errors. In addition, the rebased growth percentages are not necessarily indicative of the revenue and Adjusted EBITDA that would have occurred if these transactions had occurred on the dates assumed for purposes of calculating our rebased amounts or the revenue and Adjusted EBITDA that will occur in the future. The rebased growth percentages have been presented as a basis for assessing growth rates on a comparable basis, and are not presented as a measure of our pro forma financial performance.

Discussion and Analysis of Telenet's Consolidated Operating Results

Nine Months Ended September 30, 2017 compared to the Nine Months Ended September 30, 2016

Total Revenue.

For the nine months ended September 30, 2017, Telenet generated revenue of €1,884.3 million, representing a 5% increase compared to the nine months ended September 30, 2016 when Telenet recorded revenue of €1,799.9 million. Telenet's reported revenue increase was driven by inorganic movements such as a full nine-month contribution from mobile operator BASE, whereas for the nine months ended September 30, 2016 BASE was only included in Telenet's results since February 11, 2016. In addition, Telenet's results for the nine months ended September 30, 2017 reflected the acquisition of Altice's former Belgian and Luxembourg cable operations ("Coditel Brabant" and "Coditel S.à r.l.", together "**SFR Belux**"), which Telenet acquired on June 19, 2017, contributing €17.1 million to Telenet's revenue since the acquisition date. These inorganic movements were partially offset by the sale of Ortel Mobile to Lycamobile as per March 1, 2017 and the discontinuation of certain fixed legacy products at BASE. On a rebased basis, Telenet achieved 1% revenue growth for the nine months ended September 30, 2017 driven by (i) significantly higher wholesale revenue following the completion of the onboarding of the Lycamobile Full MVNO subscribers at the end of July 2017, (ii) higher cable subscription revenue and (iii) higher business services revenue. These factors were partially offset by (i) lower mobile telephony revenue, (ii) significantly lower revenue from the sale of handsets and customer premise equipment ("CPE") and (iii) lower interconnection revenue.

Video

Telenet's video revenue represents the monthly fee paid by Telenet's video subscribers for the channels they receive in the basic tier and the revenue generated by Telenet's enhanced video subscribers which primarily includes (i) recurring set-top box rental fees, (ii) fees for supplemental premium content offerings, including Telenet's subscription VOD packages "Play", "Play More" and "Play Sports" and (iii) transactional and broadcasting-on-demand services. For the nine months ended September 30, 2017, Telenet's video revenue amounted to €432.3 million, which was up 2% as compared to €424.5 million for the nine months ended September 30, 2016 and included the impacts from the SFR Belux acquisition as mentioned before. On a rebased basis, Telenet's video revenue for the nine months ended September 30, 2017 was broadly stable compared to the nine months ended September 30, 2016 as higher recurring set-top box rental fees and growth in Telenet's premium subscription VOD business were offset by a gradual decline in Telenet's total video subscriber base and slightly lower revenue from transactional VOD services.

Broadband internet

The revenue generated by Telenet's residential and small business broadband internet RGUs totalled €453.1 million for the nine months ended September 30, 2017 and was up 6% compared to the nine months ended September 30, 2016 when Telenet recorded broadband internet revenue of €425.7 million. On a rebased basis, Telenet's broadband internet revenue for the nine months ended September 30, 2017 was up 5% compared to the nine months ended September 30, 2016 driven by (i) continued growth for Telenet's "WIGO" propositions driving a favorable tier mix effect, (ii) the acquisition of SFR Belux and (iii) the benefit from the February 2017 price increase, partially offset by the increased proportion of bundle discounts.

Fixed-line telephony

Telenet's fixed-line telephony revenue includes recurring subscription-based revenue from Telenet's fixed-line telephony subscribers and variable usage-related revenue, but excludes the interconnection revenue generated by these customers which is reported under other revenue. For the nine months ended September 30, 2017, Telenet's fixed-line telephony revenue decreased 1% to €179.9 million compared to €182.5 million for the nine months ended September 30, 2016. Higher subscription revenue driven by the SFR Belux acquisition and the benefit from the aforementioned February 2017 price increase were more than offset by a growing proportion of bundle discounts and lower traffic. The same factors drove a 3% decrease in Telenet's fixed line telephony revenue on a rebased basis for the nine months ended September 30, 2017.

Mobile telephony

Telenet's mobile telephony revenue represents the subscription-based revenue generated by Telenet's direct mobile telephony subscribers and out-of-bundle revenue, but excludes (i) the interconnection revenue generated by these customers, (ii) the revenue earned from handset sales and (iii) revenue recognized under Telenet's "Choose Your Device" programs which are all recorded in other revenue. For the nine months ended September 30, 2017, Telenet generated mobile telephony revenue of €407.8 million, up €19.9 million compared to the nine months ended September 30, 2016. This 5% revenue increase compared to the nine months ended September 30, 2016 reflected the acquisition of BASE, which was effective February 11, 2016. On a rebased basis, Telenet's mobile telephony revenue decreased 2% compared to the nine months ended September 30, 2016 with continued healthy net postpaid subscriber growth being more than offset by (i) lower out-of-bundle revenue generated by Telenet's mobile subscribers in excess of their monthly bundle, (ii) higher bundle-related discounts following the success of Telenet's quad-play "WIGO" propositions and (iii) a continued decline in the number of prepaid subscribers, including the impacts of the mandatory prepaid registration as of June 2017.

Business services

The revenue reported under business services relates to (i) the revenue generated on non-coax products, including fiber and leased DSL lines, (ii) Telenet's carrier business and (iii) value-added services such as hosting and managed security. Revenue generated by Telenet's business customers on all coax-related products is allocated to Telenet's cable subscription revenue lines and is not captured within Telenet Business, Telenet's business services division. Telenet Business generated revenue of €98.5 million for the nine months ended September 30, 2017, up 9% compared to the nine months ended September 30, 2016. Telenet's B2B revenue growth was primarily driven by higher security-related revenue and higher revenue from business connectivity solutions in

the SME segment. On a rebased basis, Telenet's B2B business achieved 7% revenue growth, reflecting the same drivers as mentioned above.

Other

Other revenue primarily includes (i) interconnection revenue from both Telenet's fixed-line and mobile telephony customers, (ii) mobile handset sales, including the revenue earned under Telenet's "Choose Your Device" programs, (iii) wholesale revenue generated through both Telenet's commercial and regulated wholesale businesses, (iv) product activation and installation fees and (v) set-top box sales revenue. Other revenue reached €312.7 million for the nine months ended September 30, 2017, up 8% compared to the nine months ended September 30, 2016 driven by the BASE acquisition as per February 11, 2016 and higher wholesale revenue as mentioned above. On a rebased basis, Telenet's other revenue delivered modest growth (+1% compared to the nine months ended September 30, 2016) as lower revenue from handset sales and interconnection was offset by higher wholesale revenue.

Total Expenses.

For the nine months ended September 30, 2017, Telenet incurred total expenses of €1,542.8 million, representing an increase of 12% compared to the nine months ended September 30, 2016 when Telenet incurred total expenses of €1,383.6 million. Telenet's total expenses for the nine months ended September 30, 2016 included a €6.0 million nonrecurring benefit following the settlement of Telenet's Full- MVNO Agreement with Orange Belgium for the three months ended June 30, 2016 as well as €7.9 million of transformation costs linked to the BASE integration. Telenet's total expenses for the nine months ended September 30, 2017 included a €29.2 million non-cash restructuring charge linked to the accelerated onboarding of Telenet's Full MVNO customer base to Telenet's own mobile network. As mentioned earlier, Telenet now aims for full completion by the end of Q1 next year versus Telenet's initial plan of late 2018, hence impacting the contractual commitments under Telenet's Full MVNO Agreement with Orange Belgium. In addition, Telenet's total expenses for the nine months ended September 30, 2017 reflected (i) a full nine-month contribution from BASE, (ii) the impact of the SFR Belux acquisition as of June 19, 2017 and (iii) the sale of Ortel Mobile as mentioned above.

On a rebased basis, Telenet's total expenses increased 6% for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016 as (i) higher depreciation and amortization charges, (ii) the impact of the aforementioned restructuring charge, (iii) higher costs related to professional services and (iv) higher network operating expenses were only partially offset by (i) lower indirect costs as a result of Telenet's continued focus on overhead expenses, (ii) lower direct costs including Telenet's MVNO- related costs and costs related to handset sales and subsidies, (iii) lower staff-related expenses and (iv) lower sales and marketing expenses due to timing variances and phasing in some of Telenet's campaigns. Telenet's total operating expenses represented approximately 82% of Telenet's revenue for the nine months ended September 30, 2017. Cost of services provided as a percentage of Telenet's revenue represented approximately 63% of Telenet's total revenue for the nine months ended September 30, 2017, while selling, general and administrative expenses represented approximately 19% of Telenet's total revenue for the nine months ended September 30, 2017.

Network operating expenses

Telenet's network operating expenses reached €135.8 million for the nine months ended September 30, 2017 compared to €119.5 million for the nine months ended September 30, 2016 (+14% compared to the nine months ended September 30, 2016) and primarily reflected the effects of the BASE and SFR Belux acquisitions as mentioned above. On a rebased basis, Telenet's network operating expenses increased 2% for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016 as higher license and maintenance fees and higher electricity costs more than offset the decrease in site- related taxes.

Direct costs (programming and copyrights, interconnect and other)

Telenet's direct costs include all of Telenet's direct expenses such as (i) costs related to interconnection, (ii) handset sales and subsidies and (iii) programming and copyrights. For the nine months ended September 30, 2017, Telenet's direct costs were €447.2 million, which was broadly stable compared to the nine months ended September 30, 2016 despite the aforementioned inorganic impacts from the BASE and SFR Belux acquisitions and the sale of Ortel Mobile. Telenet's direct costs for the nine months ended September 30, 2016 also reflected a €6.0 million one-off favorable impact linked to the settlement of Telenet's Full-MVNO Agreement with Orange Belgium for the three months ended June 30, 2016. On a rebased basis, Telenet's direct costs decreased €11.3

million, or 2%, compared to the nine months ended September 30, 2016 driven by substantially lower costs related to handset sales and subsidies, lower MVNO-related costs and lower copyright expenses on the back of a moderate decrease in Telenet's video customer base.

Staff-related expenses

Staff-related expenses decreased €1.2 million to €186.3 million for the nine months ended September 30, 2017 and included a full nine-month consolidation of BASE and the SFR Belux acquisition. On a rebased basis, staff-related expenses showed a € 9.2 million decrease for the nine months ended September 30, 2017 driven by lower staffing levels and an increase in capitalized labor driven by the modernization of Telenet's fixed and mobile infrastructures.

Sales and marketing expenses

Sales and marketing expenses for the nine months ended September 30, 2017 decreased to €66.7 million compared to €68.9 million for the nine months ended September 30, 2016. On a rebased basis, Telenet's sales and marketing expenses substantially decreased by 5% for the nine months ended September 30, 2017 as the nine months ended September 30, 2016 was characterized by various major marketing campaigns, including handset promotions.

Outsourced labor and professional services

Costs related to outsourced labor and professional services were €30.7 million for the nine months ended September 30, 2017 compared to €20.6 million for the nine months ended September 30, 2016 which included €7.9 million integration and transformation costs related to the BASE acquisition. On a rebased basis, costs related to outsourced labor and professional services increased €7.8 million for the nine months ended September 30, 2017 on the back of higher outsourced labor costs.

Other indirect expenses

Telenet's other indirect expenses reached €106.4 million for the nine months ended September 30, 2017, representing a 4% decrease compared to the nine months ended September 30, 2016. On a rebased basis, other indirect expenses for the nine months ended September 30, 2017 decreased 12% compared to the nine months ended September 30, 2016, mainly driven by Telenet's continued focus on managing Telenet's overhead expenses.

Depreciation, amortization and impairment, including gains on disposal of property and equipment and other intangible assets

Depreciation, amortization and impairment, including gains on disposal of property and equipment and other intangible assets, reached €526.8 million for the nine months ended September 30, 2017 compared to €414.3 million for the nine months ended September 30, 2016. This increase primarily reflected the impact from the BASE acquisition and higher depreciation expenses related to the start of the mobile network upgrade project as announced in August 2016, and IT platforms and systems. In addition, Telenet incurred a €29.2 million non-cash restructuring charge for the three months ended September 30, 2017 linked to the accelerated onboarding of Telenet's Full MVNO customers as mentioned earlier.

Net finance expenses.

For the nine months ended September 30, 2017, net finance expenses totaled €196.8 million compared to €325.9 million of net finance expenses incurred for the nine months ended September 30, 2016. A €75.4 million higher non-cash loss on Telenet's derivatives and a €29.8 million higher non-cash loss on the extinguishment of debt following the early redemption of certain debt instruments during the nine months ended September 30, 2017 were more than offset by a €209.9 million non-cash foreign exchange gain on Telenet's outstanding USD-denominated debt for the nine months ended September 30, 2017. As a result, Telenet's net interest income and foreign exchange gain was €210.3 million for the nine months ended September 30, 2017 as compared to €0.3 million for the nine months ended September 30, 2016. Telenet's net interest expense, foreign exchange loss and other finance expense decreased 13% from €192.3 million for the nine months ended September 30, 2016 to €168.0 million for the nine months ended September 30, 2017 as a result of certain recent refinancings which both extended the average maturity of Telenet's debt and lowered Telenet's overall interest expenses.

Income taxes.

Telenet recorded income tax expense of €38.2 million for the nine months ended September 30, 2017 compared to income tax expense of €46.2 million for the nine months ended September 30, 2016, a decrease of 17% compared to the nine months ended September 30, 2016.

Net profit.

Telenet realized a net profit of €106.3 million for the nine months ended September 30, 2017 compared to a net profit of €41.6 million for the nine months ended September 30, 2016, resulting in a net profit margin of 5.6% compared to a net profit margin of 2.3% for the nine months ended September 30, 2016. The significant improvement in Telenet's net profit for the nine months ended September 30, 2017 versus the nine months ended September 30, 2016 was primarily caused by the aforementioned €209.9 million non-cash foreign exchange gain. Excluding this item, Telenet's net profit would have been lower.

Year Ended December 31, 2016 compared to the Year Ended December 31, 2015**Total Revenue.**

For the year ended December 31, 2016, Telenet generated revenue of €2,429.1 million, representing a 33% increase compared to the year ended December 31, 2015 when Telenet produced revenue of

€1,821.8 million. Telenet's reported revenue increase was primarily driven by the contribution from BASE, which Telenet acquired on February 11, 2016. On a rebased basis, Telenet achieved revenue growth of 3% for the year ended December 31, 2016. Telenet's cable business delivered solid mid-single-digit revenue growth for the year ended December 31, 2016 driven by a 4% increase in cable subscription revenue and higher business services revenue generated by Telenet's security, core data and mobile wholesale business lines. Growth in Telenet's cable subscription revenue was primarily driven by (i) a larger share of triple-play subscribers, (ii) continued growth for Telenet's premium entertainment propositions and (iii) the favorable impact from the February 2016 price adjustments, partially offset by a growing proportion of bundle-related discounts and a modest decline in the total number of unique customer relationships. The continued robust performance of Telenet's cable business was partly offset by continued pressure on Telenet's acquired mobile business, impacted by (i) structural challenges within Telenet's prepaid business as reflected in the declining number of prepaid subscribers, (ii) lower roaming revenue due to caps imposed by the new EU regulation and (iii) lower interconnection revenue.

Video

For the year ended December 31, 2016, Telenet's video revenue amounted to €566.4 million compared to €552.1 million for the year ended December 31, 2015. This 3% increase was driven by higher recurring set-top box rental fees and growth in Telenet's premium subscription VOD business, partly offset by a gradual decline in the total video subscriber base and slightly lower revenue from transactional VOD services.

Broadband internet

The revenue generated by Telenet's residential and small business broadband internet RGUs totalled €572.9 million for the year ended December 31, 2016 and was up 5% compared to the year ended December 31, 2015 when Telenet recorded broadband internet revenue of €546.0 million. Revenue growth was driven by 2% growth in Telenet's subscriber base and the benefit from the aforementioned February 2016 price increase, partially offset by the increased proportion of bundle discounts.

Fixed-line telephony

For the year ended December 31, 2016, fixed-line telephony revenue increased 7% to €243.0 million compared to €226.9 million for the year ended December 31, 2015. Revenue growth was driven by a 3% increase in fixed-line telephony subscribers and the benefit from the aforementioned February 2016 price increase, partly offset by a growing proportion of bundle discounts and lower traffic.

Mobile telephony

For the year ended December 31, 2016, Telenet generated mobile telephony revenue of €564.5 million, up €361.1 million compared to the year ended December 31, 2015. This 178% year-on-year revenue increase reflected the acquisition of BASE, which was effective February 11, 2016. On a rebased basis, mobile telephony revenue decreased 1% year-on-year with continued healthy net postpaid subscriber growth being offset by (i) lower usage-related revenue per user, (ii) lower roaming revenue due to changed EU Regulation, (iii) the impact of the “Choose Your Device” programs as this revenue is recognized under other revenue versus having been recorded under mobile telephony revenue for Telenet’s previous handset installment plans and (iv) higher bundle-related discounts following the success of Telenet’s quad-play “WIGO” propositions.

Business services

Telenet Business generated revenue of €122.2 million for the year ended December 31, 2016, up 9% compared to the year ended December 31, 2015 on a rebased basis. Telenet’s B2B revenue growth was primarily driven by (i) higher revenue from carrier services for mobile, (ii) higher security-related revenue and (iii) higher revenue from business connectivity solutions.

Other

Other revenue reached €360.1 million for the year ended December 31, 2016, up 1% on a rebased basis driven by higher revenue from the sale of standalone handsets versus the year ended December 31, 2015 largely attributable to the impact of Telenet’s “Choose Your Device” programs launched mid-2015, offset by lower interconnection revenue and lower installation revenue.

Total Expenses.

For the year ended December 31, 2016, Telenet incurred total expenses of €1,943.7 million, representing an increase of 52% compared to the year ended December 31, 2015 when Telenet incurred total expenses of €1,278.7 million, and reflecting the impact from the BASE acquisition since mid-February 2016. Total expenses for the year ended December 31, 2016 included a €6.0 million benefit linked to the resolution of certain operational contingencies associated with the settlement of the Full-MVNO Arrangement with Orange Belgium in Q2 2016. In addition, Telenet incurred €8.3 million integration and transformation costs for the year ended December 31, 2016 linked to the BASE acquisition. Telenet’s expenses for the year ended December 31, 2015 included a net €17.5 million favorable impact resulting from a €13.8 million favorable impact from the Q4 2015 reversal of restructuring charges as a result of a settlement with Norkring België related to the DTT spectrum license and a €7.6 million favorable impact from the resolution of a contingency associated with universal service obligations in Q2 2015, partially offset by the unfavorable impact of a €3.9 million settlement with the Belgian telecoms regulator BIPT with regards to the 2G mobile spectrum license in Q4 2015.

On a rebased basis, total expenses increased 11% for the year ended December 31, 2016 as compared to the year ended December 31, 2015. Total expenses represented 80.0% of revenue for the year ended December 31, 2016.

Network operating expenses

Network operating expenses reached €142.9 million for the year ended December 31, 2016 compared to €68.0 million for the year ended December 31, 2015 (+110% year-on-year) and primarily reflected the effects of the BASE acquisition. On a rebased basis, network operating expenses increased 15% year-on-year for the year ended December 31, 2016 as a result of (i) higher network equipment maintenance, (ii) higher electricity costs partially due to changes in local legislation and (iii) higher pole rental charges.

Direct costs (programming and copyrights, interconnect and other)

Direct costs include all of Telenet’s direct expenses such as (i) costs related to interconnection, (ii) handset sales and subsidies and (iii) programming and copyrights. For the year ended December 31, 2016, direct costs were €607.8 million, up 43% compared to the year ended December 31, 2015, mainly impacted by the BASE acquisition. On a rebased basis, direct costs remained broadly flat for the year ended December 31, 2016, which included the aforementioned benefit of €6.0 million linked to the settlement of the Full-MVNO

Agreement with Orange Belgium in Q2 2016. Excluding this favorable impact, direct costs would have increased relative to the year ended December 31, 2015, reflecting higher content-related expenses as a result of Telenet's connected entertainment strategy and higher costs related to handset sales, partially offset by substantially lower handset subsidies and lower interconnection expenses, including MVNO- related costs.

Staff-related expenses

Staff-related expenses increased €78.1 million to €258.4 million for the year ended December 31, 2016 and reflected (i) the acquisition of BASE, (ii) the effect of the mandatory wage indexation since early 2016 and (iii) modest growth in the combined employee base. On a rebased basis, Telenet's staff-related expenses for the year ended December 31, 2016 increased a moderate 2% as compared to the year ended December 31, 2015 mainly as a result of the aforementioned wage indexation and modest growth in Telenet's joint employee base.

Sales and marketing expenses

Sales and marketing expenses for the year ended December 31, 2016 reached €97.7 million compared to €74.2 million for the year ended December 31, 2015. On a rebased basis, sales and marketing expenses for the year ended December 31, 2016 slightly decreased year-on-year, primarily as a result of phasing in some of Telenet's campaign and increased focus on obtaining a higher return on marketing spend.

Outsourced labor and professional services

Costs related to outsourced labor and professional services were €50.1 million for the year ended December 31, 2016 compared to €41.8 million for the year ended December 31, 2015. On a rebased basis, costs related to outsourced labor and professional services increased €3.3 million, or 7%, year-on-year for the year ended December 31, 2016, primarily including costs linked to the integration of BASE and higher legal fees.

Other indirect expenses

Other indirect expenses reached €155.1 million for the year ended December 31, 2016, up 75% compared to the year ended December 31, 2015, impacted by the BASE acquisition. Moreover, other indirect expenses for the year ended December 31, 2015 included a €7.6 million benefit linked to the resolution of a contingency associated with universal service obligations. On a rebased basis, other indirect expenses for the year ended December 31, 2016 were up 7% compared to the year ended December 31, 2015. For the year ended December 31, 2016, other indirect expenses represented 6.4% of total revenue.

Depreciation, amortization and impairment, including gains on disposal of property and equipment and other intangible assets

Depreciation and amortization, including gains on disposal of property and equipment and other intangible assets, reached €609.1 million for the year ended December 31, 2016 compared to €390.4 million for the year ended December 31, 2015. This increase primarily reflected the impact from the BASE acquisition and higher depreciation expenses related to the start of the mobile network upgrade project as announced in August 2016, set-top boxes and IT.

Net finance expenses.

For the year ended December 31, 2016, net finance expenses totaled €369.9 million compared to €263.7 million of net finance expenses incurred for the year ended December 31, 2015. For the year ended December 31, 2016, Telenet incurred a €45.7 million loss on the extinguishment of debt following the June 2016 refinancing of certain Senior Secured Notes due 2021 for an aggregate amount of €700.0 million and the November 2016 refinancing of certain Term Loans for an aggregate amount of €2,962.9 million, as compared to a €30.8 million loss on the extinguishment of debt for the year ended December 31, 2015. Net interest expense, foreign exchange loss and other finance expense increased 33% from €249.4 million for the year ended December 31, 2015 to €330.7 million for the year ended December 31, 2016, largely due to debt incurred in connection with the BASE acquisition and a higher exposure to USD-denominated debt versus 2015.

Impairment on an investment in an equity accounted investee.

For the year ended December 31, 2016, Telenet took a €31.0 million impairment charge on an investment in an equity accounted investee following the re-assessment of their strategic long-range plan in the three months ended December 31, 2016.

Income taxes.

Telenet recorded income tax expense of €43.0 million for the year ended December 31, 2016 compared to income tax expense of €99.6 million for the year ended December 31, 2015, a decrease of 57% year-on-year, reflecting a 69% decrease in pre-tax profit and the impact of the aforementioned impairment charge.

Net income.

Telenet realized net profit of €41.6 million for the year ended December 31, 2016 compared to €175.7 million for the year ended December 31, 2015 (-76% year-on-year), resulting in a net margin of 1.7% for the year ended December 31, 2016 compared to 9.6% for the year ended December 31, 2015. The decrease in net profit was primarily caused by (i) an 11% decrease in operating profit, (ii) a 40% increase in net finance expenses as a result of increased indebtedness in connection with the BASE acquisition, (iii) a €14.9 million higher loss on extinguishment of debt compared to the year ended December 31, 2015 and (iv) the aforementioned €31.0 million impairment charge for the three months ended December 31, 2016.

Year Ended December 31, 2015 compared to the Year Ended December 31, 2014

Total revenue.

For the year ended December 31, 2015, the Company generated revenue of €1,808.4 million, representing a 6% increase compared to the year ended December 31, 2014 when the Company produced revenue of €1,707.1 million. All of the Company's revenue growth for the year ended December 31, 2015 was organic and directly driven by (i) solid multiple-play growth with the number of triple-play subscribers at December 31, 2015 up 6% compared to December 31, 2014, (ii) the benefit from the selective price increase on certain fixed services in January 2015, (iii) a €22.4 million higher contribution from Telenet's mobile activities, driven by robust mobile postpaid subscriber growth, and (iv) an 8% increase in business services revenue.

Video

For the year ended December 31, 2015, video revenue amounted to €552.1 million compared to €542.9 million for the year ended December 31, 2014. This 2% increase was driven by higher recurring set-top box rental fees and growth in the premium subscription VOD business, partly offset by a gradual decline in the total video subscriber base and lower revenue from transactional VOD services.

Broadband internet

The revenue generated by Telenet's residential and small business broadband internet RGUs totalled €546.0 million for the year ended December 31, 2015 and was up 6% compared to the year ended December 31, 2014 when broadband internet revenue amounted to €510.0 million. Revenue growth was driven by 3% growth in Telenet's subscriber base and the benefit from the aforementioned price increase effective from the end of January 2015, in part offset by the increased proportion of bundle discounts.

Fixed-line telephony

For the year ended December 31, 2015, fixed-line telephony revenue increased 7% to €226.9 million compared to €211.1 million for the year ended December 31, 2014 driven by a 5% increase in fixed-line telephony subscribers and the benefit from the aforementioned January 2015 price increase, partly offset by a growing proportion of bundle discounts.

Mobile telephony

For the year ended December 31, 2015, mobile telephony revenue amounted to €203.4 million, up €22.4 million compared to the year ended December 31, 2014. This robust 12% revenue increase compared to the year ended December 31, 2014 reflected continued double-digit growth in the number of postpaid subscribers, partially offset by a decrease in usage-related revenue per user.

Business services

Telenet Business generated revenue of €118.1 million for the year ended December 31, 2015, which was up 8% compared to the year ended December 31, 2014 when business services revenue reached €109.4 million. B2B revenue growth was primarily driven by (i) higher security-related revenue, (ii) higher revenue from business connectivity solutions and (iii) higher revenue from carrier services for mobile.

Other

Other revenue reached €161.9 million for the year ended December 31, 2015, up 6% compared to the year ended December 31, 2014. Growth in 'Other' revenue was primarily driven by the introduction of a handset financing program in the three months ended September 30, 2015 and higher interconnection revenue generated by Telenet's mobile telephony subscribers, partially offset by lower set-top box sales revenue compared to the year ended December 31, 2014 when the legacy SD platform was switched off.

Total Expenses.

For the year ended December 31, 2015, Telenet incurred total operating expenses of €1,265.3 million, representing an increase of 8% compared to the year ended December 31, 2014 when total operating expenses amounted to €1,174.9 million. Operating expenses for the year ended December 31, 2015 included a €13.8 million favorable impact from the reversal of restructuring charges as a result of a settlement with Norkring België related to the DTT spectrum license and a €7.6 million favorable impact from the resolution of a contingency associated with universal service obligations, partially offset by a €3.9 million settlement with the Belgian telecoms regulator BIPT with regards to the 2G mobile spectrum license. Operating expenses for the year ended December 31, 2014 reflected a €12.5 million favorable impact from the settlement of certain operational contingencies. Excluding these nonrecurring benefits for the year ended December 31, 2015 and 2014, the underlying increase of total operating expenses would have been slightly higher and was primarily driven by (i) higher network operating and service costs including higher programming costs as a result of Telenet's connected entertainment strategy, (ii) a 10% increase in depreciation and amortization charges, (iii) €7.1 million higher advertising, sales and marketing costs, and (iv) higher direct acquisition costs and other costs primarily linked to the acquisition and integration of BASE Company.

Employee benefits

Employee benefits reached €155.8 million for the year ended December 31, 2015 and were up €2.0 million compared to the year ended December 31, 2014 as modest growth in Telenet's employee base was offset by lower bonus accruals.

Depreciation and amortization, including gains on disposal of property and equipment and other intangible assets

Depreciation and amortization, including gains on disposal of property and equipment and other intangible assets, reached €390.4 million for the year ended December 31, 2015 compared to €355.5 million for the year ended December 31, 2014. The 10% increase compared to the year ended December 31, 2014 primarily reflected higher depreciation expenses related to set-top boxes and IT.

Network operating and service costs

Compared to the year ended December 31, 2014, network operating and service costs increased €44.5 million from €524.5 million to €569.0 million for the year ended December 31, 2015. This 8% increase in network operating and service costs was primarily driven by (i) higher copyrights and content-related expenses, (ii) higher interconnection costs driven by continued growth in both Telenet's mobile and fixed-line telephony subscriber base and (iii) higher costs related to handset sales, partially offset by lower handset subsidies compared to the year ended December 31, 2014. As a reminder, network operating and service costs for the year ended December 31,

2014 reflected a nonrecurring €12.5 million favorable impact from the settlement of certain operational contingencies, without which the increase in network operating and service costs would have been lower.

Advertising, sales and marketing

Advertising, sales and marketing expenses of €74.2 million for the year ended December 31, 2015 increased by 11% compared to the year ended December 31, 2014, reflecting timing variances in some of Telenet's marketing campaigns and promotional activity around its new "Vollenbak voordelen" campaigns that highlight the monetary advantages that new and existing Telenet customers enjoy.

Other costs, including operating charges related to acquisitions or divestitures and restructuring charges

Other costs, including operating charges related to acquisitions or divestitures and restructuring charges, amounted to €61.5 million for the year ended December 31, 2015, which was broadly stable compared to €65.7 million for the year ended December 31, 2014. Other costs for the year ended December 31, 2015 included a €13.8 million favorable impact from the reversal of restructuring charges as a result of a settlement with Norkring België related to the DTT spectrum license and a €7.6 million nonrecurring benefit from the resolution of a contingency associated with universal service obligations, partially offset by a €3.9 million settlement with the Belgian telecoms regulator BIPT with regards to the 2G mobile spectrum license. Following this settlement, Telenet has no further outstanding payment obligations with regards to the 2G mobile spectrum license. Excluding these impacts, other costs would have increased compared to the year ended December 31, 2014. The underlying increase reflected higher business-supporting corporate advisory and legal fees, including those for the acquisition and integration of BASE Company.

Net finance expenses.

For the year ended December 31, 2015, net finance expenses totaled €263.7 million compared to €331.6 million of net finance expenses incurred for the year ended December 31, 2014. Despite a €30.8 million loss on the extinguishment of debt following the prepayment of the €500.0 million Senior Secured Notes due 2020 in August 2015, net finance expenses for the year ended December 31, 2015 decreased 20% compared to the year ended December 31, 2014 as the Company realized a non-cash gain on its derivatives of €13.8 million in the year ended December 31, 2015 whereas the year ended December 31, 2014 showed a loss of €67.4 million in this respect. In addition, Telenet incurred €9.8 million lower net interest expenses for the year ended December 31, 2015 following the early redemption of the remaining outstanding amounts under certain Term Loans following the April 2014 refinancing and the favorable effects of the partial unwinding of its derivatives portfolio in December 2014. These favorable impacts were partly offset by slightly higher accrued interest expenses as a result of commitment fees incurred on the undrawn financing facilities related to the BASE Company acquisition, which began to accrue in the three months ended September 30, 2015.

Income taxes.

The Company recorded income tax expenses of €99.6 million for the year ended December 31, 2015, up 9% compared to income tax expenses of €91.7 million for the year ended December 31, 2014.

Net income.

For the year ended December 31, 2015 the Company earned net income of €175.7 million, which was substantially higher compared to the €109.3 million achieved for the year ended December 31, 2014. Net income growth for the year ended December 31, 2015 was boosted by a €13.8 million net gain on derivative financial instruments whereas the year ended December 31, 2014 showed a net loss of €67.4 million in this respect.

Adjusted EBITDA

Nine Months Ended September 30, 2017 compared to the Nine Months Ended September 30, 2016

For the nine months ended September 30, 2017, Telenet realized Adjusted EBITDA of €911.2 million, up 7% compared to the nine months ended September 30, 2016 when Telenet produced Adjusted EBITDA of €847.8 million. Telenet's Adjusted EBITDA for the nine months ended September 30, 2017 included (i) the contribution of BASE from February 11, 2016, (ii) the acquisition of SFR Belux as of June 19, 2017 contributing €10.1 million to Telenet's Adjusted EBITDA since the acquisition date and (iii) reflected the sale of Ortel Mobile as of March

1, 2017, as mentioned above. Telenet's Adjusted EBITDA for the nine months ended September 30, 2016 included a €6.0 million nonrecurring favorable impact without which Telenet's underlying Adjusted EBITDA growth would have been stronger.

Compared to the nine months ended September 30, 2016, Telenet achieved robust rebased Adjusted EBITDA growth of 5% for the nine months ended September 30, 2017. Growth in Telenet's rebased Adjusted EBITDA was supported by (i) lower costs related to handset sales and subsidies relative to promotional activity in the nine months ended September 30, 2016, (ii) lower MVNO-related costs as a result of the accelerated onboarding of Telenet's Full MVNO customers, (iii) lower integration and transformation costs linked to the BASE acquisition as compared to the nine months ended September 30, 2016 and (iv) tight cost control, including an increased focus on Telenet's overhead expenses. Telenet's Adjusted EBITDA margin reached 48.4% for the nine months ended September 30, 2017 compared to 47.1% on a reported basis for the nine months ended September 30, 2016. As such, Telenet was able to fully absorb a higher proportion of lower-margin premium content revenue and mobile telephony revenue in Telenet's revenue mix, including BASE's contribution since the acquisition.

Year Ended December 31, 2016 compared to the Year Ended December 31, 2015

For the year ended December 31, 2016 Telenet realized Adjusted EBITDA of €1,117.1 million, up 18% compared to the year ended December 31, 2015 when Telenet produced Adjusted EBITDA of €943.7 million. Adjusted EBITDA for the year ended December 31, 2016 included the contribution of BASE from February 11, 2016, as mentioned above. Telenet's Adjusted EBITDA for both the year ended December 31, 2016 and for the year ended December 31, 2015 included benefits of €6.0 million and €7.6 million, respectively, as mentioned above. For the year ended December 31, 2016, Telenet achieved rebased Adjusted EBITDA growth of 3%. Growth in rebased Adjusted EBITDA was supported by a solid rebased top line growth performance of 3%, complemented by tight cost control, including an increased focus on overhead expenses, and lower interconnection and handset subsidy-related costs. Telenet's Adjusted EBITDA margin reached 46.0% for the year ended December 31, 2016 compared to 51.8% on a reported basis for the year ended December 31, 2015. This decline was mainly driven by a higher proportion of lower-margin mobile business, including BASE's contribution since the acquisition, and premium content revenue in the overall mix.

Year Ended December 31, 2015 compared to the Year Ended December 31, 2014

For the year ended December 31, 2015, the Company realized Adjusted EBITDA of €943.7 million, up 5% compared to the year ended December 31, 2014 when Telenet produced Adjusted EBITDA of €900.0 million. Adjusted EBITDA for the year ended December 31, 2015 and 2014 included favorable impacts of €7.6 million and €12.5 million, respectively, as mentioned above and was not impacted by the aforementioned reversal of restructuring charges. The solid growth in Adjusted EBITDA was primarily driven by accretive multiple-play growth, including the impact from the January 2015 price adjustments and Telenet's continued focus on cost efficiencies and operating leverage, partly offset by (i) higher content-related expenses, (ii) higher interconnection costs driven by continued growth in both Telenet's mobile and fixed-line telephony subscriber base and (iii) higher costs related to the integration of BASE Company. The Adjusted EBITDA margin reached 51.8% for the year ended December 31, 2015 compared to 52.7% for the year ended December 31, 2014. This decline was mainly driven by a higher proportion of lower-margin mobile and premium content revenue in Telenet's overall mix and higher costs associated with the integration of BASE Company which Telenet has started incurring mainly in the six months ended December 31, 2015.

Liquidity and Capital Resources

Sources and Uses of Cash

As a holding company, Telenet Group Holding's primary assets are its investments in consolidated subsidiaries. Telenet Group Holding's primary subsidiary is Telenet Group BVBA (formerly referred to as BASE Company NV), which owns all of the operating subsidiaries that are consolidated by Telenet Group Holding including Telenet BVBA, Coditel Brabant and Coditel Lux. Although Telenet's consolidated subsidiaries have generated cash from operating activities, the terms of the instruments governing the indebtedness of certain of these subsidiaries, including Telenet Group BVBA, Telenet BVBA, Coditel Brabant, Coditel Lux and Telenet International Finance, may restrict its ability to access the assets of these subsidiaries. As set forth in the table below, these subsidiaries accounted for substantially all of Telenet's consolidated cash and cash equivalents at September 30, 2017. In addition, Telenet's ability to access the liquidity of these and other subsidiaries may be limited by tax considerations and other factors.

Cash and cash equivalents

The details of the euro equivalent balances of Telenet's consolidated cash and cash equivalents at September 30, 2017 are set forth in the following table. With the exception of Telenet Group Holding, which is reported on a stand-alone basis, the amounts presented below include the cash and cash equivalents of the named entity and its subsidiaries unless otherwise noted (in millions of euro):

Cash and cash equivalents held by:

Telenet Group Holding.....	1.2
Telenet Group BVBA.....	31.9
Other Telenet companies.....	3.9
Total cash and cash equivalents.....	<u>37.0</u>

Liquidity of Telenet Group Holding

The €1.2 million of cash and cash equivalents held by Telenet Group Holding represented available liquidity at the corporate level at September 30, 2017. The remaining cash and cash equivalents of €35.8 million at September 30, 2017 were held by Telenet Group Holding's operating subsidiaries as set forth in the table above. As noted above, various factors may limit Telenet Group Holding's ability to access the cash of its consolidated operating subsidiaries.

From time to time, Telenet Group Holding may also receive (i) proceeds in the form of distributions or loan repayments from its operating subsidiaries or affiliates upon (a) the completion of recapitalizations, refinancings, asset sales or similar transactions by these entities or (b) the accumulation of excess cash from operations or other means or (ii) proceeds received in connection with Telenet's issuance of debt or equity securities.

The ongoing cash needs of Telenet Group Holding include general corporate and administrative expenses. From time to time, Telenet Group Holding may also require cash in connection with (i) dividend disbursements to its equity holders, (ii) acquisitions, (iii) the repurchase of equity and debt securities or (iv) other investment opportunities. No assurance can be given that any external funding would be available on favorable terms, or at all.

Liquidity of Subsidiaries

The cash and cash equivalents of Telenet Group Holding's significant subsidiaries are detailed in the table above. In addition to cash and cash equivalents, the primary sources of liquidity of Telenet Group Holding's subsidiaries are cash from operations and, in the case of Telenet BVBA and Telenet International Finance, borrowing availability under their respective debt instruments.

In April 2015, the Company issued two new debt facilities under the 2010 Amended Senior Credit Facility for an aggregate amount of €1,000.0 million in anticipation of the acquisition of BASE Company. Through Telenet International Finance S.à r.l., which acts as the group's financing center, a floating rate €800.0 million Term Loan ("Term Loan AA") with a maturity of June 30, 2023 and a 3.50% margin over EURIBOR was issued. In addition, the Company secured an additional €200.0 million Revolving Credit Facility ("Facility Z") with a maturity of June 30, 2018 and a margin of 2.25% over EURIBOR.

In July 2015, the Company issued €530.0 million 4.875% Senior Secured Fixed Rate Notes due 2027. The net proceeds of this issuance were used in August 2015 to prepay €500.0 million of Senior Secured Notes due 2020. In July 2015, Telenet also upsized the available commitments under its Revolving Credit Facility ("Facility X") by €85.0 million to an aggregate of €381.0 million and in September 2015, Telenet cancelled €26.9 million of short-dated available commitments under its Revolving Credit Facility ("Facility S").

In February 2016, the Company drew €1,217.0 million under the 2015 Amended Senior Credit Facility for the financing of the BASE acquisition of which €417.0 million was drawn under the revolving credit facilities. By the end of October 2016, all the outstanding amounts under the revolving credit facilities used for the BASE acquisition had been fully repaid. In May 2016, Telenet successfully tapped the US market, issuing a \$850.0 million Term Loan ("Facility AD") due June 30, 2024. The net proceeds of this transaction were used to prepay up to €700.0 million of Senior Secured Notes due 2021.

In November 2016, the Company issued a €1.6 billion Term Loan (“Facility AE”) and a \$1.5 billion Term Loan (“Facility AF”), both due January 31, 2025. Facility AE carries a margin of 3.25% over EURIBOR with a 0% floor and was issued at par. Facility AF carries a margin of 3.00% over LIBOR with a 0% floor and was issued at 99.50%. The net proceeds from these issuances were used to entirely prepay the following credit facilities under Telenet’s 2015 Amended Senior Credit Facility: (i) Facility W (€474.1 million due June 2022, EURIBOR +3.25%, 0% floor), (ii) Facility Y (€882.9 million due June 2023, EURIBOR +3.50%, 0% floor), (iii) Facility AA (€800.0 million due June 2023, EURIBOR + 3.50%, 0% floor) and (iv) Facility AD (\$850.0 million due June 2024, LIBOR + 3.50%, 0.75% floor). Through this transaction, Telenet was able to extend the average tenor of its debt maturities at attractive market conditions from 7 years to just over 8 years post-refinancing, while ensuring increased covenant flexibility going forward. In conjunction with the aforementioned refinancing, Telenet also upsized and extended the outstanding commitments under the undrawn revolving credit facility (previously under Facility X, which was cancelled and replaced with Facility AG) from €381.0 million to €400.0 million and extended the maturity to June 2023 from September 2020.

In April 2017, Telenet successfully syndicated and priced a new €1.33 billion Term Loan facility (“Facility AH”) due on March 31, 2026 and a new \$1.8 billion Term Loan facility (“Facility AI”) due on June 30, 2025. Facility AH carries a margin of 3.0% over EURIBOR with a 0% floor and was issued at 99.75% of par. Facility AI carries a margin of 2.75% over LIBOR with a 0% floor and was issued at 99.75% of par. The net proceeds of these issuances were used in May 2017 to entirely prepay the following credit facilities under Telenet’s 2015 Amended Senior Credit Facility: (i) Facility AE (€1.6 billion due January 2025, EURIBOR +3.25%, 0% floor), and (ii) Facility AF (USD 1.5 billion due January 2025, LIBOR + 3.00%, 0% floor).

In May 2017, Telenet successfully issued an additional \$500.0 million Term Loan (“Facility AI2”). Facility AI2 carries the same characteristics as the initial Facility AI which was issued on April 4, 2017. As such, Facility AI2 carries (i) a margin of 2.75% over LIBOR, (ii) a 0% floor and (iii) a maturity of June 30, 2025. Term Loan AI2 was issued at par and has been merged into the initial Facility AI. The net proceeds were used mid-June 2017 to prepay the 6.25% €450.0 million Senior Secured Notes due August 2022. Through the two aforementioned transactions, Telenet succeeded in extending the average tenor of Telenet’s debt maturities at attractive market conditions, while locking in long-term attractive interest rates.

In June 2017, Telenet drew €210.0 million under Telenet’s revolving credit facilities to partially fund the acquisition of SFR Belux of which €120.0 million under Telenet’s RCF Z and the remaining €90.0 million under Telenet’s longer-dated RCF AG. In the course of the three months ended September 30, 2017, Telenet used its excess cash balance to fully repay the drawn commitments under Telenet’s RCF AG, while Telenet repaid and cancelled €75.0 million under Telenet’s short-dated RCF Z. Early October, the last tranche of €45.0 million under RCF Z was repaid and subsequently cancelled.

Telenet Group Holding’s subsidiaries’ liquidity generally is used to fund capital expenditures and debt service requirements. From time to time, Telenet Group Holding’s subsidiaries may also require funding in connection with (i) acquisitions and other investment opportunities, (ii) loans to Telenet Group Holding and (iii) distributions to Telenet Group Holding. No assurance can be given that any external funding would be available to Telenet Group Holding’s subsidiaries on favorable terms, or at all. For a discussion of Telenet’s consolidated capital expenditures and cash provided by operating activities, see the discussion under “—Condensed Consolidated Cash Flow Statements” below.

Capitalization

Telenet remains committed to deliver attractive and sustainable shareholder value in line with the Company’s long-term Net Total Debt to Consolidated Annualized EBITDA ratio. This methodology provides for an optimal balance between growth, shareholder returns and attractive access to capital markets. The Company aims to achieve this leverage target through potential value-accretive acquisitions and/or investments to support future business growth and cash returns to shareholders, underpinned by strong Adjusted Free Cash Flow generation and a continued optimization of the financing structure.

As of September 30, 2017, the outstanding balance of Telenet’s consolidated total borrowings and total cash and cash equivalents—as defined under Telenet’s 2017 Amended Senior Credit Facility—resulted in a Net Total Debt to Consolidated Annualized EBITDA ratio of 3.1x (June 30, 2017: 3.4x). As per Telenet’s 2017 Amended Senior Credit Facility, Telenet’s Consolidated Annualized EBITDA continues to include certain unrealized synergies with regards to both the acquisition of BASE and SFR Belux, while Telenet’s Net Total Debt now excludes any lease-related liabilities versus €165.9 million reflected in Telenet’s net leverage ratio for the three months ended

June 30, 2017. Telenet's current net leverage ratio is significantly below the springing maintenance covenant of 6.0x and the incurrence test of 4.5x net senior leverage.

Telenet's ability to service or refinance its debt and to maintain compliance with its leverage covenants is dependent primarily on its ability to maintain or increase the Adjusted EBITDA of its operating subsidiaries and to achieve adequate returns on its capital expenditures and acquisitions. In this regard, if the Adjusted EBITDA of Telenet Group Holding were to decline significantly, it could be required to repay or limit its borrowings under the Senior Credit Facility in order to maintain compliance with applicable covenants.

At September 30, 2017, Telenet's outstanding consolidated third-party debt and capital lease obligations aggregated €4,804.6 million, including €45.0 million drawn under its revolving credit facilities, and

€780.0 million principal amount is related to the Senior Secured Fixed Rate Notes with maturities ranging from 2024 through 2027. Telenet's total debt balance at September 30, 2017 also included €190.1 million of short-term debt related to the Company's vendor financing program and €23.7 million for the outstanding portion of the 3G mobile spectrum including accrued interest. The remainder primarily represents the capital lease obligations associated with the Interkabel Acquisition.

Telenet believes that it has sufficient resources to repay or refinance the current portion of its debt and capital lease obligations and to fund its foreseeable liquidity requirements during the next twelve months. However, as its debt maturities grow in later years, Telenet anticipates that it will seek to refinance or otherwise extend its debt maturities. No assurance can be given that Telenet will be able to complete additional refinancing transactions or otherwise extend its debt maturities in light of current market conditions. In this regard, it is not possible to predict how the current state of the credit and equity markets and the associated difficult economic conditions will impact Telenet's future financial position. However, (i) additional financial institution failures could (a) reduce amounts available under committed credit facilities and (b) adversely impact Telenet's ability to access cash deposited with any failed financial institution and (ii) sustained or further tightening of the credit markets could adversely impact Telenet's ability to access debt financing on favorable terms, or at all.

In addition, sustained or increased competition, particularly in combination with a weak economy, could adversely impact Telenet's cash flows and liquidity. The regulatory decisions of the BIPT, VRM and CSA aim to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors, such as Orange Belgium, take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments. See *"Description of Telenet's Business— Regulation—Broadcasting Regulation— Decisions of the BIPT, the VRM, the CSA and the Medienrat"* and *"Risk Factors—Risks Relating to Legislative and Regulatory Matters—Telenet may become subject to more extensive regulation if it is deemed to possess significant market power in any of the markets in which Telenet operates"*.

Condensed Consolidated Cash Flow Statements

The table below summarizes Telenet's consolidated cash flow for the different periods.

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	€ in millions				
Net Cash from operating activities	669.8	518.3	749.1	665.5	571.6
Net Cash used in investing activities	(737.5)	(1,527.7)	(1,660.2)	(433.1)	(318.6)
Net Cash from (used in) financing activities	5.5	755.0	733.0	(144.2)	(278.0)
Net cash generated (used)	(62.2)	(254.4)	(178.1)	88.2	(25.0)

Nine Months Ended September 30, 2017 compared to the Nine Months Ended September 30, 2016

Net cash from operating activities.

For the nine months ended September 30, 2017, Telenet's operations yielded €669.8 million of net cash compared to the €518.3 million Telenet generated during the nine months ended September 30, 2016. The net cash from Telenet's operating activities for the nine months ended September 30, 2017 reflected (i) a full nine-month contribution from BASE, (ii) the sale of Ortel Mobile as of March 1, 2017 and (iii) the impact from the June 2017

SFR Belux acquisition. The net cash generated by Telenet's operating activities increased 29% compared to the nine months ended September 30, 2016 as the nine months ended September 30, 2016 included a €23.5 million cash outflow following a favorable contract renegotiation and the payment of €18.7 million of ticking fees linked to the BASE acquisition. In addition, growth in Telenet's net cash from operating activities was driven by (i) robust underlying Adjusted EBITDA growth as mentioned above, (ii) €35.3 million lower cash interest expenses as a result of Telenet's recent refinancing transactions, partially offset by the cash interest expenses incurred on the SFR Belux acquisition financing and a growing proportion of short-term liabilities from Telenet's vendor financing platform and (iii) an improved trend in Telenet's working capital, partially offset by €22.4 million higher cash taxes paid.

Net cash used in investing activities.

Telenet used €737.5 million of net cash in investing activities for the nine months ended September 30, 2017 compared to €1,527.7 million of net cash used in investing activities for the nine months ended September 30, 2016 which reflected the acquisition of BASE as of February 11, 2016. Telenet's net cash used in investing activities for the nine months ended September 30, 2017 reflected the acquisition of SFR Belux as of June 19, 2017. The net cash used in investing activities for the nine months ended September 30, 2017 also included cash payments for Telenet's capital expenditures, including cash payments for both the Jupiler Pro League and the UK Premier League football broadcasting rights. In Q3 2016, Telenet implemented a vendor financing program through which Telenet are able to extend Telenet's payment terms for certain suppliers to 360 days at an attractive all-in cost. During the nine months ended September 30, 2017, Telenet acquired €88.7 million of assets through capital-related vendor financing, favorably impacting Telenet's net cash used in investing activities for the equivalent amount.

Net cash from financing activities.

The net cash from financing activities was €5.5 million for the nine months ended September 30, 2017 compared to €755.0 million of net cash from financing activities for the nine months ended September 30, 2016 when Telenet's net cash from financing activities was impacted by debt borrowings related to the BASE acquisition in February 2016. The net cash from financing activities for the nine months ended September 30, 2017 reflected (i) the impacts from Telenet's refinancing transactions in 2017, (ii) the draw-down of €210.0 million under Telenet's revolving credit facilities to fund a portion of the SFR Belux acquisition, partially offset by a €165.0 million repayment for the three months ended September 30, 2017 and (iii) additions to Telenet's vendor financing program. In addition, Telenet incurred €37.4 million of financing-related fees for the nine months ended September 30, 2017, notably (i) a make-whole premium of €19.1 million linked to the early redemption of Telenet's 6.25% €450.0 million Senior Secured Notes due 2022 and (ii) €18.3 million of debt issuance fees linked to the new debt issuances. In the nine months ended September 30, 2017, Telenet spent €28.9 million on share repurchases under the Share Repurchase Program 2017, net of the sale of treasury shares following the exercise of certain stock options. The remainder of the net cash from financing activities primarily consisted of capital lease repayments and other financial payments

Year Ended December 31, 2016 compared to the Year Ended December 31, 2015

Net cash from operating activities.

For the year ended December 31, 2016, Telenet's operations yielded €749.1 million of net cash compared to €665.5 million Telenet generated during the year ended December 31, 2015, and included a 10.5-month contribution of BASE. The net cash generated by Telenet's operating activities increased 13% year-on-year as a result of (i) robust underlying Adjusted EBITDA growth, (ii) the effects from the BASE acquisition and (iii) an improved trend in working capital. These improvements were only partially offset by (i) €29.5 million higher cash interest expenses relative to the year ended December 31, 2015 as a result of increased indebtedness and the payment of €18.7 million ticking fees linked to the BASE acquisition in the three months ended March 31, 2016, (ii) €14.4 million higher cash taxes paid compared to the year ended December 31, 2015 and (iii) a €23.5 million cash outflow in the three months ended March 31, 2016 following a favorable contract renegotiation.

Net cash used in investing activities.

The Company used €1,660.2 million of net cash in investing activities for the year ended December 31, 2016 compared to €433.1 million of net cash used in investing activities for the year ended December 31, 2015. The strong year-on-year increase in net cash used in investing activities was primarily driven by the acquisition of

BASE for €1,180.5 million net of cash acquired, which closed on February 11, 2016. The net cash used in investing activities for the year ended December 31, 2016 also included cash payments for capital expenditures, including annual cash payments for the Belgian and the UK Premier League football broadcasting rights. In 2016, Telenet implemented a vendor financing program through which Telenet is able to extend its payment terms for certain suppliers to 360 days at an attractive all-in cost. At December 31, 2016, Telenet had €28.5 million of assets acquired through capital-related vendor financing, favorably impacting its net cash used in investing activities for the equivalent amount.

Net cash from financing activities.

The net cash from financing activities was €733.0 million for the year ended December 31, 2016 compared to €144.2 million of net cash used in financing activities for the year ended December 31, 2015. The net cash from financing activities for the year ended December 31, 2016 mainly reflected the net impact from the BASE acquisition financing in February 2016 and the repayment of certain shorter-dated debt facilities through the issuance of new Term Loans. Furthermore, the net cash from financing activities for the year ended December 31, 2016 was adversely impacted by (i) €48.4 million of debt issuance costs related to the May and November 2016 refinancings, (ii) €47.8 million spent under the Share Repurchase Program 2016, (iii) a payment of €10.7 million for the early termination of certain derivative financial contracts linked to the €400.0 million Senior Secured Floating Rate Notes due 2022 and (iv) a €9.9 million payment reflecting the call premium for the voluntary Senior Secured Notes repayment. The remainder of the net cash used in financing activities primarily consisted of capital lease repayments and other financial payments.

Year Ended December 31, 2015 compared to the Year Ended December 31, 2014

Net cash from operating activities.

The Company's operations yielded €665.5 million of net cash for the year ended December 31, 2015 compared to €571.6 million of net cash from operating activities for the year ended December 31, 2014. Despite substantially higher cash taxes paid for the year ended December 31, 2015, the net cash from operating activities increased 16% compared to the year ended December 31, 2014 driven by (i) robust growth in Adjusted EBITDA, (ii) a €34.8 million decrease in cash interest expenses following certain refinancing operations and the partial optimization of the interest rate derivatives portfolio, and (iii) a marked improvement in the Company's working capital as a result of tighter working capital management.

Net cash used in investing activities.

The Company used €433.1 million of net cash in investing activities for the year ended December 31, 2015, representing a 36% increase compared to the year ended December 31, 2014. The net cash used in investing activities included cash payments for capital expenditures. In addition, the Company paid €15.7 million and €23.4 million in the three months ended March 31, 2015 and the three months ended September 30, 2015, respectively, for the Belgian football broadcasting rights covering the second leg of the 2014-2015 season and the first leg of the 2015-2016 season, respectively. Finally, the net cash used in investing activities for the year ended December 31, 2015 was impacted by the 50% investment in the local media company De Vijver Media for €58.0 million.

Net cash from financing activities.

Net cash used in financing activities was €144.2 million for the year ended December 31, 2015 compared to €278.0 million of net cash used for the year ended December 31, 2014 and mainly consisted of (i) €73.0 million of net cash used for the early termination of certain interest rate derivatives, (ii) €48.0 million spent on the Share Repurchase Program 2015, net from the sale of treasury shares, (iii) €29.2 million of debt issuance and prepayment costs, which included the make-whole premium paid for the early repayment of the Senior Secured Fixed Rate Notes due November 2020 and (iv) a net increase of €35.3 million in the Company's loans and borrowings. The remainder of the net cash used in financing activities primarily consisted of capital lease repayments and other financial payments.

Capital Expenditures

The table below summarizes Telenet's capital expenditures for the different periods.

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	€ in millions				
Accrued capital expenditures	534.1	417.6	626.8	383.6	387.2
Of which rental set-top boxes	17.3	19.5	24.8	12.6	49.1
Of which customer installations	50.2	54.5	73.3	63.6	64.9
Of which network growth	210.5	147.3	250.6	142.4	98.1
Of which maintenance and other	256.1	196.3	278.1	165.0	175.1
% of revenue	28.3%	23.2%	25.8%	21.2%	22.7%

Nine Months Ended September 30, 2017 compared to the Nine Months Ended September 30, 2016

Accrued capital expenditures reached €534.1 million the nine months ended September 30, 2017, representing 28.3% of Telenet's revenue versus 23.2% for the nine months ended September 30, 2016. Telenet's accrued capital expenditures for the nine months ended September 30, 2016 reflected the recognition of the non-exclusive Jupiler Pro League broadcasting rights for the previous 2016-2017 season and the extension of the exclusive UK Premier League broadcasting rights for three seasons as of the 2016- 2017 season. Telenet's accrued capital expenditures for the nine months ended September 30, 2017 reflected the renewal of the non-exclusive Jupiler Pro League broadcasting rights for three seasons as of the current 2017-2018 season. Under EU IFRS, these broadcasting rights have been capitalized as intangible assets and will be amortized on a pro-rata basis as the season progresses. Excluding football broadcasting rights in both periods, Telenet's underlying accrued capital expenditures as a proportion of revenue represented 23.0% and 18.7% for the nine months ended September 30, 2017 and for the nine months ended September 30, 2016, respectively.

Set-top box related capital expenditures for the nine months ended September 30, 2017 represented €17.3 million, which marked an 11% decrease compared to the nine months ended September 30, 2016 driven by lower enhanced video subscriber growth on a gross basis and higher churn due to the intensely competitive environment. For the nine months ended September 30, 2017, set-top box related capital expenditures represented approximately 4% of Telenet's total accrued capital expenditures, excluding the aforementioned recognition of the Belgian football broadcasting rights.

Capital expenditures for customer installations totaled €50.2 million for the nine months ended September 30, 2017, or approximately 12% of total accrued capital expenditures excluding the recognition of the Belgian football broadcasting rights, as compared to €54.5 million for the nine months ended September 30, 2016. The 8% decrease in Telenet's customer installations capital expenditures compared to the nine months ended September 30, 2016 reflected lower gross sales for Telenet's advanced fixed services of enhanced video, broadband internet and fixed-line telephony compared to the nine months ended September 30, 2016 and increased efficiencies in Telenet's install processes.

The vast majority of Telenet's capital expenditures continue to be geared towards targeted investments in both Telenet's fixed and mobile infrastructures, aimed at boosting the customer experience and allowing Telenet to unlock MVNO-related synergies by moving Telenet's Full MVNO subscribers over to the acquired BASE network. Following the BASE acquisition in February 2016, Telenet aims to invest up to €250.0 million in the upgrade of the acquired mobile network, including (i) the upgrade of an estimated 2,800 macro sites equipped with the latest technologies, (ii) the roll-out of 800 to 1,000 new mobile sites across the whole of Belgium and (iii) targeted investments in fiber backhaul for the vast majority of Telenet's current and future macro sites. In addition, Telenet has embarked on a €500.0 million five-year network investment program "De Grote Netwerf", aimed at boosting the data capacity of Telenet's HFC network to 1 GHz, which is expected to end mid-2019.

Accrued capital expenditures for network growth and upgrades amounted to €210.5 million for the nine months ended September 30, 2017, and represented approximately 48% of total accrued capital expenditures, excluding the recognition of the Belgian football broadcasting rights. The remainder of Telenet's accrued capital expenditures included refurbishments and replacements of network equipment, sports content acquisition costs, and recurring investments in Telenet's IT platform and systems. These reached €256.1 million for the nine months ended September 30, 2017 compared to €196.3 million for the nine months ended September 30, 2016 and were impacted by the recognition of the Jupiler Pro League broadcasting rights. The above implies that approximately

64% of Telenet's accrued capital expenditures for the nine months ended September 30, 2017 were scalable and subscriber growth related. Telenet will continue to closely monitor Telenet's capital expenditures in order to make sure that they drive incremental returns.

Year Ended December 31, 2016 compared to the Year Ended December 31, 2015

Accrued capital expenditures reached €626.8 million for the year ended December 31, 2016, representing 25.8% of revenue versus 21.2% for the year ended December 31, 2015, and included €161.5 million of accrued capital expenditures for BASE. Accrued capital expenditures for both the year ended December 31, 2016 and the year ended December 31, 2015 reflected the recognition of the non-exclusive Jupiler Pro League broadcasting rights for the 2016-2017 and 2015-2016 seasons, respectively. At the end of May 2017, the Belgian football broadcasting rights will expire and the Company anticipates they will be put up for auction again in the course of the three months ending March 31, 2017. In addition, accrued capital expenditures for the year ended December 31, 2016 reflected the extension of the exclusive UK Premier League broadcasting rights for the next three seasons as of the 2016-2017 season. Under EU IFRS, these broadcasting rights have been capitalized as intangible assets and will be amortized on a pro-rata basis as the season progresses. Excluding these broadcasting rights, accrued capital expenditures represented 22.5% of revenue for the year ended December 31, 2016 and 19.6% for the year ended December 31, 2015.

Set-top box related capital expenditures increased €12.2 million from €12.6 million for the year ended December 31, 2015 to €24.8 million for the year ended December 31, 2016, reflecting the underlying growth in Telenet's enhanced video subscriber base and underlying inventory effects. For the year ended December 31, 2016, set-top box related capital expenditures represented approximately 5% of total accrued capital expenditures excluding the aforementioned football broadcasting rights.

Capital expenditures for customer installations totaled €73.3 million for the year ended December 31, 2016, or approximately 13% of total accrued capital expenditures excluding the aforementioned football broadcasting rights. The 15% year-on-year increase in customer installations capital expenditures reflected continued net subscriber growth for Telenet's advanced services of broadband internet, enhanced video and fixed-line telephony and included higher costs related to proactive customer visits.

Accrued capital expenditures for network growth and upgrades amounted to €250.6 million for the year ended December 31, 2016, and represented approximately 46% of total accrued capital expenditures excluding the aforementioned football broadcasting rights. The 76% increase versus the year ended December 31, 2015 reflected the effects from the BASE acquisition and the start of the mobile radio access network ("RAN") upgrade program at the end of the three months ended September 30, 2016. In addition, the higher spend compared to the year ended December 31, 2015 was also driven by higher investments in Telenet's HFC network as part of its €500.0 million five-year network investment program "De Grote Netwerf" which is expected to end mid-2019.

The remainder of Telenet's accrued capital expenditures included refurbishments and replacements of network equipment, sports content acquisition costs, and recurring investments in Telenet's IT platform and systems. These reached €278.1 million for the year ended December 31, 2016 compared to €165.0 million for the year ended December 31, 2015 and were impacted by the recognition of the aforementioned football broadcasting rights. The above implies that approximately 64% of Telenet's accrued capital expenditures for the year ended December 31, 2016 were scalable and subscriber growth related excluding the aforementioned football broadcasting rights. Going forward, Telenet will continue to closely monitor its capital expenditures in order to make sure that they drive incremental returns.

Year Ended December 31, 2015 compared to the Year Ended December 31, 2014

Accrued capital expenditures reached €383.6 million for the year ended December 31, 2015, representing 21.2% of revenue versus 22.7% for the year ended December 31, 2014. Compared to the year ended December 31, 2014, accrued capital expenditures decreased slightly as significantly lower set-top box related capital expenditures were partly offset by higher network-related investments relating to both Telenet's proactive customer visits and its "Grote Netwerf" investment program. Accrued capital expenditures for both the year ended December 31, 2015 and the year ended December 31, 2014 reflected the recognition of the Jupiler Pro League broadcasting rights for the 2015-2016 and 2014-2015 seasons, respectively. Under EU IFRS, these non-exclusive broadcasting rights have been capitalized as intangible assets and will be amortized on a pro-rata basis as the season progresses. Excluding these broadcasting rights, accrued capital expenditures represented 19.6% of revenue for the year ended December 31, 2015 and 21.0% for the year ended December 31, 2014.

Set-top box related capital expenditures decreased €36.5 million from €49.1 million for the year ended December 31, 2014 to €12.6 million for the year ended December 31, 2015, reflecting modest growth in Telenet's enhanced video subscriber base for the year ended December 31, 2015 while the year ended December 31, 2014 was impacted by the switch-off of Telenet's legacy SD platform. For the year ended December 31, 2015, set-top box related capital expenditures represented approximately 4% of total accrued capital expenditures excluding the Belgian football broadcasting rights for the 2015-2016 season.

Capital expenditures for customer installations totaled €63.6 million for the year ended December 31, 2015, or approximately 18% of total accrued capital expenditures excluding the Belgian football broadcasting rights for the 2015-2016 season. The 2% decline compared to the year ended December 31, 2014 in customer installations capital expenditures mirrored a lower level of net new subscriber growth for Telenet's advanced fixed services as compared to the year ended December 31, 2014 in addition to efficiencies as customers increasingly opted for self-installation, partly offset by higher costs related to proactive customer visits.

Accrued capital expenditures for network growth and upgrades increased 45% to €142.4 million for the year ended December 31, 2015, and represented approximately 40% of total accrued capital expenditures excluding the Belgian football broadcasting rights for the 2015-2016 season. The higher spending compared to the year ended December 31, 2014 was primarily driven by higher investments in Telenet's HFC network as part of its €500.0 million five-year network investment program "De Grote Netwerf".

The remainder of the Company's accrued capital expenditures included refurbishments and replacements of network equipment, sports content acquisition costs, and recurring investments in its IT platform and systems. These reached €165.0 million for the year ended December 31, 2015 compared to €175.1 million for the year ended December 31, 2014 and included the Belgian football broadcasting rights for the 2015- 2016 season and the 2014-2015 season respectively, as mentioned above. This implies that approximately 62% of the accrued capital expenditures for the year ended December 31, 2015 were scalable and subscriber growth related excluding the Belgian football broadcasting rights. Going forward, Telenet will continue to closely monitor its capital expenditures in order to make sure that they drive incremental returns.

Contractual Commitments

As of September 30, 2017, Telenet's consolidated contractual commitments were as follows:

	Payments due during:						2022 and thereafter
	Total:	2017	2018	2019	2020	2021	
				In 000 €			
Long term debt ⁽¹⁾	5,849,517	122,687	334,754	188,963	183,447	182,038	4,837,628
Finance lease obligations ⁽¹⁾⁽³⁾	507,189	32,644	63,855	56,076	53,153	51,301	250,160
Operating lease obligations	198,637	16,760	52,402	40,203	32,536	20,902	35,834
Other contractual obligations ⁽²⁾	1,403,222	171,599	238,501	153,288	73,642	38,832	727,360
Interest Rate Derivatives ⁽³⁾	49,142	1,489	7,740	6,518	6,468	6,400	20,527
Foreign Exchange Derivatives ⁽³⁾	54,356	12,243	42,113	0	0	0	0
Trade Payables	193,059	193,059	0	0	0	0	0
Accrued expenses and other current liabilities ⁽⁴⁾	502,982	502,982	0	0	0	0	0
Total	8,758,104	1,053,463	739,365	445,048	349,246	299,473	5,871,509

(1) Interest included.

(2) Represents fixed minimum commitments under certain programming and purchase agreements and amounts associated with certain operating costs resulting from the Interkabel acquisition, commitments under the operating agreement with Norkring as well as commitments related to certain programming and purchase agreements.

(3) Contractual obligations with a floating interest rate are based on the rate outstanding as at September 30, 2017.

(4) Excluding compensation and employee benefits, VAT and withholding taxes and the current portion of the Interkabel out of market component.

Critical Accounting Policies, Judgments and Estimates

In connection with the preparation of the Telenet Group Financial Statements, we make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and related disclosure of contingent assets and liabilities. Critical accounting policies are defined as those policies that are reflective of significant judgments, estimates and uncertainties, which would potentially result in materially different results under different assumptions and conditions. We believe the following accounting policies are critical in the preparation of Telenet Group Financial Statements because of the judgment necessary to account for these matters and the significant estimates involved, which are susceptible to change:

- financial instruments: fair values;
- property and equipment;
- goodwill;
- other intangible assets;
- investments in and loans to equity accounted investees;
- derivative financial instruments;
- deferred taxes;
- other non-current liabilities—asset retirement obligation;
- accrued expenses and other current liabilities—liabilities for tax on-sites; and
- acquisition of subsidiary—purchase price allocation.

For additional information concerning these policies, see note 5.1.4 to the Telenet December 31, 2016 Consolidated Financial Statements.

INDUSTRY AND MARKET OVERVIEW

Belgium

Telenet operates its residential business in Flanders and in approximately one-third of the Brussels-Capital Region. Telenet also provides certain business services across the whole of Belgium and in parts of Luxembourg. Telenet believes that Belgium, and in particular the Flanders region in which it operates, is one of Europe's most attractive cable markets due to, among other things, a relatively high population density and cable penetration rate and a highly productive work force, generating high GDP and high exports per capita. The population density of Belgium reached approximately 372 inhabitants per square kilometer for the year ended December 31, 2015 as compared to approximately 117 inhabitants per square meter in Europe on average. This represents one of the highest population densities in Europe, according to the most recent Eurostat data, and is exceeded only by that of The Netherlands and some microstates such as Malta. The most densely inhabited area of the country is located within Flanders, along the Antwerp- Leuven-Brussels-Ghent corridors. Cable operators that operate in urban areas with high population density benefit from easier access to customers and more cost effective network upgrades and maintenance, among other benefits. Furthermore, Belgium is one of the most prosperous countries in Europe, according to the latest Eurostat data, with a GDP per capita of approximately €34,500 for the year ended December 31, 2016 compared to a European average of approximately €27,000 for the comparable period.

Industry Convergence

The Belgian media and telecommunications sector has been converging as customers are increasingly seeking to receive their media and communications services from one provider at attractive prices. In response, service providers are providing video, broadband internet access and fixed-line telephony services bundled into integrated offerings referred to as "dual-play" (two of the three services provided together) or "triple-play" (all three services provided together). The addition of mobile telephony services further gives rise to "quad-play" offerings. More generally, such combinations are referred to as multiple-play bundles. At December 31, 2016, multiple-play penetration as a percentage of Belgian households represented approximately 65%, compared to approximately 63% at December 31, 2015 based on the BIPT 2016 Annual Report. Offering bundled services allows media and telecommunications service providers to meet customers' communications and entertainment requirements and, Telenet believes, increases customer loyalty and lowers customer churn rates.

In the Belgian telecommunications sector, there are two major distribution access platforms through which triple-play services are most commonly provided: (i) the cable networks of Telenet in Flanders and approximately two-thirds of the Brussels-Capital region, of Nethys in the French speaking part of Belgium and of Brut  l   in approximately one-third of the Brussels region and (ii) the DSL-based network of Proximus, which is national. Bi-directional cable networks are particularly well suited for the provision of triple-play services with high bandwidth requirements due to their network characteristics. As they were originally designed for the transmission of large amounts of data, cable networks are able to deliver consistent speeds irrespective of the distance to the customer, unlike other distribution platforms. In Europe, cable network operators have upgraded their network technology to EuroDocsis 3.0, enabling them to offer substantially faster internet access speeds than DSL operators. The EuroDocsis 3.0 technology allows broadband cable networks to offer data download speed levels that cannot currently be matched by DSL, at least not without deep fiber deployment or only at comparatively far less attractive economics.

The Belgian Market

Television

The Belgian television market is highly penetrated, with approximately 4.5 million TV connections at the end of 2016 according to the BIPT 2016 Annual Report, equivalent to approximately 92% of Belgian households based on the most recent estimates provided by the Federaal Planbureau in Belgium. Similar to other European markets, television consumer behavior in Belgium is placing more emphasis on digital, HD and interactive television services such as VOD, requiring high-bandwidth, bi-directional distribution platforms. The introduction of new services is presenting service providers with opportunities to achieve greater ARPU per customer relationship.

Television signal distribution platforms in Belgium include cable networks, DTT, satellite and DSL-networks. The DSL-network uses the IP protocol to deliver the IPTV service. Belgium was one of the first European countries to deploy cable networks, doing so as early as the 1970s, and, as a result, other means of television delivery such as satellite and terrestrial broadcasters are less popular in Belgium as they are in other European

countries. Cable is the most commonly used transmission medium for television services in Belgium. Cable network services are characterized by easy-to-use technology, efficient installation of customer equipment and reliability of a protected signal delivered directly to the home. In Belgium, there is no direct competition between the cable network operators as there is no overlap between operators' cable networks.

A competitive presence in the Belgian television market, although smaller compared to cable, is satellite television, which can be divided into two types of access: (i) "free-to-air" satellite and (ii) paid satellite television. With respect to free-to-air satellite, residential subscribers may install a satellite receiver to view a large number of foreign channels without paying subscription fees. Residential subscribers must also install a satellite receiver when they subscribe to premium, paid television via satellite. The largest premium satellite provider in Telenet's network area is TV Vlaanderen.

Other television delivery media include DTT. Analog terrestrial television was terminated in Belgium in 2008. In order to comply with the Government's analog switch-over policy, the Flemish public broadcaster VRT sold its terrestrial transmission network to Norkring België NV, an independent private operator. This operator is in charge of managing the DTT spectrum, including the designing, construction and maintenance of the transmitter networks, but is not allowed to commercialize a DTT offer. Norkring held selection procedures to sublease parts of the spectrum to other operators who will offer DTT to the residential market. Telenet reached an agreement with Norkring to broadcast wireless television channels over the DTT spectrum. In July 2012, Telenet started commercializing Teletenne, using the Digital Terrestrial TV frequencies Telenet leased from Norkring. In December 2013, however, Telenet decided to discontinue the provision of DTT services and, as a result, incurred a restructuring charge of €34.8 million for the year ended December 31, 2013.

Broadband

The broadband internet access market in Belgium is well established, with penetration rates higher than in most other major European markets. According to Europe's Digital Progress Report 2017, Belgium ranks 6th in Europe's Digital Economy and Society Index (DESI) 2017. Belgium ranks highest in connectivity (3rd) and integration of digital technology by businesses (5th), while digital public services are its biggest relative weakness. The country's key challenge is to continuously improve its mobile connectivity. The Belgian broadband internet market is characterized by the wide availability of high-speed access networks, resulting from continued infrastructure-based competition between the two leading access technologies being cable (Telenet in Flanders and approximately two-thirds of Brussels and VOO in Wallonia and parts of Brussels) and VDSL (Proximus). According to the BIPT 2016 Annual Report, approximately 81% of all broadband internet connections in Belgium at December 31, 2016 have access to effective speeds in excess of 30 Mbps versus a European average of approximately 37%. The differential becomes even larger when looking at the penetration of broadband internet households having access to effective speeds in excess of 100 Mbps standing at approximately 37% in Belgium versus a modest 15% across Europe. According to the BIPT 2016 Annual Report, Belgium had approximately 4.2 million broadband internet connections at December 31, 2016, representing a 3% increase versus 2015. Approximately 69% of broadband internet connections relate to both Flanders and Brussels, where Telenet is active.

Telenet's estimated market share in the Flemish broadband market at the end of 2016 represented between 60-70% according to the BIPT 2016 Annual Report with an estimated 30-40% market share for Proximus and the remainder held by alternative operators. As for the Brussels region, where Telenet recently successfully extended its footprint through the June 2017 acquisition of SFR Belux, Telenet (including SFR Belux) held an estimated market share between 20-30% at the end of 2016 according to the BIPT 2016 Annual Report with Proximus claiming a market share of between 60-70%.

Looking at the combined market share of cable operators across the whole of Belgium, cable continues to be the leading broadband internet access technology according to the BIPT 2016 Annual Report. Cable is able to provide greater speeds than DSL and with relatively lower capital expenditure. Telenet believes that the fact that cable has proven to be far more reliable in delivering promised speeds to subscribers than DSL has contributed to cable's recent share increase. DSL is the second leading broadband internet access technology in Belgium according to the BIPT 2016 Annual Report, as is predominantly owned and used by Proximus. DSL uses basic telephone infrastructure to access the internet. DSL technology leverages the fact that copper wires used in telephone networks have a much higher bandwidth (7 MHz) than that required for normal voice conversation (0-3.4KHz). DSL utilizes the extra bandwidth to provide broadband (high bandwidth) internet connections. The most commonly used variant of DSL is ADSL which assumes that internet users normally receive or download much

more information than they would send or upload. Hence, ADSL connections normally have three to four times more bandwidth for downloading data than uploading.

Fiber-to-the-home (“**Ftth**”) has not yet been widely deployed in Belgium. A substantial challenge facing the expansion of Ftth is the fact that such technology is both capital and time intensive, requiring significant digging and re-wiring. While Ftth is in the position of having to make heavy investments in catching up to the competition, cable operators can prioritize investment efficiently through optical node splitting.

Another possible threat to DSL and cable is the increasing download speeds offered by mobile internet technologies, such as high-speed package access (“**HSPA**”) and LTE technologies. At the end of 2016, mobile broadband penetration in Belgium reached nearly 66% of the total population based on the BIPT 2016 Annual Report versus approximately 84% for the European average. Although penetration of mobile broadband used to be rather modest in Belgium, it has been growing strongly in recent years on the back of a larger share of smartphones and tablets sold, from approximately 62% at the end of 2015 and approximately 54% at the end of 2014. Telenet believes that the majority of those consumers use mobile broadband internet to complement a fixed-line broadband internet connection, as the current effective speeds that mobile internet offers are too low to act as a replacement service.

Fixed-line telephony

The Belgian market for fixed-line telephony services is mature, and market share changes are driven by the price and quality of services provided, including the way in which telephony services are integrated into bundled offerings. In recent years, fixed-line telephony has been transformed into a commodity and has become highly dependent on a quality broadband internet offering, as telephony is increasingly bundled with broadband internet services.

Proximus, the incumbent fixed-line PSTN telephony service provider in Belgium, is the largest provider of fixed-line telephony services in the Belgian market with an estimated residential market share between 50-60% at the end of 2016, according to the BIPT 2016 Annual Report. However, the calling volume generated by fixed-line telephony customers has been steadily decreasing in recent years because of substitution from alternative access technologies like mobile telephony services, VoIP and internet telephony offered via broadband internet connections. In 2016, the calling volume in the Belgian fixed-line telephony market decreased approximately 7% year-on-year according to the BIPT 2016 Annual Report, with an approximately 7% decrease in the B2B market and an approximately 5% decline in the residential market.

Mobile Telephony

The Belgian mobile telephony market was valued at approximately €3.6 billion at December 31, 2016 based on the BIPT 2016 Annual Report.

At the end of 2016, the total number of registered active SIM cards in Belgium represented approximately 12.6 million (including MVNOs and excluding M2M) compared to 12.8 million in 2015. At present, there are three network operators in Belgium, of which Proximus is the largest with an estimated nationwide subscriber market share of approximately 40-50% at the end of 2016, followed by Telenet (including BASE) at approximately 20-30% at the end of 2016 and Orange Belgium (approximately 30% nationwide subscriber market share), according to the BIPT 2016 Annual Report. All operators own 2G, 3G and 4G spectrum licenses, covering various frequencies in the 900 MHz, 1,800 MHz, 2.1 and 2.6 GHz band, and provide mobile voice and data services to the residential and business segments.

Telenet offers its mobile telephony services under the “Telenet” and “BASE” brand names. Telenet currently provides this service partly through its own BASE network and partly through the MVNO Arrangement with Orange Belgium. Through its own BASE network and pursuant to the MVNO Arrangement, Telenet offers its customers mobile voice and data services, including 4G. Through a partnership with Telenet, the Walloon cable operator Nethys also uses this MVNO Arrangement to provide mobile services for its cable customers. The MVNO Arrangement can be terminated in case of material breach and certain events, including changes of control and regulatory events. In the event of termination, a transition period will apply during which Orange Belgium will assist Telenet to migrate its subscribers in such a manner that Telenet (or the legal entity acquiring the subscribers after termination) can continue to provide mobile services to these subscribers. Telenet intends to migrate its current and future mobile subscribers to the BASE network after termination of the MVNO Arrangement, as further described below.

At the end of May 2016, Orange Belgium and Telenet reached an agreement setting the terms and conditions for the future termination of the MVNO Arrangement (the “**MVNO Termination Agreement**”). The MVNO Arrangement will run, and Telenet’s mobile customers can continue to use Orange Belgium’s network, until the end of 2018. Telenet committed to a minimum payment of €150.0 million (excluding VAT) over the 3-year period from 2016 to 2018. The actual amount paid by Telenet could exceed this minimum amount in the event there is higher network usage. Beyond 2018, an optional 6-month extension period has been agreed upon with a minimum amount of €15.0 million (excluding VAT) becoming payable if triggered. Through the MVNO Termination Agreement, all outstanding legal disputes between both companies, including the judicial recovery of invoices under the MVNO Arrangement, have been settled.

In July 2011, Telenet Tecteo Bidco, a majority-owned subsidiary of Telenet in which Nethys holds a 25% shareholding, acquired the fourth 3G mobile spectrum license in Belgium, for the minimum reserved price of €71.5 million. In total, Telenet Tecteo Bidco acquired 14.8 MHz of paired 3G spectrum in the 2.1 GHz band and confirmed to the BIPT that it would exercise the option to be awarded another 4.8 MHz of paired 2G spectrum in the 900 MHz band and 10 MHz of paired 2G spectrum in the 1800 MHz bands, which both became available as of November 27, 2015, for a total consideration of €31.5 million. In December 2013, Telenet determined, after concluding negotiations with network operators in Belgium, and in the absence of regulatory alternatives, that it would not be able to utilize the spectrum rights under the 3G mobile spectrum license and, as a result, notified the BIPT on February 13, 2014 that it would return the acquired 3G mobile spectrum (held by Telenet Tecteo Bidco). This resulted in a triggering event with respect to the intangible asset related to the 3G mobile spectrum license, and, after performing an impairment analysis, Telenet recorded an impairment charge of €53.3 million during the fourth quarter of 2013 to reduce the carrying amount of this intangible asset to nil. On June 1, 2014, Telenet Tecteo Bidco returned the acquired 3G mobile spectrum. Furthermore, as a result of the above, Telenet Tecteo Bidco also informed the BIPT at the end of 2013 that it will not use the aforementioned 2G spectrum. By a decision of September 24, 2014, the BIPT formally accepted the return of the 3G spectrum. Telenet Tecteo Bidco is required to pay the outstanding amount of €23.7 million (as at September 30, 2017) of the €71.5 million reserved price for the 3G spectrum. As per the agreement with the BIPT, this amount will continue to be repaid in installments until 2020, with the next installment of €7.4 million due in December 2017 (excluding €0.6 million of interest-related charges due in December 2017). In addition to these repayments the BIPT also indicated that it expected to receive a payment of €31.5 million for the paired 2G spectrum that would have been made available in 2015. Telenet Tecteo Bidco initiated legal proceedings against the BIPT’s claim. Eventually, the parties entered into a settlement agreement in January 2016, through which Telenet Tecteo Bidco paid an amount of approximately €4 million for the usage rights in the 2G spectrum, and committed to pay the BIPT the remainder of the fee for its former usage rights for the 3G spectrum, being an amount of approximately €31 million.

See “*Risk Factors—If Telenet fails to successfully introduce new technologies or services, or to respond to technological developments, its business and level of revenue may be adversely affected and it may not be able to recover the cost of investments that it has made*” and “*—The Belgian internet, data and telephony industries are highly competitive and the television industry has become more competitive, which could have a material adverse effect on Telenet’s business*”.

DESCRIPTION OF TELENET'S BUSINESS

Overview

Telenet is the largest provider of video services in Belgium. Telenet's hybrid fiber-coaxial ("HFC") cable network spans the Flanders region, covers approximately 69% of Belgium by homes passed and includes the metropolitan centers of Antwerp and Ghent and approximately two-thirds of Brussels following the acquisition of Altice's former Belgian and Luxembourg cable operations (Coditel Brabant and Coditel Lux, together "SFR Belux"), which Telenet acquired on June 19, 2017. Telenet Group Holding's shares are listed on the Euronext Brussels Stock Exchange under the ticker symbol TNET and it is part of the BEL20 stock market index. As of 6:00 p.m. London time on November 21, 2017, Telenet Group Holding's market capitalization amounted to €7,040 million.

Telenet offers basic and enhanced video, including HD, pay television and VOD services, high-speed broadband internet and fixed-line and mobile telephony services to residential subscribers who reside in Telenet's network area. Telenet also combines its services into packages, or bundles, which offer subscribers the convenience of being able to purchase video, broadband internet and telephony services from a single provider at an attractive and discounted price. In addition, Telenet offers voice and data services, as well as value-added services including cloud, hosting and security solutions, to SMEs and large-sized businesses throughout Belgium and parts of Luxembourg. Through the "BASE" brand, Telenet also offers mobile telephony services to residential and business customers across Belgium.

As of September 30, 2017, Telenet had approximately 2,201,800 customer relationships, which represented 67% of the approximately 3,307,100 homes passed by the Combined Network. As of September 30, 2017, approximately 2,046,900 customers subscribed to its video services, approximately 1,670,400 subscribed to its broadband internet services and approximately 1,302,500 subscribed to its fixed-line telephony services. Telenet also had approximately 2,258,800 mobile postpaid and approximately 623,300 mobile prepaid subscribers as of September 30, 2017. In addition, approximately 88% of its video subscribers had upgraded from basic video to enhanced video services. For the year ended December 31, 2016, Telenet's total revenue was €2,429.1 million, a 33% increase over the year ended December 31, 2015, and its Adjusted EBITDA was €1,117.1 million, an 18% increase over the year ended December 31, 2015. For the nine months ended September 30, 2017, Telenet's total revenue was €1,884.3 million, a 5% increase compared to the nine months ended September 30, 2016, and its Adjusted EBITDA was €911.2 million, a 7% increase over the nine months ended September 30, 2016.

The Combined Network is fully bi-directional and EuroDocs 3.0 enabled, and provides a spectrum bandwidth capacity of 600 MHz. In August 2014, Telenet announced a five-year €500.0 million network investment program as it plans to increase the capacity of the Combined Network to 1 GHz, enabling download speeds of at least 1 Gbps in the future, with the objective of allowing Flanders to offer some of the highest-capacity digital infrastructure in Europe. At September 30, 2017, approximately 58% of the nodes in the Combined Network had been upgraded.

Telenet is increasingly focused on offering its subscribers broadband internet and telephony subscriptions and services together with its video services in the form of attractively priced multiple-play bundles. Telenet has derived, and believes it can continue to derive, substantial benefits from the trend towards bundled subscriptions, through which it is able to sell more products to individual subscribers, resulting in significantly higher ARPU per customer relationship and, in its experience, the reduction of customer churn. For the nine months ended September 30, 2017, Telenet's ARPU per customer relationship was €55.2, an increase of 4% compared to the nine months ended September 30, 2016 when the ARPU per customer relationship was €53.2. See "*Description of Telenet's Business—Telenet's Network*".

Telenet provides the following products and services to its customers:

Basic Video. Cable television is the principal medium for the provision of television services in Flanders, and Telenet is the largest provider of video services in Belgium. Almost all Flemish television households are passed by the Combined Network. The high penetration of Telenet's video business has resulted in a steady source of revenue and cash flow. As of September 30, 2017, Telenet provided video services to approximately 2,046,900 subscribers, or 62% of homes passed by its network including approximately 82,200 inorganic additions through the acquisition of SFR Belux in June 2017. All of Telenet's basic video subscribers have access to at least 21 basic analog television channels and an average of 26 analog radio channels. Telenet generally provides its basic cable television services under individual contracts with its subscribers, the majority of whom pay monthly. Telenet's basic video subscribers who have installed a

set-top box or CI + module, and activated a smart card, have access to more than 70 digital channels, including 15 HD channels, and approximately 36 digital radio channels, for no additional fee. Telenet offers its basic video services in digital for no additional fee in order to encourage its subscribers to migrate to its enhanced video services giving them access to a more enriched TV experience, including access to EPGs, additional thematic content packs, exclusive movies and sports channels and a large VOD library of both local and international programs. For the nine months ended September 30, 2017, subscribers to total basic video services decreased by 41,900 as compared to December 31, 2016 on an organic basis as a result of the increased competitive environment, including the effects from regulated cable wholesale. The aforementioned organic loss rate excludes migrations to Telenet's enhanced video service and represents customers churning to competitors' platforms, such as other digital television, OTT and satellite providers, or customers terminating their television service or having moved out of Telenet's service footprint. Given the historical video penetration in its footprint, the limited expansion of the number of homes passed and strong competition in the domestic TV market, Telenet anticipates further churn of total video subscribers.

Enhanced video. Telenet's interactive enhanced video service includes a combination of premium sports and film channels, a range of extended thematic channels, a selection of films and broadcast content available on an on-demand basis and a variety of interactive features. Telenet's enhanced video offering is available to all subscribers passed by the Combined Network. At September 30, 2017, Telenet served approximately 1,791,200 enhanced video customers, including approximately 74,700 inorganic subscribers added through the SFR Belux acquisition. Telenet's digitalization ratio, which measures the total base of enhanced video customers relative to Telenet's total video subscriber base, continued to grow, and reached approximately 88% at September 30, 2017 compared to approximately 85% at September 30, 2016. All of Telenet's enhanced video subscribers can access the "Yelo Play" app, through which they can enjoy a unique content experience on multiple connected devices in the home and out-of-home through Telenet's WiFi Homespots and hotspots. At September 30, 2017, Telenet's subscription VOD packages "Play" and "Play More" had 393,100 customers, representing a 17% increase compared to September 30, 2016. This robust performance was driven by (i) an improvement in the linear viewing experience and the revamp of Telenet's premium entertainment platform "Play More", (ii) continued investments in promising local content both through co-productions with Telenet's co-owned commercial channels "VIER", "VIJF" and "ZES" as well as certain proprietary content, and (iii) Telenet's exclusive partnership with HBO providing access to high-quality international content. In addition to the premium pay television channels, Telenet also provides the broadest sports offerings within its footprint through "Play Sports", which combines domestic and foreign football with other major sport events including golf, Formula One racing, volleyball, basketball and hockey. Telenet recently also added tennis with the ATP World Tour Masters, a major tennis event, to its sports line-up. At September 30, 2017, approximately 232,000 customers subscribed to Telenet's sports pay television channels, an increase of 1% compared to September 30, 2016. In May 2017, Telenet extended the non-exclusive broadcasting rights for the Jupiler Pro League for three seasons until the 2019-2020 season. In addition, we also gained the exclusive OTT rights in Q2 2017, while local media company De Vijver Media, in which we own a 50% shareholding, holds the exclusive rights on the match summaries.

Broadband Internet. Telenet is the leading provider of residential broadband internet services in Flanders. Today, Telenet offers consumers and businesses data download speeds of up to 200 and 500 Mbps, respectively, and upload speeds of 20 and 50 Mbps, respectively. Through Telenet's €500.0 million five-year "Grote Netwerf" investment program, which kicked off in early 2015 and is expected to be completed mid-2019, Telenet aims to boost the capacity of its network from 600 MHz currently to 1 GHz, enabling data download speeds of at least 1 Gbps in the future. As customers increasingly expect to enjoy seamless superfast connectivity whether at home, at work or on the move, WiFi remains one of the cornerstones of Telenet's connectivity strategy.

In March 2017, Telenet introduced "Flow Tech", a suite of smart technologies, to ensure that customers can seamlessly access both fixed and mobile networks across all of their devices. At September 30, 2017, Telenet has deployed around 1.4 million WiFi Homespots and operated nearly 2,000 WiFi hotspots in public areas. Through partnerships with its majority shareholder Liberty Global, certain of its affiliates, and Walloon cable operator VOO, broadband internet customers from both cable companies can freely use the WiFi Homespots on either company's network in Wallonia and in certain other European countries where service is offered through other Liberty Global and certain affiliate networks. At the end of June 2017, Telenet boosted both the data upload and download speeds of its "Basic Internet" product. Priced at €27.8 per month (including 21% VAT) and providing a data download speed of 50 Mbps, Telenet's "Basic Internet" offer remains one of the most attractive entry packages both within a Belgian and a wider European context. At September 30, 2017, Telenet served 1,670,400 broadband internet subscribers (+5% year-on-year), including 60,300 inorganic subscribers added through the SFR Belux acquisition and equivalent to 50.5% of the homes passed by its HFC network. For the nine months ended September 30, 2017, net organic subscriber additions for Telenet's broadband internet service were

approximately 9,800. Telenet's annualized churn rate was impacted by the intensely competitive environment and reached 8.9% for the nine months ended September 30, 2017 as compared to 7.7% for the nine months ended September 30, 2016.

Fixed-line telephony. Telenet offers its residential subscribers local, national and international long distance fixed-line telephony services and a variety of value-added features. In Flanders, Telenet believes it is currently the largest competitor of Proximus, due in part to Telenet's emphasis on customer service and innovative flat-fee rate plans. Substantially all of Telenet's fixed-line telephony subscribers use VoIP technology, which utilizes the open standards EuroDocsis protocol, and through which Telenet is able to provide both internet and fixed-line telephony services. Telenet served approximately 1,302,500 fixed-line telephony subscribers at September 30, 2017 (+4% year-on-year), including approximately 48,100 inorganic additions from the acquisition of SFR Belux and equivalent to 39.4% of the homes passed by its network. For the nine months ended September 30, 2017, Telenet lost approximately 200 net organic fixed-line telephony subscribers as a result of the intensely competitive market environment and an overall declining market trend. Both these factors also drove a 150 basis points increase in the annualized churn rate to 10.0% for the nine months ended September 30, 2017 as compared to 8.5% for the nine months ended September 30, 2016.

Mobile telephony. In February 2016, Telenet finalized the acquisition of Belgian mobile operator BASE Company. Telenet offers its mobile telephony services under both the "Telenet" and "BASE" brand names and has entered into several wholesale partnerships. In addition to BASE Company's mobile radio access network, Telenet has historically been operating through a mobile virtual network operator ("MVNO") partnership with Orange Belgium (formerly named Mobistar NV), the second largest mobile operator in Belgium, (the "MVNO Arrangement"). Pursuant to the MVNO Arrangement, Telenet offers its cable customers mobile voice and data services, including 4G/LTE ("Long Term Evolution"), through Orange Belgium's mobile network. Through a partnership with Telenet, Nethys also uses the MVNO Arrangement to provide mobile services to its cable customers.

At the end of May 2016, Orange Belgium and Telenet reached an agreement setting the terms and conditions for the future termination of their MVNO Arrangement. The MVNO Arrangement will run, and Telenet's mobile customers can continue to use Orange Belgium's network, until the end of 2018. Telenet committed to a minimum payment of €150.0 million (excluding VAT) over the 3-year period 2016-2018. The actual amount paid by Telenet could exceed this minimum amount in case of higher network usage. Beyond 2018, an optional 6-month extension period has been agreed with a minimum payment of €15.0 million (excluding VAT) becoming payable if triggered. Through the MVNO Termination Agreement, all outstanding legal disputes between both companies, including the judicial recovery of invoices under the MVNO Arrangement, have now been settled. The rapid modernization of Telenet's acquired mobile network is an important synergy enabler, allowing Telenet to accelerate the onboarding of its Full MVNO customers to its own mobile network. At September 30, 2017, approximately 54% of its Full MVNO customers had been onboarded on the own mobile network. Telenet now aims for full completion by the end of the fiscal quarter ending March 31, 2018. As the accelerated onboarding will affect the contractual commitments under the MVNO Arrangement, Telenet incurred a €29.2 million non-cash restructuring charge in the three months ended September 30, 2017.

Telenet's active mobile subscriber base, which excludes subscribers under its commercial wholesale partnerships, totaled 2,882,100 SIMs at September 30, 2017, including approximately 2,258,800 postpaid subscribers. The remaining approximately 623,300 mobile subscribers receive prepaid services under the BASE brand and various branded reseller contracts. Compared to September 30, 2016, Telenet recorded a 5% decrease in the total number of active mobile subscribers as a result of the sale of its direct subsidiary Ortel Mobile to Lycamobile as of March 1, 2017 and the impact from the June 2017 mandatory prepaid registration. As such, a total of approximately 157,900 and 53,300 mobile SIMs have been removed from Telenet's subscriber count in the three months ended March 31, 2017 and the three months ended June 30, 2017, respectively. For the nine months ended September 30 2017, Telenet added approximately 143,400 net postpaid subscribers driven by the continued uptake of its all-in-one converged "WIGO" bundles and improved offers. At the end of September 2017, Telenet revamped the mobile line-up under the "BASE" brand, by offering more flexible bundles adjusted to the customers' needs so they can use the full capacity of their package, regardless of their appetite to use either more data, minutes or text messages.

Business services. Under the "Telenet Business" brand, Telenet offers a range of voice, data and internet products and services that are tailored to the size and needs of each customer. Telenet Business also offers its business customers an extensive range of reliable value-added services, including hosting, managed security and cloud services. Telenet provides services to business customers throughout Belgium and parts of Luxembourg. Telenet's

business customers include SMEs, larger corporations, public healthcare and educational institutions, and carrier customers that include international voice, data and internet service providers. Telenet Business generated revenue of €98.5 million for the nine months ended September 30, 2017, up 9% compared to the nine months ended September 30, 2016. B2B revenue growth was primarily driven by higher security-related revenue and higher revenue from business connectivity solutions in the SME segment.

Telenet's Products and Services

Telenet provides a broad range of cable-based communications, video and premium entertainment services to residential customers in Flanders, and approximately two-thirds of Brussels and parts of Luxembourg following the June 2017 SFR Belux acquisition. Through the February 2016 BASE acquisition, Telenet also offers mobile voice and data communication services in the whole of Belgium through its own radio access network. Finally, Telenet also provides voice and data services to business customers across Belgium and in parts of Luxembourg. Telenet's residential services comprise basic and enhanced video, broadband internet and fixed-line and mobile telephony services. Telenet offers all of these services to residential subscribers who reside in Telenet's service footprint and whose homes are passed by Telenet's bi-directional HFC network, including the acquired network of both Coditel Brabant and Coditel Lux.

Telenet's residential subscribers include individuals and families living in homes and apartments as well as SOHOs that receive its services through a coaxial connection. Residential subscribers access Telenet's services through a node on the Combined Network that links via a coaxial connection to their residence.

Video

The following table summarizes certain information related to Telenet's video operations as of and for the periods indicated:

	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2017	2016	2016	2015	2014
Footprint:					
Homes passed	3,307,100	2,973,700	2,987,600	2,935,700	2,916,300
RGUs:					
Total video	2,046,900	2,028,600	2,017,500	2,054,800	2,083,300
Basic video	255,700	297,600	284,600	340,600	403,200
Enhanced video	1,791,200	1,731,000	1,732,900	1,714,200	1,680,100
Churn ⁽¹⁾	8.9%	7.7%	7.8%	7.2%	7.2%

(1) Churn represents the total number of RGUs disconnected during the period divided by the average number of RGUs for the period. Churn statistics do not include customers who move within the areas of the Combined Network offering the same service and who elect to receive the same services from Telenet that they previously received at their prior location.

Cable television is the principal medium for the provision of television services in Flanders and Telenet is the largest provider of video services in Belgium. Almost all Flemish television households are passed by the Combined Network. The high penetration of Telenet's video business has resulted in a steady source of revenue and cash flow. Currently, Telenet mainly competes with Proximus's IPTV platform and Orange Belgium's cable-based wholesale offer as traditional terrestrial broadcasting and direct-to-home satellite broadcasting are less popular in Flanders or elsewhere in Belgium. As of September 30, 2017, Telenet provided video services to 2,046,900 subscribers, or 62% of homes passed by the Combined Network, including 82,200 inorganic additions through the June 2017 SFR Belux acquisition. Telenet generally provides its basic cable television services under individual contracts with its subscribers, the majority of whom pay monthly.

Telenet's interactive enhanced video service was launched in September 2005 and includes a combination of premium sports and film channels, a range of extended thematic channels, a selection of films and broadcast content available on an on-demand basis and a variety of interactive features. Telenet's full premium interactive digital television offering is available to all subscribers passed by the Combined Network. In general, digital technology compresses video signals into a smaller amount of bandwidth than is currently used by analog transmissions, while also enhancing the audio and visual quality of the transmissions. Telenet is able to broadcast a significantly greater number of channels by converting channels currently used for analog broadcasts into use for digital channels. Current digital interactive capabilities enable subscribers greater flexibility in choosing what

content to watch and when, to participate in certain types of programs, to communicate with others through their television set and to review viewing options using facilities such as VOD and EPGs, among other features.

Basic Video

Telenet's basic video subscribers have access to at least 21 basic analog television channels and an average of 26 analog radio channels. To facilitate the growing trend towards enhanced video, new internet applications and higher broadband speeds in the future, Telenet has partially reduced the bandwidth allocated to analog channels in 2012. At the end of June 2013, Telenet launched a new television product, "TV with a card", using the CI+ technology, which is integrated into the latest television sets. By placing a CI+ module with a smart card in a television set, customers can watch enhanced video without a set-top box.

Telenet generally provides its basic cable television services under individual contracts with its subscribers, the majority of whom pay on a monthly basis and subscribers pay a fixed monthly subscription fee for basic tier content, irrespective of the broadcasting format or number of channels received in the basic tier.

Telenet charges its basic cable television subscribers a monthly fee of €16.90 (including VAT), including a copyright fee which helps to offset copyright fees paid by Telenet to copyright collection agencies for certain content provided by the public broadcasters that is retransmitted over the Combined Network.

Telenet regularly reviews its pricing policy, carefully weighing the current and future economic and competitive environment. Historically, Telenet has been able to increase the video subscription fee to offset inflationary impacts on its cost base.

Subscribers to Telenet's basic and enhanced video services reached 2,046,900 at September 30, 2017, including 82,200 inorganic subscribers added through the SFR Belux acquisition. For the nine months ended September 30, 2017, Telenet lost 41,900 net organic basic video subscribers. Compared to the nine months ended September 30, 2016, Telenet's net organic loss rate for the nine months ended September 30, 2017 continued to be higher as a result of the increased competitive environment including the effects from regulated cable wholesale. The aforementioned organic loss excludes migrations to Telenet's enhanced video service and represents customers churning to competitors' platforms, such as other digital television, OTT and satellite providers, or customers terminating their television service or having moved out of Telenet's service footprint. Given the increasing and strong competition in the domestic TV market, Telenet anticipates further churn of total video subscribers.

In addition to subscription, rental and copyright fees, Telenet collects carriage fees from certain content providers in exchange for carrying their content over Telenet's network. Telenet also charges activation and installation fees to subscribers joining its interactive enhanced video service, though these may be waived under temporary promotions.

Telenet is required to deliver certain television channels and radio stations to its basic video subscribers pursuant to "must carry" rules. These requirements cover broadcasts of the Flemish and French-speaking public community broadcasters in Belgium, the relevant regional broadcasters and the programs of the Dutch public broadcaster. See "*—Regulation—Broadcasting Regulation—Must Carry.*"

Telenet estimates that its basic video viewers spend approximately 75% of their viewing time watching local Flemish channels.

Basic Tier Content

Several different relationships govern the content that Telenet provides to its basic video subscribers. Telenet pays copyright fees to the foreign, public national and regional broadcasters carried on its basic video network. In general, these fees are paid to copyright collection agencies and broadcasters based on a combination of per program fees and the number of subscribers to Telenet's basic video service. Although specific arrangements vary, contracts governing the payment of these copyright fees generally have terms of between three and four years. These agreements with the copyright agencies and broadcasters were the subject of significant litigation in recent years. See "*—Legal Proceedings.*" Telenet is required by law to carry the signals of the regional broadcasters at no charge and also does not charge a carriage fee to the public broadcasters. See "*—Regulation—Broadcasting Regulation—Must Carry.*" Telenet also enters into transportation and distribution agreements with the commercial broadcasters. Through transportation contracts, Telenet agrees to carry a commercial broadcaster's signal across its fiber backbone to its head end stations, where the signal is subsequently delivered to Telenet's subscribers.

Broadcasters who transmit their signal to Telenet by satellite can elect to deliver their signal directly to Telenet's head end stations and, as a result, does not need to enter into a transportation agreement with Telenet. Telenet also enters into distribution contracts with all of the commercial broadcasters whose channels it carries on its network, pursuant to which Telenet agrees to carry the broadcaster's signal from the head end station to Telenet's basic video subscribers. The prices that Telenet charges under distribution contracts are based on nondiscriminatory policies.

In some situations, Telenet does not charge the broadcasters any fee for transmitting their signal to its subscribers. Instead, the broadcasters benefit from increased advertising revenue they receive from reaching Telenet's basic video subscribers and Telenet benefits by providing its subscribers added content. In certain situations, Telenet pays broadcasters for the channels they transmit over Telenet's network. In addition to these arrangements, Telenet has also entered into contracts with certain broadcasters pursuant to which it currently pays a fee in order to have the right to broadcast their signal on any enhanced video service that it may offer in the future. For the years ended December 31, 2016 and December 31, 2015, Telenet incurred copyright fees of €62.0 million and €63.5 million, respectively, to public national and regional broadcasters and related copyright agencies for both analog and digital content. For the nine months ended September 30, 2017 and September 30, 2016, Telenet incurred copyright fees of €46.7 million and €46.4 million, respectively, to public national and regional broadcasters and related copyright agencies for both analog and digital content.

Premium Tier Video

Telenet's interactive enhanced video service includes a combination of premium sports and film channels, a range of extended thematic channels, a selection of films and broadcast content available on an on-demand basis and a variety of interactive features. Telenet's enhanced video offering is available to all subscribers passed by the Combined Network.

Telenet's basic video subscribers who have installed a set-top box or CI + module, and activated a smart card, have access to more than 70 digital channels, including 15 HD channels, and approximately 36 digital radio channels, for no additional fee. Telenet offers its basic video services in digital for no additional fee in order to encourage its subscribers to migrate to its enhanced video services giving them access to a more enriched TV experience, including access to EPGs, additional thematic content packs, exclusive movies and sports channels and a larger VOD library of both local and international programs. All of Telenet's enhanced video subscribers can access the "Yelo Play" app, through which they can enjoy a unique content experience on multiple connected devices in the home and out-of-home through Telenet's WiFi Homespots and hotspots. At September 30, 2017, Telenet served 1,791,200 enhanced video customers, including 74,700 inorganic subscribers added through the SFR Belux acquisition. Telenet's digitalization ratio, which measures the total base of enhanced video customers relative to Telenet's total video subscriber base, continued to grow, and reached approximately 88% at September 30, 2017 compared to approximately 85% at September 30, 2016.

In order to access all of Telenet's premium enhanced video offerings, subscribers need to install a set-top box, which acts as an interface between the subscriber and the Combined Network, and operates on the Multimedia Home Platform ("MHP") standard, which provides an open standard platform that gives Telenet the flexibility to integrate applications from a variety of sources. Telenet offers digital set-top boxes in a sale or a rental model. Telenet offers a choice of "HD Digibox" and "HD Digicorder" set-top boxes with alternative specifications and functionality, such as the ability to record, pause and playback digital content viewed on its service. Following the phasing-out of Telenet's legacy Standard Definition ("SD") platform mid-2014, all set-top boxes are HD-enabled. The vast majority of Telenet's enhanced video subscribers rent the "HD Digicorder" as this specific set-top box type is included in Telenet's multiple-play bundles and allows for a full, high-quality TV viewing experience including pausing, forwarding and recording functionalities.

Telenet's premium service includes a combination of premium sports and film channels, a range of extended thematic channels, a selection of films and broadcast content available on-demand and a variety of interactive features. In cooperation with the local broadcasters, Telenet has built a large broadcasting on-demand library, including historical and current content and previews of local series. In addition, Telenet's enhanced video platform supports additional functionalities such as e-mail, short message services, search and recommend, online photo albums and access to government services and programs. Other features include several interactive search engines such as telephony directories, job searches and travel and transportation information.

Sporting Telenet. In June 2011, Telenet acquired certain exclusive broadcasting rights for the Jupiler Pro League for the three seasons starting July 2011. From the 2012-2013 season onwards, Telenet has broadcast all league

matches of the Jupiler Pro League, which has resulted in incremental subscriber growth. In June 2014, the Jupiler Pro League awarded Telenet broadcasting rights for a further three years on a non-exclusive basis and in May 2017, Telenet extended the non-exclusive broadcasting rights for the Jupiler Pro League for three seasons until the 2019-2020 season. In addition, Telenet also gained the exclusive OTT rights, while local media company De Vijver Media, in which Telenet owns a 50% shareholding, holds the exclusive rights on the match summaries. As a result, Telenet will be able to broadcast all league matches through to the 2019-2020 season. Telenet believes it provides the broadest sports offerings within its footprint through “Play Sports”, which combines domestic and foreign football with other major sport events including golf, Formula One racing, volleyball, basketball and hockey. Telenet recently also added tennis with the ATP World Tour Masters, a major tennis event, to its sports line-up. At September 30, 2017, approximately 232,000 customers subscribed to Telenet’s sports pay television channels, an increase of 1% compared to September 30, 2016. Pricing is dependent on the number of services ordered and ranges from €18.40 per month for triple-play subscribers to €29.40 per month for single-play subscribers (both including VAT).

Subscription on-demand content and thematic channels. In September 2013, Telenet launched “Rex” and “Rio”, two unlimited subscription VOD packages for a fixed monthly charge. In December 2014, Telenet introduced “Play” and “Play More”, replacing the former “Rex” and “Rio” packages. Priced at €10.0 per month (including VAT), “Play” represents an attractive entry point for enhanced video customers who want to take full control of when, where and how they watch TV. Currently, Telenet is the only operator in Belgium to bundle the content of local broadcasters, an extensive collection of international movies and series, and TV functionalities such as 7-day catch-up TV, in one single add-on product. At September 30, 2017, Telenet’s subscription VOD packages “Play” and “Play More” had 393,100 customers, representing a 17% increase compared to September 30, 2016. This robust performance was driven by (i) an improvement in the linear viewing experience and the revamp of Telenet’s premium entertainment platform “Play More”, (ii) continued investments in promising local content both through co-productions with Telenet’s co-owned commercial channels “VIER”, “VIJF” and “ZES” as well as certain proprietary content, and (iii) Telenet’s exclusive partnership with HBO providing access to high-quality international content.

<u>Premium Feature</u>	<u>Price per month</u> <u>(€, including 21% VAT)</u>
Subscription VOD	
Play.....	10.00
Play More.....	24.95
Play Sports	From 18.40
Transactional VOD	Prices differ per film

Premium Tier Content

Telenet’s premium content is acquired through various studio contracts, including Universal Studios, MGM, Twenty-First Century Fox, Paramount, Sony, Disney and Warner Brothers. These contracts generally require Telenet to make payments on the basis of a minimum number of subscribers, with adjustments made on a sliding scale once minimum subscriber levels have been attained. In addition, a few of these contracts require Telenet to share a portion of the additional revenue derived from price increases for its premium television packages with the content provider.

In 2016, Telenet’s own television series, “Chaussée d’amour”, produced in collaboration with the local production company deMENSEN, was made available for “Play” and “Play More” customers. By producing its own content, Telenet wants to cater for the changing viewing habits and expectations of the modern television viewer. Telenet expects that this will contribute to the strength of its “Play” and “Play More” offerings.

The success of Telenet’s premium services depends on its ability to obtain attractive content on reasonable terms. Following the launch of Telenet’s enhanced video service and competing television services in Belgium, competition for premium content in Belgium has increased. If in the future, Telenet is unable to retain certain rights for premium content, its ability to attract and retain subscribers to its premium services, and its profitability, may be adversely affected. In addition, most content agreements entered into by Telenet with the major studios do not allow Telenet to offer content via interactive means. These agreements will therefore need to be renegotiated and content prices may increase. See “*Risk factors—Risk related to Telenet’s business, technology and competition—If Telenet is unable to obtain attractive programming or necessary equipment and software on satisfactory terms for its enhanced video services, the demand for these services could be reduced, thereby lowering revenue and profitability*” and “*Risk Factors—If Telenet is unable to obtain attractive programming or*

necessary equipment and software on satisfactory terms for its enhanced video services, the demand for these services could be reduced, thereby lowering revenue and profitability”.

Residential Internet

Telenet is the leading provider of residential broadband internet services in Flanders. Today, Telenet offers consumers and businesses data download speeds of up to 200 and 500 Mbps, respectively, and upload speeds of 20 and 50 Mbps, respectively. Through Telenet’s €500.0 million five-year “Grote Netwerf” investment program, which kicked off in early 2015 and is expected to be completed mid-2019, Telenet aims to boost the capacity of its network from 600 MHz currently to 1 GHz, enabling data download speeds of at least 1 Gbps in the future. As customers increasingly expect to enjoy seamless superfast connectivity whether at home, at work or on the move, WiFi remains one of the cornerstones of Telenet’s connectivity strategy. In early October 2014, Telenet announced the roll-out of the EAP functionality on its WiFi routers, enabling customers to automatically and seamlessly connect to Telenet’s WiFi network. This new technology has been activated for substantially all WiFi hotspots and the WiFi Homespots, boosting the offloading capabilities to move a larger share of the mobile data traffic to its WiFi network at no incremental cost.

Thanks to continuing investments in its leading HFC network, Telenet’s customers can continue to enjoy a great broadband internet experience, both at home and on the move. To this end, Telenet made further progress with the deployment of WiFi Homespots across its footprint. A Homespot is a modem that transmits two concurrent signals: one for private use and another for public use. This enables customers, who have a Telenet wireless internet modem, to log onto the WiFi network of friends or relatives with their own login and hence, they can experience a superior mobile-data experience at no incremental cost. At September 30, 2017, Telenet has deployed around 1.4 million WiFi Homespots and operated nearly 2,000 WiFi hotspots in public areas. Through partnerships with its majority shareholder Liberty Global, certain of its affiliates, and Walloon cable operator VOO, broadband internet customers from both cable companies can freely use the WiFi Homespots on either company’s network in Wallonia and in certain other European countries where service is offered through other Liberty Global and certain affiliate networks.

Mid-March 2017, Telenet introduced “Flow Tech”, a suite of smart technologies, to ensure that customers can seamlessly access both fixed and mobile networks across all of their devices. At the end of June 2017, Telenet boosted both the data upload and download speeds of its “Basic Internet” product. Priced at €27.8 per month (including 21% VAT) and providing a data download speed of 50 Mbps, Telenet’s “Basic Internet” offer remains one of the most attractive entry packages both within a Belgian and a wider European context. At September 30, 2017, Telenet served 1,670,400 broadband internet subscribers (+5% year-on-year), including 60,300 inorganic subscribers added through the SFR Belux acquisition and equivalent to 50.5% of the homes passed by its HFC network. For the nine months ended September 30, 2017, net organic subscriber additions for Telenet’s broadband internet service were 9,800. Telenet’s annualized churn rate was impacted by the intensely competitive environment and reached 8.9% for the nine months ended September 30, 2017 as compared to 7.7% for the nine months ended September 30, 2016.

The broadband internet access market in Belgium is well established, with penetration rates higher than in most other major European markets. According to Europe’s Digital Progress Report 2017, Belgium ranks 6th in Europe’s Digital Economy and Society Index (DESI) 2017. Belgium ranks highest in connectivity (3rd) and integration of digital technology by businesses (5th), while digital public services are its biggest relative weakness. The country’s key challenge is to continuously improve its mobile connectivity. The Belgian broadband internet market is characterized by the wide availability of high-speed access networks, resulting from continued infrastructure-based competition between the two leading access technologies being cable (Telenet in Flanders and approximately two-thirds of Brussels and VOO in Wallonia and parts of Brussels) and VDSL (Proximus). According to the BIPT 2016 Annual Report, approximately 81% of all broadband internet connections in Belgium at December 31, 2016 would have access to effective speeds in excess of 30 Mbps versus a European average of approximately 37%. The differential becomes even larger when looking at the penetration of broadband internet households having access to effective speeds in excess of 100 Mbps standing at approximately 37% in Belgium versus a modest 15% across Europe. According to the BIPT 2016 Annual Report, Belgium had approximately 4.2 million broadband internet connections at December 31, 2016, representing a 3% increase versus 2015. Approximately 69% of broadband internet connections relate to both Flanders and Brussels, where Telenet is active. Telenet’s ability to continue to further grow the broadband market will depend in part on increases in the number of households with an internet-connectable device in Flanders and parts of Brussels.

The following table sets forth certain information related to Telenet's broadband internet service as of and for the periods indicated.

	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2017	2016	2016	2015	2014
Footprint:					
Homes passed ⁽¹⁾	3,307,100	2,973,700	2,987,600	2,935,700	2,916,300
RGUs:					
Total Broadband internet ⁽⁴⁾	1,670,400	1,594,300	1,601,700	1,570,500	1,523,300
Residential broadband internet	1,513,700	1,480,300	1,481,700	1,433,300	1,483,800
Business broadband internet	156,700	114,000	120,000	137,200	39,500
Penetration ⁽¹⁰⁾	50.5%	53.6%	53.6%	53.5%	52.2%
Churn	8.9%	7.7%	7.7%	7.1%	6.8%

Telenet offers its subscribers several installation alternatives when they subscribe for internet access from Telenet in order to maximize the convenience of the process for the customer. See “—Residential Sales, Marketing, Installation and Customer Care.”

The following table summarizes the principal features of the broadband internet services that Telenet currently offers its customers. All prices are valid as of the date of the Offering Memorandum.

	Basic Internet	Internet Fiber 100	Internet Fiber 200
Specifications			
Number of mailboxes	10 (5 GB)	10 (5 GB)	10 (5 GB)
Web space	50 MB	50 MB	50 MB
Telenet Webmail	Included	Included	Included
Anti-virus	Included	Included	Included
Anti-spam	Included	Included	Included
Auto-reply	Included	Included	Included
Subscription Wi-Free	Included	Included	Included
Modem rental	Included	Included	Included
Wireless Internet	Included (for new customers only)	Included (for new customers only)	Included (for new customers only)
Telenet Security Pack	Optional	Optional	Optional
Speed⁽¹⁾			
Download	50 Mbps	100 Mbps	200 Mbps
Upload	5 Mbps	10 Mbps	20 Mbps
Volume			
Data volume	150 GB	200 GB	Fair use ⁽²⁾
Price			
Monthly subscription fee (incl. 21% VAT)	€ 27.80	€ 51.00	€ 73.00

(1) Theoretical speed; actual speed may be influenced by traffic on the internet and other technical factors.

(2) The term “Fair use” means that a customer can send and receive a very large quantity of data via Telenet's network. Telenet will only ask a customer to adjust his/her consumption in the case of excessive volume consumption that may threaten the comfort of other subscribers. Telenet defines excessive volume consumption as consumption that is at least 500 GB during peak hours. In the case of excessive volume consumption, Telenet reserves the right to reduce the download speed to the minimum of 10 Mbps downstream and 1 Mbps upstream until the next charging period begins. “Fair use” can only be used for private purposes and occur in full compliance with Telenet's general conditions and code of conduct. Among other things, this means that the subscriber can only disseminate legal data.

Residential Telephony

Fixed-line telephony. Telenet offers its residential subscribers local, national and international long distance fixed-line telephony services and a variety of value-added features. In Flanders, Telenet believes it is currently the largest competitor of Proximus, due in part to Telenet's emphasis on customer service and innovative flat-fee rate plans. Substantially all of Telenet's fixed-line telephony subscribers use VoIP technology, which utilizes the open standards EuroDocsis protocol, and through which Telenet is able to provide both internet and fixed-line telephony services.

Telenet's residential fixed-line telephony subscribers are charged a combination of fixed monthly fees for their telephone line, variable fees based on actual usage and, for certain tariff plans, fixed fees for unlimited calls to national fixed lines at all times. Flat-rate usage charges apply for calls placed to other fixed and mobile lines in Belgium and all European member states during off-peak hours. Telenet seeks to price its residential telephony products to provide a better valued alternative to Proximus. It also offers its residential subscribers enhanced telephony features for additional fees. Enhanced offerings include packages of features and individual services such as voicemail and caller ID. In early May 2013, Telenet enriched its fixed-line telephony offer through the launch of "Triiing". This application allows fixed-line telephony subscribers to call with their smartphones over WiFi networks at attractive flat fee rates instead of generally more expensive mobile tariffs.

Telenet served 1,302,500 fixed-line telephony subscribers at September 30, 2017 (+4% year-on-year), including 48,100 inorganic additions from the acquisition of SFR Belux and equivalent to 39.4% of the homes passed by its network. For the nine months ended September 30, 2017, Telenet lost 200 net organic fixed-line telephony subscribers as a result of the intensely competitive market environment and an overall declining market trend. Both these factors also drove a 150 basis points increase in the annualized churn rate to 10.0% for the nine months ended September 30, 2017 as compared to 8.5% for the nine months ended September 30, 2016.

The following table describes certain information related to Telenet's residential telephony service as of and for the periods indicated. For the nine months ended September 30, 2015, 24,000 residential fixed-line telephony subscribers were reclassified to business fixed-line telephony subscribers. Telenet did not retroactively reclass the prior year periods.

	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2017	2016	2016	2015	2014
Footprint:					
Homes passed ⁽¹⁾	3,307,100	2,973,700	2,987,600	2,935,700	2,916,300
RGUs:					
Fixed-line telephony ⁽⁵⁾	1,302,500	1,251,000	1,255,400	1,221,000	1,159,500
Residential telephony	1,200,300	1,181,600	1,168,100	1,157,900	1,143,700
Business telephony	102,200	69,400	87,300	63,100	15,800
Penetration ⁽¹⁰⁾	39.4%	42.1%	42.0%	41.59%	39.8%
Churn	10.0%	8.5%	8.5%	7.8%	7.2%

Residential Rate Plans

(Prices including 21% VAT)

FreePhone Europe	€22.10
Option Anytime	€7.50
Option Top-line	€4.50

Mobile telephony. In February 2016, Telenet finalized the acquisition of Belgian mobile operator BASE. Telenet offers its mobile telephony services under both the "Telenet" and "BASE" brand names and has entered into several wholesale partnerships. In addition to BASE's mobile radio access network, Telenet has historically been operating through a MVNO partnership with Orange Belgium, (the "**MVNO Arrangement**"). Pursuant to the MVNO Arrangement, Telenet offers its cable customers mobile voice and data services, including 4G/LTE, through Orange Belgium's mobile network. Through a partnership with Telenet, Nethys also uses the MVNO Arrangement to provide mobile services to its cable customers.

At the end of May 2016, Orange Belgium and Telenet reached an agreement setting the terms and conditions for the future termination of their MVNO Arrangement. The MVNO Arrangement will run until the end of 2018, implying Telenet's mobile customers can continue to use Orange Belgium's network until the end of 2018. Telenet committed to a minimum payment of €150.0 million (excluding VAT) over the 3-year period 2016-2018. The actual amount paid by Telenet could exceed this minimum amount in case of higher network usage. Beyond 2018, an optional 6-month extension period has been agreed upon with a minimum payment of €15.0 million (excluding VAT) if triggered. Through the MVNO Termination Agreement, all outstanding legal disputes between both companies, including the judicial recovery of invoices under the MVNO Arrangement, have now been settled. The rapid modernization of Telenet's acquired mobile network is an important synergy enabler, allowing Telenet to accelerate the onboarding of its Full MVNO customers to its own mobile network. At September 30, 2017, approximately 54% of its Full MVNO customers had been onboarded on the own mobile network. Telenet now

aims for full completion by the end of the three months ending March 31, 2018 versus the initial plan by end-2018. As the accelerated onboarding will affect the contractual commitments under the MVNO Arrangement, Telenet incurred a €29.2 million non-cash restructuring charge in the three months ended September 30, 2017.

Telenet's active mobile subscriber base, which excludes subscribers under its commercial wholesale partnerships, totaled 2,882,100 SIMs at September 30, 2017, including 2,258,800 postpaid subscribers. The remaining 623,300 mobile subscribers receive prepaid services under the BASE brand and various branded reseller contracts. Compared to September 30, 2016, Telenet recorded a 5% decrease in the total number of active mobile subscribers as a result of the sale of its direct subsidiary Ortel Mobile to Lycamobile as of March 1, 2017 and the impacts from the June 2017 mandatory prepaid registration. As such, a total of 157,900 and 53,300 mobile SIMs have been removed from Telenet's subscriber count in the three months ended March 31, 2017 and the three months ended June 30, 2017, respectively. For the nine months ended September 30 2017, Telenet added 143,400 net postpaid subscribers driven by the continued uptake of its all-in-one converged "WIGO" bundles and improved offers. At the end of September 2017, Telenet revamped the mobile line-up under the "BASE" brand, by offering more flexible bundles adjusted to the customers' needs so they can use the full capacity of their package, regardless of their appetite to use either more data, minutes or text messages.

	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2017	2016	2016	2015	2014
RGUs mobile telephony	2,882,100	3,020,000	2,991,900	1,001,200	894,300
Postpaid subscribers	2,258,800	2,078,000	2,111,100	1,001,200	894,300
Prepaid subscribers.....	623,300	942,000	880,800	—	—

Interconnection

Interconnection is the means by which users of one telephony network are able to communicate with users of another telephony network. For a subscriber located on one telephony network to complete a telephone call to an end user served by another telephony network, the subscriber's network service provider must connect to the network serving the end user. Typically, the network serving the end user charges the subscriber's service provider a fee to terminate the communication on its network, which is based on a call set-up charge and on the length of the telephone call.

Telenet and Telenet Group (former BASE Company NV) are being considered as two separate networks, both with their own interconnection set-up. Telenet and Telenet Group's principal interconnection agreements are with Proximus and the main telecommunication operators in Belgium. Proximus, the incumbent fixed-line PSTN telephony service provider in Belgium, is the largest provider of fixed-line telephony services in the Belgian market with an estimated residential market share between 50-60%, according to the BIPT 2016 Annual Report. In the premium service mobile business, Telenet and Telenet Group connect to content aggregators, and as such provide mobile telephony subscribers access to value-added services. For the purpose of serving its mobile telephony subscribers roaming abroad, Telenet Group has over 600 bilateral roaming agreements. For this purpose, Telenet has closed a roaming agreement with an international provider, acting as a roaming hub provider.

Interconnection revenue and expenses have a significant impact on Telenet's financial results. As a result, Telenet is focused heavily on managing this cost. For the year ended December 31, 2016, Telenet incurred interconnection expenses of €222.7 million (€114.7 million for the year ended December 31, 2015) and reflected the impact from the February 2016 BASE acquisition. For the year ended December 31, 2016, Telenet received interconnection revenue of €202.0 million (€102.8 million for the year ended December 31, 2015) and included BASE's interconnection revenue since the acquisition in February 2016. Telenet reports the interconnection revenue generated by its fixed-line and mobile telephony subscribers under 'Other' revenue, while the incurred interconnection fees are included in 'Direct costs'.

Telenet and Telenet Group's interconnection practices are subject to comprehensive regulation by the BIPT. Mobile termination rates have been capped for each mobile network operator at €1.08 cents per minute starting January 2013 (while still taking into account inflation versus year of reference). This marks a 60% decline compared to the average mobile termination rate of €2.67 cents per minute, which was applicable as of January 1, 2012. On September 14, 2015, the BIPT published its draft decision on the relevant market for call termination on individual mobile networks. Telenet and Telenet Group have been designated in the draft decision as having significant market power ("SMP"). In the draft decision, the BIPT adopts a bottom-up long-run incremental cost

model to calculate tariffs for call termination on individual mobile networks, resulting in an average of €0.74 cents per minute over the review period. The BIPT has organized a public consultation on this draft decision which was open until November 14, 2015. A final decision has not yet been published, but is expected later this year.

On July 14, 2015, the BIPT published its draft decision on the relevant market for call termination on individual fixed networks. Following the adoption of a bottom-up long-run incremental cost model, this will result in one single tariff—thus abolishing the set-up and duration as well as the peak and off peak principle. The BIPT has organized a public consultation on this draft decision which was open until September 15, 2015. A final decision has been published in August 2016, defining the charge of call termination on individual fixed networks to be 0,092 cents per minute as from November 1, 2016.

Residential Sales, Marketing, Installation and Customer Care

Marketing

Telenet primarily markets its residential basic and enhanced video, internet and fixed-line and mobile telephony services under the “Telenet” brand name, which it supports with extensive advertising and brand awareness campaigns. Telenet believes that its basic video service has historically been viewed as a utility service and therefore has not actively marketed it, although Telenet has undertaken a substantial marketing effort to promote its enhanced video offering, together with the associated premium content. Following the February 2016 BASE acquisition, Telenet also commercializes mobile telephony services under the “BASE” brand throughout the whole of Belgium. In parts of Brussels, Wallonia and Luxembourg, Telenet also markets its residential basic and enhanced video, internet and fixed-line and mobile telephony services under the “SFR” brand name following the June 2017 SFR Belux acquisition.

Telenet’s residential marketing division, led by the Senior Vice-President Residential Marketing, manages all marketing activities for the residential market, including branding, media advertising, online platforms and decides on go-to-market strategies. Furthermore, the residential marketing division also runs the product development for Telenet’s video, including pay television services, broadband internet, telephony, entertainment and mobile services. Working in conjunction with Telenet’s residential sales and customer care division, Telenet’s residential marketing division uses a combination of individual and segmented promotions and campaigns, as well as general brand marketing to attract and retain subscribers. Marketing channels include media advertising, telemarketing, different forms of e-marketing, and targeted mail solicitation. Telenet’s marketing expenses include fixed marketing costs and variable marketing costs tied to subscriber incentives that can include free installation, free activation, free CPE such as WiFi routers and temporary reduced subscription costs or reduced prices on mobile handsets. Telenet continuously evaluates its marketing channels to allocate its resources most efficiently.

Telenet is increasingly focused on offering its subscribers broadband internet and telephony subscriptions and services together with its video services in the form of attractively priced multiple-play bundles. Telenet has derived, and believes it can continue to derive, substantial benefits from the trend towards bundled subscriptions, through which it is able to sell more products to individual subscribers, resulting in significantly higher ARPU per customer relationship and, in its experience, the reduction of customer churn. Telenet has been offering bundles since 2006 and has fully repositioned and rebranded these in 2008 through the introduction of its “Shakes” bundles. At the end of June 2013, Telenet introduced its next-generation multiple-play lineup “Whop” and “Whoppa”, to replace its “Shakes” bundles, to significantly simplify its product portfolio. These fixed bundles are based on the same philosophy as Telenet’s mobile rate plans “King” and “Kong”, reflecting its core customer values: simplicity, transparency, customers first and future proof. “Whop” and “Whoppa” are two attractively priced all-in-one triple-play bundles that cater to a total multimedia experience, at home and beyond, including Telenet’s leading “Yelo Play” OTT platform, Telenet’s high-speed broadband internet product and Telenet’s enriched fixed-line telephony offering (including free calls to mobile lines in off-peak hours and WiFi calling features at attractive flat fee rates). In June 2016, Telenet launched its all-in-one converged package for families and businesses, “WIGO”. All three residential “WIGO” bundles, each priced between €100.0 and €195.0 per month (including 21% VAT), include a superfast broadband connection, WiFi access, unlimited fixed and mobile calls in Belgium and a mobile data allowance to be shared among individual family members. At September 30, 2017, Telenet reached 265,100 “WIGO” customers.

Sales, Installation and Customer Care

Telenet's residential sales and customer care division is responsible for all aspects of the sales, installation and customer care process, including customer maintenance, billing and repair procedures. Collectively, these processes are designed to promote a high level of customer satisfaction and to thereby support growth in subscriber penetration rates and the number of services per individual customer.

The customer care process, including repair, is a significant priority of Telenet. Telenet regularly conducts surveys and tests to analyze the effectiveness, efficiency and satisfaction of its customers in all aspects of their experience with Telenet, from the initial sales and marketing effort, to installation and any required follow up. Telenet's "ACE Program" has been designed specifically to provide a top-of-the-market customer experience across all touch points within a customer's lifecycle. Through the Net Promoter Score ("NPS"), Telenet carefully measures the satisfaction of its customers and part of both management's and employees' variable compensation is linked to specific NPS targets. Telenet also conducts pro-active customer visits under its "Yellow House" program, aimed at replacing outdated CPE and boosting customer loyalty.

Telenet makes both inbound and outbound calls through its customer call centers at its head office in Mechelen and at two remote locations in Flanders. In addition to Telenet's own call centers, it outsources a proportion of its call traffic to trained third party call center personnel in order to achieve high customer reachability, while keeping its call center cost levels flexible. Telenet's customer care division also uses "win-back" promotions and other programs to minimize voluntary churn and to persuade subscribers who seek to disconnect their service to change their decision.

In addition to Telenet's call centers, Telenet also uses retail channels to sell its products and services. In addition, Telenet sells its products and services through dedicated agents, who are paid a commission based on the number of sales closed, also provide a significant source of sales. These agents include consumer electronics, other retail outlets and dealers.

The installation process is an important element of Telenet's overall customer management process. Telenet believes that the installation process can either generate customer satisfaction and valuable cross-selling opportunities when properly implemented, or generate an adverse reaction, potentially resulting in a sales cancellation or customer churn, if not well managed. For the installation of an interactive fixed-line product, a residential customer can always choose between either a payable full technician installation or a free self-installation in homes where a network interface unit ("NIU") is already present and, eventually, a modem and no filters for drop cable connections. The NIU enables interactions between Telenet's network and the end user, controls the amplification of the network signal level and prevents interference entering the network.

The connection of devices connected to the internet (*e.g.*, personal computer) or the interactive path of enhanced video can be implemented using a combination of wired and wireless solutions. Where wired solutions are not appropriate, Telenet is able to offer wireless installations or can offer internet subscribers the option of transmitting internet signals through the existing electrical wiring network of a home using additional adapters. The choice of modem depends on which services the customer plans to use and is also a function of current technology choices. Telenet is able to optimize the cost it incurs for customer equipment both at initial point of sale, and for future cross-sell opportunities, through its selection of type of modem. For example, new broadband internet customers will typically be enabled for enhanced video and telephony services also, which can be subsequently activated for a limited incremental cost. Most of the installation workforce is being outsourced but with strict training and performance measures in place. Telenet seeks to improve the efficiency of its installation process to deploy its resources in a more efficient manner.

Business Services

Telenet's business customers include SMEs larger corporations; public, healthcare and educational institutions; and carrier customers that include international voice, data and internet service providers. For the year ended December 31, 2016, Telenet's business services operations generated €122.3 million in revenue compared to €118.1 million for the year ended December 31, 2015.

Telenet markets its business services under the "Telenet Business" brand name. Telenet's corporate customers generally fiber optic connections or VPN networks. Its SME customers connect to the Combined Network through a fiber, DSL or coaxial connection, depending on the scope of their needs and their location relative to the Combined Network.

Telenet Business offers a range of business voice, data and internet products and services that are tailored to the size and needs of each customer throughout Belgium and parts of Luxembourg. With the inclusion of DSL services, Telenet has flexibility to target customers throughout Belgium. SLA's are offered on all business services. Telenet Business also offers a range of mobile services to the SME and Corporate market through its Telenet mobile network.

Telenet's business is organized on a regional, business sector and customer size basis. The prices that Telenet offers its corporate, public, healthcare, educational and carrier customers are usually negotiated within fixed parameters, whereas more standardized prices typically apply to Telenet's SME customers.

The availability of EuroDocsis 3.0 represents an important development for Telenet's positioning in the B2B market. Given the higher download speeds, better product specifications and improved quality of service over competing technologies, Telenet is in a strong position to increase its market share in the B2B. Telenet's leading connectivity solutions are being complemented by a growing portfolio of mobile, value-added services, such as hosting, managed security and cloud computing amongst others. This will enable Telenet Business to offer a single-user experience for not only connectivity solutions but also for a whole range of additional value-added services.

Telenet is upgrading its fixed and mobile networks to address the increased data consumption of its customers.

The recent acquisition of Belgian ICT integrator Nextel is aimed at supporting Telenet's growth ambitions in the Belgian B2B market, as the acquisition is expected to provide the Telenet group with additional in-house expertise to design, construct and manage total solutions on behalf of other companies. As a Belgian integrator, Nextel currently works for major companies, SMEs, care institutions, non-profit organizations and government authorities.

Future Products and Services

Telenet is taking a diverse approach to innovation by making important investments in several activity domains. By doing so, Telenet sets new standards in the telecom, media and entertainment segments and builds disruptive business models and innovative products that make a real difference in this digital age.

Innovation is of prime importance to Telenet. Telenet believes it can play a role in promoting innovation in Flanders. Telenet therefore invests in promising Flemish digital entrepreneurial talent. Telenet is working together with iMinds on the iStart programme and in that respect offers all newly selected firms an all-in-one business solution for one year with high-performance internet connectivity and telephony and CloudOffice for the staff. Furthermore, Telenet and research and innovation centre iMec have entered into a long term partnership in relation to Internet of Things and Smart Cities. Telenet will also participate to the City of Things program of iMec, supported by the city of Antwerp and the Flemish Government. Telenet is moreover involved in several imec.istart programs, specifically aimed at tech start-ups and start-ups active in media, telecom and entertainment markets.

Technological innovation: Building highly performing fixed and mobile connectivity solutions

The explosion of fixed and mobile data usage demands constant expansion of the network capacity. In the Flanders region, Telenet is a leading fixed connectivity provider thanks to state-of-the-art hybrid network of glass fiber and coaxial cable.

As a first operator in Europe, Telenet wants to expand this performing fixed cable network to a Giga speed network offering even faster network connections to both residential and business customers, with higher data volumes—anytime, anyplace.

The acquisition of BASE in 2016 provides Telenet with an own mobile network, covering all regions of Belgium. Additional investments in this mobile network should further increase coverage and performance.

Product innovation: Anticipating changing customer behaviors

Telenet is actively responding to changing customer behaviors by introducing propositions that offer best-in-class, user-friendly products in simple and transparent bundles. Thanks to these limited offerings, customers can more easily compare products and make a fast and balanced choice that responds to their specific needs and expectations.

Customer service innovation: Creating memorable customer experiences

Positive customer experiences form the foundation for sustainable growth. Telenet is continuously optimizing its customer service models by creating memorable experiences that enhance customer satisfaction.

Strategic partnerships: Stimulating open innovation

Telenet is building strategic partnerships that transform the telecom, media and entertainment business. The Company is also actively involved in open innovation initiatives across industries and sectors. Efforts result in new, disruptive business models and innovative products and solutions that shape the digital age.

Telenet's Network

In 1996, Telenet acquired the exclusive right to provide point-to-point services, including broadband internet and fixed-line telephony services, and the right to use a portion of the capacity of the broadband communications network owned by the pure intermunicipalities (the "PICs"), the Partner Network. Currently, under the PICs Agreement through Telenet BVBA and Telenet Vlaanderen NV, Telenet has full rights to use substantially all of the Partner Network under a long-term lease (*erfpacht/emphythéose*) entered into in 2008 for an initial period of 38 years, for which Telenet is required to pay recurring fees in addition to the fees paid under certain pre-existing agreements with the PICs.

Telenet refers to the Combined Network when describing the combination of its own network and the Partner Network. Through the Combined Network, Telenet provides video in analog, digital and HD formats, broadband internet and fixed-line telephony services to both residential and business customers who reside in its service area. Telenet's Combined Network consists of a fiber backbone with local loop connections constructed of coaxial cable with a minimum capacity of 600 MHz. The Combined Network uses EuroDocsis 3.0 technology, which enables Telenet to currently offer downstream speeds of up to 240 Mbps for certain of its business customers. Telenet's Combined Network assets include approximately 12,000 kilometers of fiber backbone, of which Telenet owns 7,300 kilometers, utilizes approximately 2,600 kilometers pursuant to long-term leases and has access to 2,100 kilometers through its agreements with the PICs. The fiber backbone connects to approximately 68,000 kilometers of coaxial local loops, of which 50,000 kilometers is in the Telenet Network and the balance is in the Partner Network. Telenet owns the primary and secondary fiber backbone on the Combined Network and the fiber and coaxial cable on the Telenet Network. The PICs own the additional fiber and the coaxial cable included in the HFC access loops on the Partner Network.

In addition to its HFC network, Telenet offers services to business customers across Belgium and in parts of Luxembourg through a combination of electronic equipment that it owns and fiber that is predominantly leased. Telenet has also installed equipment necessary to provide voice, data and internet services using DSL technology. DSL technology enables Telenet to serve business customers that are not close to the Combined Network in a more cost effective manner.

Telenet's fiber backbone is running All-IP and carries all of its communications traffic. Telenet also uses fully converged MPLS to route its IP traffic, which enables it to more efficiently tag data to better manage traffic on the Combined Network. This means, for example, that voice packets can be given priority over data packets to avoid interruption to voice communications.

Customers connect to the Combined Network through a coaxial connection from one of Telenet's nodes. Amplifiers are used on the coaxial lines to strengthen both downstream and return path signals on the local loop. Network quality usually deteriorates as customer penetration rates on any particular node increases. When required, the scalability of Telenet's network enables it to address this problem, within limits, through node splits. Telenet uses node splits, among other measures, to manage potential congestion in certain parts of the Combined Network.

Telenet's network operating center in Mechelen, Belgium, monitors performance levels on the Combined Network on a continuous basis. Telenet has a separate disaster recovery site for back office systems, and its network has been designed to include redundant features to minimize the risk of network outages and disasters with the fiber optic rings designed to reroute traffic in the opposite direction around the ring in the event that a section of the ring is cut. Telenet has insured its buildings, head end stations, nodes and related network equipment against fire, floods, earthquakes and other natural disasters, but is not insured against war, terrorism (except to a

limited extent under its general property insurance) and cyber risks. Telenet carries insurance on its fiber optic network up to a capped amount, but does not carry property damage insurance for its coaxial network.

In August 2014, Telenet announced a five-year €500.0 million network investment program as it plans to increase the capacity of the Combined Network to 1 GHz, enabling download speeds of at least 1 Gbps in the future, with the objective of allowing Flanders to offer some of the highest-capacity digital infrastructure in Europe. At September 30, 2017, approximately 58% of the nodes in the Combined Network had been upgraded.

For further information on the legal proceedings in relation to the PICs Agreement, see “*Risk Factors—Telenet may be faced with potential further litigation concerning the agreement-in-principle and PICs Agreement concluded between Telenet and the PICs, Interkabel and INDF*” and “*Description of Telenet’s Business—Legal Proceedings—Legal proceedings concerning the agreement-in-principle and PICs Agreement concluded between Telenet and the PICs, Interkabel and INDF*”.

PICs Agreement and Interkabel Contribution Deed: Telenet’s Usage Rights on the Partner Network

Prior to the closing of the PICs Agreement and Telenet’s acquisition of the PICs’ cable television business, Telenet solely had long-term usage rights on the Partner Network to provide point-to-point services (pursuant to the Interkabel Contribution Deed entered into by Telenet Vlaanderen NV). These usage rights are for an initial term of 50 years as from September 23, 1996, automatically renewable for additional terms of 15 years, unless terminated upon 12 years’ prior notice. Interkabel and the PICs’ limited termination rights under the Interkabel Contribution Deed are described in more detail below.

Following the PICs Agreement, Telenet has full rights to use substantially all of the Partner Network (*i.e.*, to provide point-to-point and point-to-multipoint services) under a long-term lease for an initial period of 38 years, for which it is required to pay recurring fees in addition to the fees paid in relation to the Interkabel Contribution Deed (which, for the avoidance of doubt, remains in full force and effect) under certain pre-existing agreements with the PICs. The PICs remain the legal owners of the Partner Network. All capital expenditures associated with the Partner Network will be initiated by Telenet, but executed and pre-financed by the PICs through an increase of the lease payments due by Telenet BVBA to the PICs, and will follow a 15-year reimbursement schedule. Telenet’s enlarged usage rights on the Partner Network have the form of emphyotic lease agreements (*erfpacht/emphytéose*) with each of the PICs, which under Belgian law is the legal form that is the closest to ownership of a real estate asset without actually having the full legal ownership. Any amounts payable by Telenet under such emphyotic leases are not secured (and not subordinated). Unless extended, the long-term leases will expire on September 23, 2046, and cannot be terminated earlier, except in the following cases: (a) non-payment of at least 25% of Telenet BVBA’s annual lease payments, which is not cured within 100 business days; or (b) bankruptcy of Telenet BVBA.

However, in each such case of early termination, the long-term lease will not be terminated if Telenet BVBA is replaced by a Replacing Entity (“*Instappende Entiteit*” as defined in the long-term leases) within a certain time period (in summary, a Replacing Entity is any interested party that meets certain strict solvency requirements). In the event that a long-term lease is transferred to a Replacing Entity for an event that does not also lead to the automatic termination of the usage rights under the Interkabel Contribution Deed (see below), Telenet Vlaanderen NV will have the right (but not the obligation) to transfer its usage rights on the Partner Network to such Replacing Entity, subject to certain conditions.

Under the terms of the Interkabel Contribution Deed, Telenet’s usage rights to provide point-to-point services over the Partner Network will automatically terminate if, among other things, (i) there is a unanimous and definitive decision of the board of directors of Telenet BVBA to cease any direct or indirect development, installation or exploitation of its telecommunications network in Belgium, (ii) Telenet BVBA or Telenet Vlaanderen is declared bankrupt or placed into liquidation, (iii) certain provisions of the Articles of Association (*statuten/statuts*) of Telenet Vlaanderen are amended in any way that is detrimental to the rights of Interkabel without Interkabel’s written consent, (iv) the director of Telenet Vlaanderen nominated by Interkabel is dismissed for any reason without Interkabel’s written consent and such director is not replaced by another director nominated by Interkabel or (v) Telenet Vlaanderen ceases to be an affiliate of Telenet BVBA. However, in each such case of early termination, the usage rights will not be terminated if Telenet Vlaanderen is replaced by a Replacing Entity (*Instappende Entiteit*, as defined in the Interkabel Contribution Deed) within a certain time period.

Telenet Vlaanderen has pre-emptive rights, with certain exceptions, with respect to any proposed transfer by Interkabel or any of the PICs of its respective interests in the Partner Network, or transfers by the PICs of shares

in Interkabel, at the price offered by a third party. For as long as Telenet Vlaanderen has the usage rights on the Partner Network under the Interkabel Contribution Deed, Interkabel has pre-emptive rights, with certain exceptions for transfers to certain affiliates, with respect to any proposed transfer of Telenet Vlaanderen shares, at the price offered by a third party.

Interkabel and the PICs have agreed not to dissolve their co-ownership structure in respect of the Partner Network voluntarily without the consent of Telenet Vlaanderen. Interkabel has also granted to Telenet Vlaanderen a call option on its co-ownership interests in the PICs, at the lower of book value or fair market value, in the event of a breach of its obligations or the obligations of the PICs under the Interkabel Contribution Deed.

For further information on the legal proceedings in relation to the PICs Agreement, see “*Risk Factors—Telenet may be faced with potential further litigation concerning the agreement-in-principle and PICs Agreement concluded between Telenet and the PICs, Interkabel and INDF*” and “*Description of Telenet’s Business—Legal Proceedings—Legal proceedings concerning the agreement-in-principle and PICs Agreement concluded between Telenet and the PICs, Interkabel and INDF*”.

Recent and Planned Network Investments

The vast majority of Telenet’s capital expenditures continue to be geared towards targeted investments in both its fixed and mobile infrastructures, aimed at boosting the customer experience and allowing Telenet to unlock MVNO-related synergies by moving Telenet Full MVNO subscribers over to the acquired BASE network. Following the BASE acquisition in February 2016, Telenet aims to invest up to €250.0 million in the upgrade of the acquired mobile network, including (i) the upgrade of an estimated 2,800 macro sites equipped with the latest technologies, (ii) the roll-out of 800 to 1,000 new mobile sites across the whole of Belgium and (iii) targeted investments in fiber backhaul for the vast majority of our current and future macro sites. At the end of September 2017, Telenet had upgraded approximately 72% of its 2,800 macro sites and deployed 129 new sites. The rapid modernization of Telenet’s mobile network is an important synergy enabler, allowing Telenet to accelerate the onboarding of its Full MVNO customers to Telenet’s own mobile network. In addition, Telenet has embarked on a €500.0 million five-year network investment program “De Grote Netwerf”, aimed at boosting the data capacity of its HFC network to 1 GHz, which is expected to end mid-2019.

Competition

Telenet faces varying degrees of competition from established and new competitors in Flanders and the rest of Belgium. See “*Risk factors—Risks Relating to Telenet’s Business, Technology and Competition—The Belgian internet, data and telephony industries are highly competitive and the television industry has become more competitive, which could have a material adverse effect on Telenet’s business*”. Substantially all of its competitors, including Proximus and Orange Belgium, offer multiple-play services to residential and SOHO customers, including video, broadband internet and fixed-line and mobile telephony services. Proximus, the incumbent fixed-line operator in Belgium and Telenet’s largest competitor, offers customers a wide range of both individual and bundled video, broadband internet and telephony services that compete with the services Telenet offers its customers. Owning both a fixed and mobile network, Proximus is well positioned to offer a full range of converged quad-play services to both its residential and business customers. Through regulated cable wholesale access, Orange Belgium currently offers its mobile subscribers a dual-play bundle including enhanced video and broadband internet services. In addition, Telenet is observing the continued evolution of technologies that increase the capability of devices such as smartphones with multiple protocols, new generation set-top boxes, digital home gateways, and of the development of wireless broadband technologies, as well as the introduction of OTT platforms, including Netflix and Stievie.

The regulatory decisions of the BIPT, VRM and CSA aim to, and in its application may, strengthen Telenet’s competitors by granting them resale access to Telenet’s network. The extent of any such adverse impacts ultimately will be dependent on the extent to which competitors, such as Orange Belgium, take advantage of the resale access ultimately afforded to Telenet’s network and other competitive factors or market developments. See “*Description of Telenet’s Business—Regulation—Broadcasting Regulation—*

Decisions of the BIPT, the VRM, the CSA and the Medienrat” and see “*—Telenet may become subject to more extensive regulation if it is deemed to possess significant market power in any of the markets in which Telenet operates*”.

Television

Belgium was one of the first European countries to deploy cable networks, doing so as early as the 1970s, and, as a result, other means of video delivery such as satellite and terrestrial broadcasters have not yet become as popular in Belgium as they have in other European countries. Cable is the most commonly used transmission medium for video services in Belgium. Cable network services are characterized by easy-to-use technology, efficient installation of customer equipment and reliability of a protected signal delivered directly to the home. In Belgium, there is no direct competition between the cable network operators as there is no overlap between operators' cable networks. Although Telenet has historically faced limited competition in the provision of basic video service in Flanders, competition increased following the launch of enhanced video services in 2005 with consumers beginning to put more emphasis on digital, HD and interactive television services such as VOD, requiring high-bandwidth, bi-directional distribution platforms. In addition, competition in the residential TV market increased recently through the launch of a dual-play bundle by Orange Belgium.

The primary competing platform is IPTV, offered by Proximus over their VDSL-network. Proximus has extensively developed its enhanced video service and currently offers a full range of broadcast television and premium content, including VOD. Proximus provides a substantial source of competition, which is likely to increase in strength given the resources of Proximus and the reach of its network across Belgium.

Telenet faces additional competitive presence in the Belgian television market from satellite television. The largest premium satellite provider in Telenet's network area is TV Vlaanderen. Other television delivery media include digital terrestrial television, or DTT. Analog terrestrial television was terminated in Belgium in 2008. In order to comply with the Government's analog switch over policy, the Flemish public broadcaster VRT sold its terrestrial transmission network to Norkring Belgium, an independent private operator. This operator is in charge of managing the DTT spectrum, including the design, construction and maintenance of the transmitter networks but is not allowed to commercialize a DTT offer. Norkring Belgium held selection procedures to sublease parts of the spectrum to other operators who will offer DTT to the residential market. In July 2012, Telenet started selling Teletenne, using the Digital Terrestrial TV frequencies Telenet leased from Norkring. In December 2013, however, Telenet decided to discontinue the provision of DTT services and, as a result, incurred a restructuring charge of €34.8 million for the year ended December 31, 2013. In addition, it is expected that other forms of video offerings will become more important in Belgium in the years ahead, such as OTT and mobile television, provided by financially strong companies, including Google, Apple, Netflix, Proximus, and Orange Belgium.

Telenet believes that its extensive cable network and the broad acceptance of basic video in Belgium will help it compete effectively in the video market. Telenet is able to offer international, national, regional and local content, including Dutch-language broadcasts, to its subscribers.

Broadband Internet

Competition in the provision of residential broadband internet service focuses on speed, price, available features and customer service, among other factors. The Belgian internet market may attract additional competitors into the market, leading to a higher level of price based competition. Telenet's residential broadband internet service in Flanders currently competes principally with VDSL-based services, which are able to match the speeds up to the ones offered by its low- and mid-range broadband service tiers. Following the implementation of the EuroDocsis 3.0 protocol, Telenet currently offers tiered internet offerings with download speeds that range up to 500 Mbps for certain of its business customers, which cannot be achieved by the current technologies of its competitors. Proximus is currently able to provide data download speeds of up to 100 Mbps to just over 50% of the Belgian population at September 30, 2017 with average download speeds of 69 Mbps at September 30, 2017. DSL services are also offered by other providers who buy access to Proximus's local loop at bulk rates and re-sell this access to individual subscribers. These providers also include mobile operators in Belgium. Through regulated cable wholesale access, Orange Belgium currently offers its mobile subscribers a dual-play bundle including enhanced video and broadband internet services. At September 30, 2017, Orange Belgium had approximately 94,000 fixed broadband internet and TV customers compared to approximately 34,000 at the end of the third quarter of 2016. Telenet believes that the higher average speed of its service and higher customer satisfaction ratings compared to most DSL operators provides an advantage in this competitive environment.

Another possible threat to broadband internet via VDSL and cable is the increasing download speeds offered by mobile internet technologies, such as HSPA and LTE. At the end of 2016, mobile broadband penetration in Belgium reached nearly 66% of the total population based on the BIPT 2016 Annual Report versus approximately 84% for the European average. Although penetration of mobile broadband used to be rather modest in Belgium,

it has been growing strongly in recent years on the back of a larger share of smartphones and tablets sold, from approximately 62% at the end of 2015 and approximately 54% at the end of 2014. Telenet believes that the majority of those consumers use mobile broadband internet to complement a fixed-line broadband internet connection, as the current effective speeds that mobile internet offers are too low to act as a replacement service.

Telephony

Competition in providing residential telephony service is based on price, in addition to customer service, brand recognition, functionality and quality of service, and increasingly the appeal of multiple-play bundles. Telenet's principal competitors include other operators of fixed-line services and mobile telephony operators.

Proximus, the incumbent fixed-line PSTN telephony service provider in Belgium, is the largest provider of fixed-line telephony services in the Belgian market with an estimated residential market share between 50-60%, according to the BIPT 2016 Annual Report. Proximus has an established market presence, a fully built-out network and resources that are substantially greater than Telenet's. Proximus has been utilizing "win back" programs for customers terminating their service and bundle propositions to attract new customers. Telenet primarily competes with Proximus by seeking to offer its residential subscribers superior and reliable telecommunication services in bundled multiple-play offerings.

Increasing competition is developing from services that use the internet to provide telephony which may offer lower quality of service, but greatly reduced cost. Currently, the most prominent such provider is Skype. Whereas the VoIP telephony services Telenet offers pass calls through the PSTN network and result in interconnect fees being incurred and collected, VoIP services using a broadband internet connection can completely bypass the PSTN, thereby avoiding interconnect fees. Telenet refers to this latter variant of VoIP as "voice over the internet" or "VoN". VoN telephony can be offered at a lower cost than Telenet's VoIP service because it avoids interconnect fees. However, VoN technology can also be of a relatively lower quality than Telenet's VoIP since their telephony signals are not prioritized.

Telenet believes that its extensive network assets and overall range of services provide an effective means to remain competitive with its telephony product. Telenet offers subscribers a single point of contact for their telephony, internet and television services. Competitor's fixed-line service providers other than Proximus do not have their own local loop, and must therefore pay other operators (typically Proximus) for network access in order to reach their own subscribers. This disadvantage may dissipate, however, as wholesale prices for unbundling of the Proximus local loop continue to decrease and competitors gain more open access to the Proximus local loop.

Telenet also competes with mobile service providers both as a fixed-line telephony operator and a mobile telephony service provider. At present, there are three mobile network operators in Belgium, of which Proximus is the largest with an estimated nationwide subscriber market share of approximately 41% at the end of 2016, followed by Telenet (including BASE) at approximately 37% at the end of 2016 and Orange Belgium (approximately 23% nationwide subscriber market share), according to the BIPT 2016 Annual Report. All operators own 2G, 3G and 4G spectrum licenses, covering various frequencies in the 900 MHz, 1,800 MHz, 2.1 and 2.6 GHz band, and provide mobile voice and data services to the residential and business segments.

Business Services

Telenet's business customers include SMEs; larger corporations; public, healthcare and educational institutions; and carrier customers that include international voice, data and internet service providers. For the year ended December 31, 2016, Telenet's business services operations generated €122.3 million in revenue compared to €118.1 million for the year ended December 31, 2015.

Telenet markets its business services under the "Telenet Business" brand name. Telenet's corporate customers generally fiber optic connections or VPN networks. Its SME customers connect to the Combined Network through a fiber, DSL or coaxial connection, depending on the scope of their needs and their location relative to the Combined Network.

Telenet Business offers a range of business voice, data and internet products and services that are tailored to the size and needs of each customer throughout Belgium and parts of Luxembourg. With the inclusion of DSL services, Telenet has flexibility to target customers throughout Belgium. SLA's are offered on all business services. Telenet Business also offers a range of mobile services to the SME and Corporate market through its Telenet mobile network.

Telenet's business is organized on a regional, business sector and customer size basis. The prices that Telenet offers its corporate, public, healthcare, educational and carrier customers are usually negotiated within fixed parameters, whereas more standardized prices typically apply to Telenet's SME customers.

The availability of EuroDocs 3.0 represents an important development for Telenet's positioning in the B2B market. Given the higher download speeds, better product specifications and improved quality of service over competing technologies, Telenet is in a strong position to increase its market share in the B2B. Telenet's leading connectivity solutions are being complemented by a growing portfolio of mobile, value-added services, such as hosting, managed security and cloud computing amongst others. This will enable Telenet Business to offer a single-user experience for not only connectivity solutions but also for a whole range of additional value-added services.

Telenet is currently upgrading its fixed and mobile networks to address the increased data consumption of its customers.

The recent acquisition of Belgian ICT integrator Nextel is aimed at supporting Telenet's growth ambitions in the Belgian B2B market, as the acquisition is expected to provide the Telenet group with additional in-house expertise to design, construct and manage total solutions on behalf of other companies. As a Belgian integrator, Nextel currently works for major companies, SMEs, care institutions, non-profit organizations and government authorities.

Intellectual Property

Telenet possesses one patent relating to its NIU and has several patent applications pending. Specific developments and customisations are owned by Telenet. Telenet has registered several trademarks with the Benelux Trademarks Office (*Benelux Merkenbureau/Bureau Benelux des Marques*) including "Telenet", "Telenet Solutions", "Telenet for Business", "Telenet Digital television", "Play", "Play More", "Play Sports", "PRIME", "Rex", "Rio", "King", "Kong", "Whop", "Whoppa", "Yelo Play", "Wigo", and their related logos and Telenet's service offerings.

Telenet believes that innovation in products and technology is important to retaining its market position. Telenet has a dedicated research and development function, which is engaged in reviewing and testing new products and technologies that it believes will enhance the services it provides to its customers.

Seasonality

Telenet has limited exposure to seasonal trends. Telenet's cable subscription revenue, which regroups the revenue from its video, broadband internet and fixed-line telephony services, represented approximately 57% of its total revenue for the nine months ended September 30, 2017. Telenet's cable subscription revenue is substantially based on fixed monthly rates and hence is not subject to seasonal variations in usage. Telenet's mobile telephony revenue, which represented approximately 22% of its revenue for the nine months ended September 30, 2017, includes a usage component and tends to exhibit lower usage in summer months. This lower usage also results in corresponding seasonality in the interconnect payments Telenet makes for terminating calls from its customers to other networks. See "*Regulation, —Telephony Regulation—Interconnection*".

Regulation

Introduction

Both Belgian and EU authorities regulate the electronic communications services that Telenet provides. "Electronic communications" comprise telecommunications and broadcasting. "Telecommunications" include telephony and internet and are regulated in Belgium by the national government. "Broadcasting" encompasses both television and radio broadcasting and is generally regulated by the regional governments of the Flemish, French and German-speaking Communities with respect to their respective jurisdictions, and by the national government in Brussels. Because of this division between telecommunications and broadcasting, both the national and the regional governments mentioned above have jurisdiction over network infrastructure that is used for both telecommunications and broadcasting activities. In addition, network infrastructure can be subject to local planning, operational and other regulations issued by local municipalities. The services Telenet provides have come under increasing regulation in recent years.

The EU Framework

The Electronic Communications Law and the 2012 Law implemented the EU Framework at the national level for electronic communications other than radio and television broadcasting.

With regard to broadcasting, the EU Framework was implemented by the 2009 Broadcasting Decree, by a coordinating decree of 26 March 2009 in the French Community, by a decree of June 21, 2005 (as substantially amended by the Decree dated 3 December 2009) in the German-speaking Community and by the Law of May 5, 2017 in the Brussels Region.

The “Connected Continent” legislative package

In September 2013, the European Commission presented its “Connected Continent” legislative package, aimed at further harmonizing telecoms regulations through the EU, with a view to creating a single telecommunications market.

Key elements of the proposed legislative package include (i) creating a single EU authorization to allow operators to operate in all Member States, (ii) increased coordination of spectrum use to encourage wireless broadband, more 4G investment and the emergence of pan-EU mobile companies with integrated networks, (iii) standardization of fixed access products to facilitate market entry and the provision of cross-border services, (iv) increased protection of open internet, with guarantees for net neutrality, innovation and consumer rights, (v) ending roaming premiums, and (vi) providing additional consumer protection measures (introduction of plain language contracts, more comparable information, and greater rights to switch providers or contracts).

On November 25, 2015, the European Parliament and Council published a first Regulation in the framework of the “Connected Continent” legislative package: Regulation 2015/2120. Pursuant to this Regulation, (i) roaming charges no longer apply when travelling in the EU and (ii) equal and non-discriminatory treatment of traffic in the provision of internet access services and related end-users’ rights will be safeguarded. Paid prioritization, for instance, will not be allowed. All traffic will be treated equally, subject to strict and clearly identified public-interest exceptions. Internet access providers will still be able to offer specialized services of higher quality, such as Internet TV and new innovative applications, as long as these services are not supplied at the expense of the quality of the open internet. The Regulation’s main impact on Telenet will be the suppression of roaming charges, which could lead to a decrease of fees perceived by Telenet from travelers using its network when travelling in Belgium.

The Digital Single Market Strategy (“DSM”)

On 6 May 2015, the European Commission issued a Communication on a Digital Single Market Strategy for Europe. This Digital Single Market Strategy (“DSM”) aims at adapting to the recent evolutions of the Internet and digital technologies, and offering an appropriate regulatory framework to answer challenges raised by these changes, in particular in terms of opportunities for innovation, growth and jobs.

In September 2016, the EU Commission proposed a set of ambitious reforms in the field of telecommunications, including “new initiatives to meet Europeans’ growing connectivity needs and boost Europe’s competitiveness.” The purpose of the proposed reforms is to develop a fast and reliable internet connection throughout the EU. The Commission presented three strategic connectivity objectives for 2025. All main socio-economic drivers should have access to extremely high—gigabit—connectivity, all European households should have access to connectivity offering a download speed of at least 100 Mbps, and all urban areas as well as major roads and railways should have uninterrupted 5G coverage (an interim target aims to make 5G commercially available in at least one major city in each EU Member State by 2020).

The Commission proposed the adoption of a new European Electronic Communications Code, in order to face the needs for massive investments that such objectives will require. The Commission also presented an action plan to deploy 5G across the EU as from 2018, and the Wifi4EU project, seeking to help European communities offer free Wi-Fi access points to any citizen.

On September 14, 2016, a Proposal of Regulation establishing the Body of European Regulators for Electronic Communications was issued by the European Parliament and by the Council with the purpose to strengthen the role, capacity and decision-making powers of the Body of European Regulators for Electronic Communications (“BEREC”), in the context of the implementation of the new regulatory framework for electronic communications.

Also on September 14, 2016, the Parliament and the Council issued a Proposal of Regulation amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the promotion of Internet connectivity in local communities, aiming for sites at which public services are provided, to be equipped with Gigabit internet connections. On October 25, 2017, the works of the European Parliament and of the Council resulted in the adoption of Regulation (EU) No 2017/1953 amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the promotion of internet connectivity in local communities.

The Proposal of Directive of December 9, 2015, on certain aspects concerning contracts for the supply of digital content intends to eliminate the key contract law-related barriers hindering cross-border trade, in order to reduce the uncertainty faced by businesses and consumers due to the complexity of the legal framework and the costs incurred by businesses resulting from differences in contract law between Member States.

The European Parliament and the Council also sought to enhance the cross-border portability throughout Member States of online content services to which consumers have lawful access, or content that they purchased or rented online in their country of residence and to which they want to continue to have access when travelling in the Union. A Proposal of Regulation on ensuring the cross-border portability of online content services in the internal market of December 9, 2015, was issued to achieve this goal, and the subsequent Regulation (EU) 2017/1128 was adopted on June 14, 2017. This regulation came into force on July 20, 2017 and its provisions shall be applicable as of March 20, 2018.

On May 25, 2016, the European Parliament and the Council adopted a Proposal for a Directive amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services in view of changing market realities. This Proposal aims to react to the increasing on-demand services and online audiovisual content. The European legislator intends to amend the Audiovisual Media Services Directive 2010/13/EU in order to take account of such changes in the traditional audiovisual services offer framework. Telenet, like other telecommunications operator, will be subject to this Directive once it is adopted.

On January 10, 2017, a Proposal for a Regulation concerning the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (the “**ePrivacy Directive**”) was issued by the European Parliament and the Council. The essential objective of this new Proposal is to subject OTTs to existing ePrivacy protection. Once it enters into force, Telenet’s OTT will be subject to the ePrivacy Directive.

Between March 27, 2017 and June 26, 2017, the European Commission has opened public consultation on the review of the existing guidelines for entities with significant market power (“*SMP*”). The purpose of this consultation is to review the existing guidelines on market analysis and the assessment of the significant market power under the EU Framework. National regulatory authorities such as the BIPT must take these guidelines into account when defining relevant markets and assigning telecommunications operators with SMP in view of imposing on the appropriate regulatory obligations to redress competition problems identified on a forward looking basis. Given that Telenet has been designated as an entity with SMP in certain markets by the BIPT, an amendment of the SMP guidelines in the EU Framework may have an impact on Telenet’s activities. See “— *Provisions Applicable to All Electronic Communications—Entities with Significant Market Power*”.

The General Data Protection Regulation (“GDPR”)

The EU Regulation 2016/679 of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the “General Data Protection Regulation”, or “GDPR”), replaces the previous Data Protection Directive 95/46/EC and intends to harmonize data protection laws across the EU and to better protect European citizens’ data privacy. The General Data Protection Regulation also imposes new rules on businesses aiming at encouraging innovation and business opportunities (including “one continent, one law” principle, a risk-based approach, and “one-stop-shop” model where business will have to deal with a single supervisory authority). The General Data Protection Regulation came into force on May 24, 2016, and will apply from May 25, 2018.

Provisions Applicable to All Electronic Communications

Entities with Significant Market Power (“SMP”)

Under the Electronic Communications Law, the BIPT is responsible for defining relevant markets in the telecommunications sector. The VRM is responsible for defining relevant markets in the broadcasting sector in Flanders (the CSA has such responsibility in the French-speaking Community outside Brussels, the Medienrat in the German-speaking Community, and the BIPT within Brussels). These regulators can impose certain requirements on entities with SMP in relevant markets that are not competitive. Whether an operator has SMP is determined in accordance with the principles of competition law. Among other things, the BIPT, the VRM, the CSA and the Medienrat can, under certain conditions, require SMP operators to (i) comply with certain obligations of non-discrimination and transparency with regard to access, (ii) separate accounting of different activities in which the operator has SMP, (iii) meet any reasonable request to access and use part of the provider’s network, and (iv) charge cost-oriented prices and follow other price restrictions.

The following four markets are relevant for Telenet:

- “call termination on individual public telephone networks provided at a fixed location”,
- “call termination on individual mobile network”,
- “wholesale broadband access”, and
- “broadcast transmission services to deliver broadcast content to end-users”, in combination with the “wholesale broadband access” market.

On call termination services on the public telephone network, the BIPT decided in August 2016 to implement a three-year glide path to near reciprocity starting on January 1, 2017 for all alternative fixed operators, including Telenet. On August 25, 2016, the BIPT Council published a decision on wholesale tariffs for call termination services on the public telephone network at a fixed location. The control of such wholesale tariffs relates to corrective measures imposed on telephone operators in order to solve competition problems since a telephone operator terminating calls on its own fixed network enjoys SMP. The BIPT decision was later annulled by a decision of the Brussels Court of Appeal dated March 15, 2017 on the grounds of procedural irregularity, as the August 25, 2016 decision had not been notified to the Belgian Competition Authority.

On the market for call termination on an individual mobile network, the BIPT published a final decision on May 26, 2017 which replaces the decision dated 29 June 2010. This decision designates Telenet (among other operators) as an entity having SMP and imposes a number of regulations to ensure effective competition and user satisfaction. These measures relate to non-discrimination, transparency and price control. Specifically in respect of price control, the decision imposes a bottom-up long run incremental cost model to calculate tariffs for call termination on individual mobile networks. The change in tariff methodology imposed by this decision may have a significant impact on Telenet’s business.

On July 7, 2017, the BIPT published a draft decision regarding the analysis of the broadband and television broadcasting markets which it submitted for consultation until September 29, 2017. The public consultation ran until September 15, 2017, followed by a notification to the European Commission for advice by the end of 2017. In its draft decision the BIPT defines retail markets (broadband over fixed network for residential customers, broadband over fixed network for non-residential customers, and provision of a television signal) as well as wholesale markets (local access, central access under ITU SG15 standardisation, central access under CableLabs standardization, and access to broadcasting over cable networks). For these markets, the BIPT concludes that Telenet has SMP (together with Proximus and other cable operators, such as Brutélé, Nethys and SFR) and proposes a number of regulations to ensure effective competition and user satisfaction. These measures relate to non-discrimination, transparency and price control. Specifically in respect of price control, the BIPT proposes to abandon the retail minus methodology and proposes (i) a cost obligation over the local and central access services over the copper network, (ii) an obligation to apply fair tariffs for the other wholesale service (over fibre and cable), and a cost orientation obligation for the ancillary services. By “fair”, the BIPT means a price which may exceed the costs while keeping a link with costs, allowing for a reasonable margin between the cost of the product and the wholesale price. The regulation proposed in the draft decision may have a significant impact on Telenet’s business and Telenet has submitted its extensive replies to the public consultation. Timing for a final decision is unknown. If this draft market review decision is adopted in 2018, they will replace the July 2011 decision.

See “Risk Factors—Telenet may become subject to more extensive regulation if it is deemed to possess significant market power in any of the markets in which it operates”.

Decision of the Luxembourg regulatory authority

The telecom regulator in Luxembourg, the ILR (*Institut Luxembourgeois de Régulation*), is currently preparing its draft market analysis for the regulation of the broadband markets for wholesale local and central access in Luxembourg.

Although the broadband market shares of Coditel Lux are limited, timing and outcome of this analysis are not known yet. With the increased focus by telecom regulators on access to cable networks, Telenet cannot exclude any impact on Coditel Lux.

Unbundling Networks

Under the EU Framework, unbundling may also be required in the broadcasting sector. Although the Commission has deleted the “broadcasting transmission services to deliver broadcast content to end users” from the list as a candidate market in which national authorities may decide to regulate entities with SMP, national regulators can nevertheless analyze the wholesale broadcast market, subject to such market meeting certain conditions set out by the European Commission.

On July 1, 2011 the CRC issued the July 2011 Decision imposing on Telenet (i) an obligation to make a resale offer at “retail minus” of the cable analog package available to third party operators (including Proximus), (ii) an obligation to grant third-party operators (except Proximus) access to digital television platforms (including the basic digital video package) at “retail minus,” and (iii) an obligation to make a resale offer at “retail minus” of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Proximus).

After Telenet submitted draft reference offers in February 2012 to meet the three obligations described above in each of Flanders and Brussels, the CRC made its observations and launched a national consultation process and consulted with the European Commission. Although the European Commission expressed doubts regarding the proportionality of the analog resale obligation on August 8, 2013, the European Commission did not object to the CRC draft decision on the reference offers. On September 9, 2013, the CRC published the final decisions on the draft reference offers (the decisions themselves are dated September 3, 2013). According to the CRC decision, the regulated wholesale services must be available within six months after a third-party operator files a letter of intent and pays an advance payment to each cable operator.

As a result of the July 2011 Decision, which imposed a retail minus pricing method, the CRC had to determine the retail minus tariffs applicable to the services referred to in the July 2011 Decision. On April 2, 2013, the CRC issued a draft decision regarding the “retail minus” tariffs of minus 35% for basic TV (basic analog and digital video package) and minus 30% for the bundle of basic TV and broadband internet services. On October 8, 2013, the European Commission received a draft quantitative decision from the CRC in which they changed the “retail minus” tariffs to minus 30% for basic TV (basic analog and digital video package) and to minus 23% for the bundle of basic TV and broadband internet services. Even though the European Commission commented on the appropriateness of certain assumptions in the proposed costing methodology, the CRC adopted such retail minus tariffs on December 11, 2013.

Following the adoption of the retail minus tariffs, the CRC initiated a consultative process regarding the determination of the retail minus tariffs not covered by the December 11, 2013 decision. Between May 27, 2015 and June 16, 2015, the BIPT, VRM, CSA and Medienrat started public consultations relating to their respective draft decisions reviewing the wholesale tariffs for the services for access to the cable in their respective regions. In these draft decisions, the regulators have stated that cable operators’ retail offerings generally contain additional services (such as webmail, webspace, free content or content at a reduced price and access to public WiFi), which are reflected in the price of the retail offering. These additional services have been identified in the report and the regulators have aimed to identify the reference prices for these services. It was proposed that the basis for calculating the “retail minus” tariffs will be reduced accordingly, which would lead to significantly lower “retail minus” tariffs. During the public consultation process, Telenet observed that, due to the different elements taken into account by the CRC to fix the reduced wholesale tariffs, the decision was disproportionate and uncertain. The draft decision was sent for review to the European Commission and on February 19, 2016, the CRC adopted a decision implementing the July 2011 Decision and amending the initial December 11, 2013 decision establishing

the retail minus tariffs. The February 19, 2016 decision on the revision of retail minus wholesale tariffs for access services to cable networks in the Brussels Capital Region amended the December 11, 2013 decision by, among other things, changing the minus determination model (excluding or taking into consideration certain elements for the determination of the retail minus tariffs) and the tariffication of decoders and modems and providing for the valuation of elements excluded from wholesale offers (WiFi access, second screen, etc.), thus reducing the applicable wholesale tariffs for access to the cable in the relevant markets (retail minus tariffs of minus 26% for basic television (basic analog and digital video package) and minus 18% for the bundle of basic television and broadband internet services during an initial two-year period. Following this two-year period, the tariffs would change to minus 15% and 7%, respectively). The February 2016 decision is addressed to Brut  l  , Numericable and Telenet. The above decisions have led to a number of proceedings and litigations. Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On September 4, 2012, the Brussels Court of Appeal rejected Telenet’s request to suspend the July 2011 Decision pending the proceedings on the merits. Due to this rejection and the approval of the reference offers by the CRC, Telenet was obliged to begin the process of implementing its reference offers. On December 27, 2013, wireless operator Mobistar NV (now Orange Belgium) submitted a letter of intent to Telenet and paid the advance payment on January 10, 2014. Telenet implemented the access obligations as described in its reference offers, and complied with its implementation obligation towards Orange Belgium in due time, i.e. within the period of six months as set forth by the regulator. Since June 23, 2014, access to the Telenet network has become operational and is being applied by Orange Belgium to offer analog television, digital television and the bundle television plus broadband internet to its clients.

On November 12, 2014, the Brussels Court of Appeal rejected Telenet’s appeal against the July 2011 Decision and accepted Proximus’ claim that Proximus should not be systematically excluded from access to Telenet’s, among other operators, digital television platform and the resale of bundles of digital video and broadband internet services. On November 30, 2015, Telenet filed an appeal of this decision with the Belgian Supreme Court. In 2014, Telenet and wireless operator Orange Belgium each filed an appeal before the Brussels Court of Appeal against the initial retail minus decision of December 11, 2013. On April 25, 2016, Telenet also filed an appeal with the Brussels Court of Appeal challenging the February 19, 2016 retail minus decision. These proceedings against the February 19, 2016 decision have been joined by the Brussels Court of Appeal with the proceedings initiated by Telenet on February 20, 2014 against the decision of the CRC of December 11, 2013. On October 25, 2017, the Court of Appeal issued a judgment annulling both the December 11, 2013 and February 19, 2016 retail minus decisions, with effect as of April 30, 2018. There can be no assurances that the decision of the Brussels Court of Appeal will not be appealed before the Supreme Court.

On November 14, 2014, Proximus also submitted a request to start access negotiations. Telenet contested this request and has asked the Belgian Regulatory Authorities to assess the reasonableness of the Proximus request. This question is addressed in the Belgian Regulatory Authorities draft market review decisions of July 7, 2017. The timing for a decision regarding this assessment by the Belgian Regulatory Authorities is not known.

See *“Risk Factors—The Belgian internet, data and telephony industries are highly competitive and the television industry has become more competitive, which could have a material adverse effect on Telenet’s business”* and *“Risk Factors—Telenet may become subject to more extensive regulation if it is deemed to possess significant market power in any of the markets in which it operates”*.

Legal Cooperation

A Royal Decree of January 9, 2003 establishing the modalities of the obligation of legal cooperation in case of judicial requests concerning electronic communications, on tariffs applying to such cooperation, as amended by a Royal Decree of November 8, 2016, sets tariffs applied by electronic communications operators in the framework of judicial measures such as telephone tapping. The Royal Decree of November 8, 2016 was subject to a previous public consultation organised by the BIPT on February 8, 2016.

Other legal instruments impose certain obligations on network operators and providers of electronic communications with regard to cooperation with the public authorities, such as the obligation to appoint a responsible person for the protection of personal data, providing internal guidelines for cooperation with public authorities, data retention, destruction or anonymization of data, etc.

Telephony Regulation

Mobile Telephony

Telenet currently provides this service partly through its own BASE network and partly through a MVNO partnership with Orange Belgium (the “**MVNO Arrangement**”), which has been extended until the end of 2017. Through its own BASE network and pursuant to the MVNO Arrangement, Telenet offers its customers mobile voice and data services, including 4G/LTE.

On July 14, 2011 the regulator awarded the fourth 3G license to Telenet Tecteo Bidco. In December 2013, Telenet Tecteo Bidco determined, after concluding negotiations with network operators in Belgium and in the absence of regulatory alternatives, that it would not be able to utilize the spectrum rights under the 3G mobile spectrum license and, as a result, notified the BIPT on February 13, 2014 that it would return the acquired 3G mobile spectrum. On June 1, 2014, Telenet Tecteo Bidco returned the acquired 3G mobile spectrum to the BIPT. Furthermore, as a result of the above, Telenet Tecteo Bidco also informed the BIPT at the end of 2013 that it would not exercise the option to be awarded another 4.8 MHz of paired 2G spectrum in the 900 MHz band and 10 MHz of paired 2G spectrum in the 1800 MHz bands. On June 27, 2014, the BIPT invited Telenet Tecteo Bidco to pay the remainder of the fee for the frequencies in the 900 and 1800 MHz bands. Telenet Tecteo Bidco filed an appeal against this decision on September 29, 2014. Eventually, the parties entered into a settlement agreement in January 2016, through which Telenet Tecteo Bidco paid an amount of approximately €4 million for the usage rights in the 2G spectrum, and committed to pay the BIPT the remainder of the fee for its former usage rights for the 3G spectrum, being an amount of approximately €31 million. See “*Risk Factors—If Telenet fails to successfully introduce new technologies or services, or to respond to technological developments, its business and level of revenue may be adversely affected and it may not be able to recover the cost of investments that it has made*”.

Fixed-Mobile Interconnection

In general, interconnection termination rates charged by mobile network operators are significantly higher than those charged by fixed-line operators.

On the market for call termination on an individual mobile network, the BIPT published a final decision on May 26, 2017 which replaces the decision dated 29 June 2010. Due to Telenet’s increased control over the termination rates, this decision designates Telenet (among other operators) as an entity having SMP and imposes a number of regulations to ensure effective competition and user satisfaction. These measures relate to non-discrimination, transparency and price control. Specifically in respect of price control, the decision imposes a bottom-up long run incremental cost model to calculate tariffs for call termination on individual mobile networks. The change in tariff methodology imposed by this decision may have a significant impact on Telenet’s business.

In the context of Telenet’s mobile interconnection discussions with Proximus, a definitive interconnection agreement was signed in February 2003. Telenet’s agreement with Belgacom Mobile NV (which has in the meantime merged into Proximus) can be terminated by either party on eight months, prior notice.

Roaming Regulations

Roaming has been regulated at the EU level for a number of years. In 2007, the first Roaming Regulation (Regulation 717/2007) introduced caps for wholesale and retail charges for the making of regulated mobile voice telephony calls by roaming customers. The second Roaming Regulation (Regulation 544/2009) of June 2009 further cut roaming charges for voice, SMS and wholesale data roaming. A third Roaming Regulation (Regulation 531/2012) introduced a further lowering of the regulated retail and wholesale price caps and also extended to retail data. This Regulation also introduced two main structural measures. First, a decoupling where retail customers would have the option to choose a different provider for roaming services without changing their number and second, an obligation for mobile network operators to meet reasonable requests for wholesale roaming access and to remove restrictions that prevent MVNOs from obtaining wholesale access. The third Roaming Regulation also introduced rules aimed at improving price transparency and information on charges to roaming customers.

In the framework of the “Connected Continent” legislative package proposed by the European Commission in 2013, a Regulation published on 25 November 2015 (Regulation 2015/2120), amending the third Roaming Regulation, ended roaming charges when travelling in the EU as from June 15, 2017. Already as from April 2016, the retail roaming caps decreased further to €0.05 per minute of calls made, €0.02 per SMS sent and €0.05 per

MB of data (excluding VAT). This maximum roaming charge represents approximately 25% of the current roaming caps for calls made and data, and 33% of the current roaming cap for SMS.

On June 15, 2016, a Proposal for a Regulation amending Regulation 531/2012 as regards rules for wholesale roaming markets was issued by the European Parliament and the Council. This Proposal aims to facilitate the abolition of retail roaming surcharges by June 15, 2017 decided under Regulation (EU) 2015/2120, by fostering the competitiveness of national wholesale roaming markets, and their ability to deliver wholesale roaming prices that enable operators to sustainably offer retail roaming services without any additional charges. On January 31, 2017, the European Commission, the Parliament and the Member States reached an agreement setting wholesale roaming caps as of June 15, 2017. On May 17, 2017, the Parliament and the Council adopted Regulation (EU) No 2017/920 amending Regulation (EU) No 531/2012 as regards rules for wholesale roaming markets, which entered into force three days after its publication in the Official Journal of the European Union, i.e. on June 12, 2017.

A Commission Implementing Regulation was also adopted on December 15, 2016 (Regulation 2016/2286) laying down detailed rules on the application of fair use policy and on the methodology for assessing the sustainability of the abolition of retail roaming surcharges and on the application to be submitted by a roaming provider for the purposes of that assessment. This Regulation requires, as a basic principle, that a roaming provider offers its roaming services at domestic prices to its customers who are residents of the Member State or have “stable links entailing a frequent and substantial presence” in the Member State of the roaming provider. Other provisions concern fair use policies, roaming surcharges, costs relating to the provision of roaming services and revenues from the provision of roaming services. See “Risk Factors— Telenet is subject to significant government regulation and supervision, which could require it to make additional expenditures or limit its revenues and otherwise adversely affect its business”.

Regional and Local Regulations—Pylon Taxes

Since the second half of the 1990s, certain municipalities (mainly in the Brussels-Capital and Walloon Regions), provinces and the Walloon Region have levied local taxes, on an annual basis, on pylons, masts and/or antennas dedicated to mobile telecom services located on their territory, on the basis of various municipal, provincial and regional regulations. These taxes have systematically been contested by Telenet Group BVBA before the Courts on various grounds.

In particular, Telenet Group has argued that such tax regulations are discriminatory because they apply only to pylons, masts and antennas dedicated to mobile telecom services and not to comparable equipment used for other purposes (whether telecom-related or not). Telenet believes that there is no objective and reasonable justification for such differentiated tax treatment. Telenet is therefore of the view that the contested tax regulations violate the general non-discrimination principle. The Courts have in a number of instances accepted this argument (cf. positive judgment of the Supreme Court of September 25, 2015).

There was also a question as to whether article 98 §2 of the Belgian law of March 21, 1991 on the reform of certain public economic companies (the “1991 Law”) prohibits municipalities from taxing the economic activity of telecom operators on their territories through the presence (whether on public or private domain) of mobile telephone pylons, masts or antennas dedicated to this activity. The Belgian Constitutional Court held on December 15, 2011 that this was not the case. That interpretation was confirmed by the Belgian Supreme Court in its judgments of March 30, 2012.

In the case between Telenet Group and the City of Mons, the European Court of Justice ruled on October 6, 2015 that the municipal tax on GSM pylons levied by the City of Mons, as disputed by Telenet Group, does not fall within the scope of Article 13 of Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorization of electronic communications networks and services (the “Authorization Directive”) and is therefore not prohibited on the basis of Article 13 of the Authorization Directive.

By Decree of December 11, 2013 (the “2014 Walloon Decree”), the Walloon Region implemented an annual tax on masts, pylons and antennas for mobile operators with effect of January 1, 2014. Under this Decree, all municipal taxes on pylons, mast and antennas in the Walloon Region have been abolished. The Decree does however allow municipalities to levy surcharges. The tax amounts to EUR 8,000 per ‘site’. Under the Decree all users of ‘sites’ are jointly liable towards the Walloon Region for the tax related to shared sites. On December 12, 2014, a Walloon Decree was adopted that maintains this tax for 2015 and subsequent years, with the same scope and tax payable (EUR 8,000 per ‘site’, subject to indexation as of 2015) (the “2015 Walloon Decree”). The three

Belgian mobile network operators brought a request for annulment of these Decrees before the Constitutional Court.

On July 16, 2015, the Constitutional Court annulled the 2014 Walloon Decree, but decided to maintain its effects. By judgment of May 25, 2016, the Constitutional Court also annulled the 2015 Walloon Decree, without maintaining its effects. On December 22, 2016, Telenet and the other mobile operators concluded a settlement with the Walloon Region. In addition to payment of a settlement fee to end the dispute related with the 2014 Walloon Decree, this settlement also includes an undertaking from the Walloon Region not to levy any taxes on telecom infrastructure and a commitment for Telenet to invest EUR 20 million until 2019 on top of the investments already planned in the Walloon Region.

Telenet intends to continue challenging any local tax regulations applicable to its mobile telecom equipment. As per June 30, 2017, Telenet has recognised a provision of €21.6 million in this respect. Telenet and the KPN Group have moreover agreed on certain recourse arrangements in respect of certain (pre-2015) pylon taxes in their sale and purchase agreement with respect to BASE Company NV (now Telenet Group BVBA). It can however not be excluded that other taxes on telecom equipment will in the future be imposed, which may have a significant negative financial impact on Telenet.

Radiation Thresholds

In Belgium, the Regions are competent to establish radiation thresholds for antennas. In the Flemish Region, the radiation threshold is 3 V/m per antenna per operator on the 900 MHz band in residential areas, with a cumulated threshold of 20.6 V/m on the 900 MHz band over all radiation sources on the antenna. In the Walloon Region, the radiation threshold is 3 V/m per antenna per operator on the 900 MHz band in residential areas. In the Brussels Metropolitan Region, the radiation threshold in places accessible to the public is 6 V/m on the 900 MHz band (until April 2014, the threshold in the Brussels Metropolitan region was 3 V/m on the 900 MHz band).

The thresholds established by the three Regions have been criticized by operators for being too low and by interest groups for being too high. There can be no assurance that the thresholds will be reduced or increased in the future by any one of the three Regions.

Spectrum Licenses

BASE Company holds licenses for GSM, UMTS and LTE in the 800, 900, 1800, 2100 and 2600 MHz bands. A renewal of its 2G license from July 2013 until July 2018 was decided upon in 2013 for a fee of approximately €62.0 million. A payment of approximately €33.0 million is expected to be required in 2018 to extend the 2G license until March 2021 in case the decision to extend is taken. The 2100 MHz (3G) license runs until March 2021. The 800 MHz license, acquired in 2013 for a total consideration of €120.0 million, has a duration until 2033. The 2600 MHz license runs until 2027.

Universal Service

The Electronic Communications Law mandates that a minimum set of “universal services” be offered at a certain price and quality level. These services include providing access at a fixed location to the public telephone network throughout Belgium, offering reduced fixed and mobile telephony and broadband tariffs for specific categories of users (“**social tariffs**”), providing public pay telephones and offering a directory and a directory inquiry service. All providers of public telephony and broadband services in Belgium must offer social tariffs, by applying discounts and percentages as set out in the annex to the Electronic Communications Law. For every universal service other than the social tariffs, a universal provider for each service will be selected based on an open process in which all providers can tender offers to provide the relevant service. The precise process is determined by royal decree. If a universal service provider is not selected as a result of this process, a provider will be designated *ex officio*. With its decision of May 6, 2013, the BIPT removed the requirement to provide public pay phones from the list of universal services. By Royal Decree of December 15, 2013, the offering of a directory and a directory inquiry service were also removed from this list.

In general, the providers of universal services are compensated through a universal service fund, which is financed by contributions paid by telecommunication operators on the basis of their turnover. The 2012 Law, however, established a separate fund for the compensation related to the offering of social tariffs. Whether and how much an operator must contribute to this separate fund depends on the fact if an operator (*i.e.* the incumbent) can demonstrate that offering those social tariffs generates net costs and those net costs are deemed to be an unfair

burden for that operator by the regulator. Contributions to the fund are based on the share of turnover in the overall telephony and broadband market of an operator.

The fund for social tariffs has been activated since the adoption of the Electronic Communications Law, but no actual payments have been made until now because the Electronic Communications Law, before its amendment by the 2012 Law, was disputed by (i) the European Commission before the European Court of Justice and (ii) by BASE, KPN Belgium, Mobistar NV (now Orange Belgium) and others before the Belgian Constitutional Court. The Belgian Constitutional Court annulled the provisions of the law of April 25, 2007 regarding the methodology for calculating those net costs, as the European Court of Justice, in response to a preliminary ruling requested by the Belgian Constitutional Court, had found that the Belgian legislation failed to provide a proper methodology for calculating the net costs of providing social tariffs.

The Electronic Communications Law has been amended in this respect by the 2012 Law, taking into account that the assessment of “unfair burden” should be performed on a case-by-case basis. The Electronic Communications Law, as amended by the 2012 Law, may require operators (including Telenet) to retroactively pay compensation for Proximus’ alleged costs arising from the provision of the social element of the universal service for the period from mid-2005 to the present (if these costs are deemed to be an unfair burden for Proximus).

The relevant provisions of the Electronic Communications Law, as amended by the 2012 Law, were again disputed by KPN Group Belgium and Mobistar NV (now Orange Belgium) before the Belgian Constitutional Court, requesting annulment of the provisions relating to, a) the inclusion of social tariffs for mobile services and internet subscriptions in the universal service obligations compensation system, b) the retroactive application of the compensation mechanism, and c) the method of calculating the net costs/profits of offering social tariffs and the method of determining whether this constitutes an unfair burden. The Court rejected the second part of the claim (relating to the retroactive application of the compensation mechanism) and the third part of the claim (method of calculation). The Belgian Constitutional Court thereby confirmed the possible application of retroactive funding. In respect of the first part of the claim, the Court requested on December 19, 2013 a preliminary ruling by the European Court of Justice on the compatibility of the social tariffs for mobile services and internet subscriptions with Directive 2002/22/EC (the Universal Service Directive). In its preliminary ruling of June 11, 2015, the European Court of Justice held that the Universal Service Directive only applies to internet subscription services requiring a connection to the internet at a fixed location, but not to mobile communication services, including internet subscription services provided by means of those mobile communication services. The European Court of Justice further held that Member States are free to consider mobile communication services (including internet subscription services provided by means of mobile communication services) as additional mandatory services, but in that case a financing mechanism for those services involving specific undertakings cannot be imposed on the operators.

If retroactive funding is enforced, Telenet may have to pay up to €1.6 million for each year beginning from mid-2005. Such exposure would amount to nearly €8.5 million for the period between mid-2005 and the end of 2010.

In 2012, the BIPT ordered a study to gather detailed information on the social tariffs applied by each of the telecom providers during the years 2005-2012, to effectively analyze the “unfair burden” requirement. In a letter dated June 29, 2015, the BIPT confirmed that it had completed the analysis of the alleged unfair burden suffered by Proximus for the execution of the universal service obligations for the period from 2005 to 2012. The BIPT suspended the publication of the outcome of the analysis following the withdrawal by Proximus of its request for compensation. Telenet believes that there is no “unfair burden” on the current providers of social tariffs, since there are indications that a profit (as opposed to net costs) is being recorded by the relevant providers per customer in receipt of such social tariffs.

By a decision dated July 1, 2015, the Council of State partly annulled two Royal Decrees published in May 2013 fixing the reimbursement of social tariffs. The Council of State’s decision applies to the period from 2007 to February 2013 and from February 2014 onwards, for which period no retroactive reimbursement of the social tariffs could be requested. However, the BIPT has not yet confirmed whether for the period from April to December 2013 a reimbursement could be required. Telenet’s exposure in this case amounts to EUR 800,000.

See “Risk Factors—Telenet is subject to significant government regulation and supervision, which could require it to make additional expenditures or limit its revenues and otherwise adversely affect its business”.

In addition, the Electronic Communications Law, in its annex, provides for the establishment of a database with respect to the various customer categories eligible to the social tariff. The 2003 BIPT Law provides for the division of the cost of maintaining such database between the operators.

On December 20 and 22, 2016 the BIPT Council published a communication on the monitoring of universal service in the telecommunications sector. The BIPT concluded amongst others that users did not suffer any negative impact due to the removal of universal service obligations for telephone booths and phonebooks / information services. Also, the BIPT pointed out that the non-designation of a service provider did not seem to have any negative consequences for end users.

In a judgment dated December 21, 2016, the Court of Justice of the European Union decided that the provisions of the Universal Service Directive and, in particular, article 32 thereof, must be interpreted as precluding national legislation providing for a compensation mechanism for the provision of additional mandatory services by virtue of which an undertaking is not entitled to compensation from the Member State for the net cost of the provision of an additional mandatory service where the profits made by that undertaking on other services related to the universal service obligation are greater than the loss arising from the provision of the additional mandatory service. The Court added that the Universal Service Directive must be interpreted as precluding national legislation under which an undertaking designated as the provider of additional mandatory services is entitled to compensation from the Member State for the net cost of providing those services only if that cost constitutes an unfair burden on that undertaking. Furthermore, the Court considered that the Universal Service Directive must be interpreted as precluding national legislation under which the net cost borne by an undertaking designated to fulfil a universal service obligation is the result of the difference between all the revenue and all the costs connected with the provision of the service in question, including the revenue and the costs which the undertaking would also have registered had it not been a universal service operator and that article 32 of the Universal Service Directive must be interpreted as having direct effect, inasmuch as it prohibits the Member States from making the undertaking responsible for providing an additional mandatory service bear all or part of the costs connected with the provision of that service.

In addition the Court of Justice decided that article 20(2) of the Universal Service Directive, must be interpreted as meaning that a change in charges for the provision of electronic communications networks or services, resulting from the operation of a price adjustment clause contained in the standard terms and conditions applied by an undertaking providing such services, the term providing that such a change applies in accordance with changes in an objective consumer price index compiled by a public institution, does not constitute a ‘modification to the contractual conditions’ within the meaning of that provision, which grants the subscriber the right to withdraw from the contract without penalty.

The Court of Justice of the European Union also stated on April 14, 2016, that article 28 of the Universal Service Directive must be interpreted as meaning that a Member State may provide that an operator of a public electronic communications network must ensure that all end-users are able to access non-geographic numbers on its network in that State and not only those of other Member States, and that articles 5(1) and 8(3) of Directive 2002/19/EC of the European Parliament and of the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities (Access Directive), read in conjunction with Article 28 of the Universal Service Directive, must be interpreted as allowing a national regulatory authority, in resolving a dispute between two operators, to impose on one of them the obligation to ensure that end-users are able to access services using non-geographic numbers provided on the other’s network and to set, on the basis of Article 13 of Directive 2002/19, pricing procedures for that access between those operators, provided that those obligations are objective, transparent, proportionate, non-discriminatory, based on the nature of the problem identified and justified in the light of the objectives laid down in Article 8 of Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services, and the procedures provided for in Articles 6 and 7 of that directive have, where applicable, been observed, which it is for the national court to verify.

Certain Consumer Protection Rules

The 2012 Law and subsequent amendments have inserted certain provisions in the Electronic Communications Law aimed at the protection of end users of electronic communications services, including (i) the right for customers to terminate their contracts with the relevant providers at any time, and without any compensation to the provider if such termination occurs more than six months after the entry into the agreement, (ii) duration limitations for agreements entered into with end users, (iii) a requirement for uniform presentation of tariff plans facilitating comparison between operators (and thus facilitating decisions to churn), (iv) the requirement to

propose a combined offer if a customer has subscribed to two or more tariff plans and if that combined offer is less expensive, and (v) customers' right to change tariff plans once a year free of any charges.

In 2013, several implementing decrees to the Electronic Communications Law that increase consumer protection were also adopted, including (i) the Royal Decree of July 2, 2013 implementing the one-day deadline for operators to implement a request for number portability (which came into force on October 1, 2013), (ii) the Royal Decree of July 9, 2013 setting out the terms for free-of-charge notifications to customers if they exceed certain thresholds (to avoid excessive bills), and (iii) the Royal Decree of December 15, 2013 defining the content of the standardized information sheets that operators have to prepare for each tariff plan to allow easy comparisons (which came into force on July 1, 2014).

In March 2015, the BIPT published a report in which it identified a number of obstacles that currently make it difficult for consumers to change fixed telecom operators. These obstacles are subdivided into three classes: (i) a poor coordination and procedure for changing operators; (ii) a lack of consumer information; and (iii) financial and practical obstacles. The BIPT proposed possible solutions in its report, which it submitted to the Minister of Digital Agenda and Telecom. The BIPT organized a public consultation with respect to drafting new royal and ministerial decrees that are aimed at ensuring that consumers are able to change from one fixed telecom operator to another without significant obstacles or costs, which may potentially give rise to an increase in Telenet's customer churn rate.

The Royal Decree of September 6, 2016 on the migration of fixed-line services and of bundle offers of services in the electronic communications sector (the so-called "easy switch" regulation) required telecommunications services operators to facilitate the movement of users from one operator to another, and cooperate to this end by the applicable deadline of July 3, 2017. Not complying with this deadline may expose telecoms operators to significant fines from the BIPT of up to five percent of its annual turnover. This Royal Decree also sets forth identification procedures for the user and the services performed, and requires that the operators improve the quality and availability of the information provided to customers via their website.

See *"Risk Factors—Customer churn, or the threat of customer churn, may adversely affect Telenet's business"*.

Privacy Protection

In addition to applicable general privacy protection regulations, the Electronic Communications Law contains several provisions that address privacy protection in the electronic communications sector.

A first set of provisions concerns data processed for the purpose of the conveyance of a communication on an electronic communications network or for the billing thereof ("**traffic data**"). Operators must erase traffic data when it is no longer needed to transmit a communication, although certain traffic data may be processed for the purposes of subscriber billing and interconnection payments. Providers may process traffic data to market their own electronic communications services or for the provision of services with traffic data or location data, if the subscriber or user has consented to that processing.

"Location data" are data processed in an electronic communications network, indicating the geographic position of the terminal equipment of a user of a publicly available electronic communications service. Operators of mobile networks may process location data other than traffic data, relating to subscribers or users, only when made anonymous or with the consent of the users or subscribers to the extent and for the duration necessary for the provision of a service with traffic data or location data.

The Electronic Communication Law was amended by the Law of July 30, 2013 with a view to implementing Data Retention Directive 2006/24/EC into Belgian law. The relevant provisions required providers of fixed telephone services, mobile telephone services, internet access services, internet email services or internet telephone services, and the providers of the underlying public electronic communication networks to store the traffic data, location data, data for identification of the end users, data for identification of the used electronic communication service and data for identification of the probable used end equipment that was generated and processed by the aforementioned firms. The purpose of the data storage was to trace, investigate and prosecute certain criminal acts. The Belgian Constitutional Court annulled the Law of July 30, 2013 by judgment of June 11, 2015, implying that the relevant data retention requirements no longer apply. As a reaction to this annulment, the Belgian government has prepared a new draft law on data retention in the electronic telecommunications sector. The BIPT has organized a public consultation on this draft law which was open for reactions until September 1, 2015. The draft law must still be debated in the Federal Parliament.

By judgment dated December 21, 2016, the Court of Justice of the European Union decided that article 15(1) of Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications), as amended by Directive 2009/136/EC of the European Parliament and of the Council of 25 November 2009, read in the light of articles 7, 8 and 11 and article 52(1) of the Charter of Fundamental Rights of the European Union, must be interpreted as precluding national legislation which, for the purpose of fighting crime, provides for general and indiscriminate retention of all traffic and location data of all subscribers and registered users relating to all means of electronic communication, and that the same provision must be interpreted as precluding national legislation governing the protection and security of traffic and location data and, in particular, access of the competent national authorities to the retained data, where the objective pursued by that access, in the context of fighting crime, is not restricted solely to fighting serious crime, where access is not subject to prior review by a court or an independent administrative authority, and where there is no requirement that the data concerned should be retained within the European Union.

Finally, the Electronic Communications Law provides that subscribers must be given the opportunity to opt out of telephone directories or to limit the extent of personal information included in the directories.

Internet Regulation

Telenet's activities as an internet service provider (an "ISP") are subject to Title 1 of Book XII of the Belgian Code of Economic Law. Title 1 replaces, among others, the Belgian law of March 11, 2003 on certain legal aspects of information society services (*Wet betreffende bepaalde juridische aspecten van de diensten van de informatiemaatschappij als bedoeld in artikel 77 van de Grondwet/Loi sur certains aspects juridiques des services de la société de l'information visés à l'article 77 de la Constitution*) (the "**2003 ISP Law**"). It sets forth the rights and duties of an ISP when its electronic communications network is used to transmit content that infringes relevant intellectual property rights. Title 1, Book XII of the Belgian Code of Economic Law provides (as did the 2003 ISP Law), as a general matter, that ISPs, such as Telenet, cannot be held liable for information transmitted over an electronic communications network. ISPs must, however, deliver requested information to the judicial authorities upon their formal request. In addition, once an ISP has formal notice that illegal content is being transmitted over its network, it must inform the relevant enforcement authorities as soon as possible. The immunity provided for ISPs in the 2003 ISP Law, and now in Title 1, Book XII of the Belgian Code of Economic Law, was however weakened by the adoption of Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society (the "**Copyright Directive**"). The Copyright Directive provides the possibility for right holders to apply for an injunction against intermediaries who carry a third party's infringement of a protected work in a network. The Belgian legislator implemented the provisions regarding injunctions into national law in 2007, at the occasion of the implementation of Directive 2004/48/EC on the enforcement on intellectual property rights that provides for similar injunctions with respect to other intellectual property rights. The Belgian law of May 9, 2007 on the civil aspects of the protection of intellectual property rights (*Wet betreffende de burgerrechtelijke aspecten van de bescherming van intellectuele eigendomsrechten/Loi relative aux aspects civils de la protection des droits de propriété intellectuelle*) amended the Belgian law of June 30, 1994 on copyright and neighboring rights (*Wet betreffende het auteursrecht en de naburige rechten/Loi relative au droit d'auteur et aux droits voisins*) (the "**1994 Copyright Law**") to enable Belgian courts to order the cessation in respect of intermediaries whose services are being used by third parties to commit a copyright infringement. With effect from January 1, 2015, the relevant provisions of the 1994 Copyright Law have been included in Title 9 of Book XI of the Belgian Code of Economic Law.

On January 29, 2016, a consultation was organised on a draft decision of the BIPT Council on communication of the fixed or mobile high-speed broadband speed. This implements a provision of the Electronic Communications law stating that the BIPT sets out a method allowing the subscribers to be sufficiently informed by the Internet providers on the speed and download volume of a broadband connection.

Broadcasting Regulation

Overview

Unlike telecommunications, which is subject to comprehensive federal regulation, radio and television broadcasting is generally regulated by the Flemish, French and German-speaking Communities of Belgium. The Belgian Constitutional Court (*Grondwettelijk hof/Cour constitutionnelle*) has determined that the regulatory authority of the Belgian Communities applies to all relevant broadcasting technologies, and thus includes satellite, terrestrial, DSL and cable broadcasting. The Flemish and French Communities have adopted legislation (in the

form of decrees) that governs the provision of broadcasting services in their respective jurisdictions. The federal government retains authority to regulate broadcasting in Brussels. In addition, the federal government can regulate certain non-broadcast aspects of radio communications, including limiting the power of broadcast emitters and establishing safety and technical requirements for radio receivers and other equipment.

On February 10, 2006, the Flemish government formally established the office of the VRM. The VRM is divided into a “general chamber” and a “chamber for impartiality and the protection of minors”. The power that was previously vested in the “*Vlaams Commissariaat voor de Media*” as well as that vested in certain other regulators in the media sector was transferred to the VRM. The VRM enforces media regulations in the Flemish Community, decides litigation regarding media regulation and grants media authorizations and licenses.

Licenses and Authorizations

Under the previous regime, Telenet held two types of licenses to transmit and distribute cable television signals to subscribers—licenses related to the delivery of signals to subscribers over its local loop and a license related to the transportation of signals over its fiber backbone to the head ends on the Combined Network. Pursuant to the EU Framework, those licenses were replaced with a “general authorization” system since 2004, pursuant to which any operator wishing to offer electronic communications services need only notify the competent authority.

Telenet also holds broadcasting licenses—now known as notifications—for its Pay TV services (under the “PRIME” and “Sporting Telenet” brands), and one for Studio100 TV, a TV channel broadcasting children’s content.

General Authorization

The “2009 Broadcasting Decree” stipulates that those who held an individual license at the time the previous Decree entered into force in 2004 will be deemed to have submitted the required notification. Telenet therefore does not need to notify the VRM of its activities as long as no change to its operations occurs.

Must Carry

The 2009 Broadcasting Decree imposed certain must carry obligations on cable operators. These rules were to a large extent based on the language of the content broadcast—the Flemish Community has stated that it is in the public interest for every citizen to receive information, education, culture and entertainment in his or her own language. These rules have an unlimited duration and effectively apply only to cable networks.

The 2009 Broadcasting Decree regulates the radio stations and television channels that Telenet is permitted to transmit over the Combined Network by providing certain criteria they must comply with. Channels that do not comply with those criteria cannot be transmitted without the consent of the VRM. The 2009 Broadcasting Decree requires Telenet to transmit the following radio stations and television channels:

- analog radio stations and the television channels of VRT, the Flemish public broadcaster;
- the television channels of authorized regional broadcasters of the Flemish Community;
- two radio stations and two television channels of RTBF, the public broadcaster of the French Community, and the radio station of the public broadcaster of the German Community; and
- two radio stations and the television channels (NPO 1, NPO 2 and NPO 3), of the public broadcaster of the Netherlands.

Pursuant to these regulations, Telenet must carry eight television channels in Flanders. Subject to certain conditions, the Flemish Government can award “must-carry” status to other broadcasters. Telenet may charge commercial rates for carrying these stations and channels over the Combined Network. However, Telenet must carry the programs of the regional broadcasters for free. Telenet must also carry free of charge the programs of the public broadcasters. The Flemish Community is under no obligation, and does not compensate, Telenet for broadcasting the regional broadcasters’ channels over the Combined Network.

Radio Equipment

A Royal Decree of 25 March 2016 finalising the implementation of EU Directive 2014/53/UE of the European Parliament and of the Council of 16 April 2014 on the harmonisation of the laws of the Member States relating to the making available on the market of radio equipment and repealing Directive 1999/5/EC and amending the Law of 13 June 2005 on electronic communications, develops rules applicable to the provision of radio equipment on the market. In particular, obligations and procedures relating to the provision of such radio equipment on the market were adopted, with additional obligations for manufacturers, importers and distributors. The Royal Decree of 25 March 2016 also sets out particular notification procedures, in particular for risky radio equipment, and obligations with respect to market surveillance.

Furthermore, the Electronic Communications Law was amended by a Law of December 18, 2015 partially implementing Directive 2014/53/EU of the European Parliament and of the Council of 16 April 2014 on the harmonisation of the laws of the Member States relating to the making available on the market of radio equipment and repealing Directive 1999/5/EC.

The Market Monitoring Department of the BIPT aims at verifying if the telecommunication equipment available or soon to be available on the Belgian market complies with the requirements of Directive 1999/5/EC. Such equipment must efficiently use the spectrum, cannot cause harmful interferences and has to be able to function correctly in its electromagnetic environment, as is stated in the BIPT 2015 Annual Report.

Decisions of the BIPT, the VRM, the CSA and the Medienrat

In December 2010, the members of the CRC (BIPT, VRM, CSA and Medienrat) published their respective draft decisions reflecting the results of their analysis of the broadcasting market in Belgium. At the same time, the BIPT published its draft decision regarding the analysis of the broadband market in Belgium. After a public consultation, the draft decisions were submitted by the CRC to the European Commission. The European Commission issued a notice on the draft decisions which criticized the analysis of the broadcasting markets on several grounds, including the fact that the CRC failed to analyze upstream wholesale markets. It also expressed doubts as to the necessity and proportionality of the various remedies.

The CRC nevertheless adopted a final decision on July 1, 2011 (the “**July 2011 Decision**”) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (i) an obligation to make a resale offer at “retail minus” of the cable analog package available to third party operators (including Proximus), (ii) an obligation to grant third-party operators (except Proximus) access to digital television platforms (including the basic digital video package) at “retail minus”, and (iii) an obligation to make a resale offer at “retail minus” of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Proximus). A “retail-minus” method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding value-added taxes and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as, for example, costs for billing, franchise, consumer service, marketing, and sales).

After Telenet submitted draft reference offers in February 2012 to meet the three obligations described above in each of Flanders and Brussels, the CRC made its observations and launched a national consultation process and consulted with the European Commission. Although the European Commission expressed doubts regarding the proportionality of the analog resale obligation on August 8, 2013, the European Commission did not object to the CRC draft decision on the reference offers. On September 9, 2013, the CRC published the final decisions on the draft reference offers (the decisions themselves are dated September 3, 2013). According to the CRC decision, the regulated wholesale services must be available within six months after a third-party operator files a letter of intent and pays an advance payment to each cable operator.

As a result of the July 2011 Decision, which imposed a retail minus pricing method, the CRC had to determine the retail minus tariffs applicable to the services referred to in the July 2011 Decision. On April 2, 2013, the CRC issued a draft decision regarding the “retail minus” tariffs of minus 35% for basic TV (basic analog and digital video package) and minus 30% for the bundle of basic TV and broadband internet services. On October 8, 2013, the European Commission received a draft quantitative decision from the CRC in which they changed the “retail minus” tariffs to minus 30% for basic TV (basic analog and digital video package) and to minus 23% for the bundle of basic TV and broadband internet services. Even though the European Commission commented on the appropriateness of certain assumptions in the proposed costing methodology, the CRC adopted such retail minus tariffs on December 11, 2013.

Following the adoption of the retail minus tariffs, the CRC initiated a consultative process regarding the determination of the retail minus tariffs not covered by the December 11, 2013 decision. Between May 27,

2015 and June 16, 2015, the BIPT, VRM, CSA and Medienrat started public consultations relating to their respective draft decisions reviewing the wholesale tariffs for the services for access to the cable in their respective regions. In these draft decisions, the regulators have stated that cable operators' retail offerings generally contain additional services (such as webmail, webspace, free content or content at a reduced price and access to public WiFi), which are reflected in the price of the retail offering. These additional services have been identified in the report and the regulators have aimed to identify the reference prices for these services. It was proposed that the basis for calculating the "retail minus" tariffs will be reduced accordingly, which would lead to significantly lower "retail minus" tariffs. During the public consultation process, Telenet observed that, due to the different elements taken into account by the CRC to fix the reduced wholesale tariffs, the decision was disproportionate and uncertain. The draft decision was sent for review to the European Commission and on February 19, 2016, the CRC adopted a decision in implementation of the July 2011 Decision and amending the initial December 11, 2013 decision implementing the retail minus tariffs. The February 19, 2016 decision on the revision of retail minus wholesale tariffs for access services to cable networks in the Brussels Capital Region amended the December 11, 2013 decision by, among other things, changing the minus determination model (excluding or taking into consideration certain elements for the determination of the retail minus tariffs) and the tariffication of decoders and modems and providing for the valuation of elements excluded from wholesale offers (WiFi access, second screen, etc.), thus reducing the applicable wholesale tariffs for access to the cable in the relevant markets (retail minus tariffs of minus 26% for basic television (basic analog and digital video package) and minus 18% for the bundle of basic television and broadband internet services during an initial two-year period. Following this two-year period, the tariffs would change to minus 15% and 7%, respectively). The February 2016 decision is addressed to Brut  l  , Numericable and Telenet.

On December 27, 2013, wireless operator Mobistar NV (now Orange Belgium) submitted a letter of intent to Telenet to obtain access to three regulated products of Telenet: (i) resale of the analog television offering; (ii) access to the digital television platform; and (iii) resale of the broadband access offering. Mobistar NV (now Orange Belgium) paid the advance payment on January 10, 2014.

Telenet implemented the access obligations as described in its reference offers, and complied with its implementation obligation towards Orange Belgium in due time, *i.e.* within the period of six months as set forth by the regulator. Since June 23, 2014, access to the Telenet network has become operational and can be applied by Orange Belgium to offer analog television, digital television and the bundle television plus broadband internet to its clients. On November 14, 2014, Proximus also submitted a request to start access negotiations. Telenet contested this request and has asked the Belgian Regulatory Authorities to assess the reasonableness of the Proximus request. This question is addressed in the Belgian Regulatory Authorities draft market review decisions of July 7, 2017. The timing for a decision regarding this assessment by the Belgian Regulatory Authorities is not known.

The above decisions have led to a number of proceedings and litigations. Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet's appeal of the July 2011 Decision and accepted Proximus' claim that Proximus should not be systematically excluded from access to Telenet's, among other operators', digital television platform and the resale of bundles of digital video and broadband internet services. On November 30, 2015, Telenet filed an appeal of this decision with the Belgian Supreme Court. In 2014, Telenet and wireless operator Orange Belgium each filed an appeal with the Brussels Court of Appeal against the initial retail minus decision of December 11, 2013. On April 25, 2016, Telenet also filed an appeal with the Brussels Court of Appeal challenging the February 19, 2016 retail minus decision. These proceedings against the February 19, 2016 decision have been joined by the Brussels Court of Appeal with the proceedings initiated by Telenet on February 20, 2014 against the decision of the CRC of December 11, 2013. On October 25, 2017, the Court of Appeal issued a judgment annulling both the December 11, 2013 and February 19, 2016 retail minus decisions, with effect from April 30, 2018. There can be no assurances that the decision of the Brussels Court of Appeal will not be appealed before the Supreme Court.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (i) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (ii) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent to which

competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments. Mobistar NV (now Orange Belgium) has requested and obtained such access to the Telenet network and has launched its television and broadband internet offer over the Telenet network to effectively compete on that market. Similarly, Orange Belgium also made an official request to obtain regulated access to Coditel Brabant's network in February 2016. As Orange Belgium argues that it had not been provided with effective access within the six-month implementation period, it brought a claim for damages against Coditel Brabant on 29 December 2016 before the French-speaking Commercial Court of Brussels. Orange Belgium claimed to have suffered a loss of EUR 8,973 per day of delay. On 16 January 2017, Orange Belgium also initiated interim proceedings (which have in the meantime been withdrawn). These legal proceedings are currently ongoing.

On July 7, 2017, the BIPT published a draft decision regarding the analysis of the broadband and television broadcasting markets which it submitted for consultation. The public consultation ran until September 15, 2017, followed by a notification to the European Commission for advice by the end of 2017. In its draft decision, the BIPT defined retail markets (broadband over fixed network for residential customers, broadband over fixed network for non-residential customers, and provision of a television signal) as well as wholesale markets (local access, central access under ITU SG15 standardisation, central access under CableLabs standardization, and access to broadcasting over cable networks). For these markets, the BIPT concluded that Telenet, together with Proximus and other cable operators, such as Brut  l  , Nethys and SFR, have SMP, and proposed a number of regulations to ensure effective competition and user satisfaction. These measures relate to non-discrimination, transparency and price control. In respect of price control, the BIPT proposed a methodology to replace the pre-existing retail minus methodology: (i) a cost obligation over the local and central access services over the copper network, and (ii) an obligation to apply fair tariffs for the other wholesale services (over fibre and cable), and a cost orientation obligation for the ancillary services. By "fair", the BIPT means a price which may exceed the costs while keeping a link with costs, allowing for a reasonable margin between the cost of the product and the wholesale price. Timing for a final decision is unknown. If this draft market review decision is adopted in 2018, it will replace the July 2011 Decision.

Signal integrity regulation

In July 2013, the Flemish Parliament adopted legislation imposing strict integrity of broadcasting signals on distributors and the requirement that distributors must request authorization from broadcasters when they contemplate offering, among other things, program recordings through an electronic program guide. The impetus for this legislation were the broadcasters' arguments that the high penetration of personal video recorders (PVRs) in the Flemish market have resulted in viewers fast-forwarding large volumes of advertisements, which resulted in a decrease in the revenues of broadcasters. The legislation requires broadcasters and distributors to find a commercial solution. If this fails, the legislation provides for a mediation procedure, which, if unsuccessful, can be followed by civil litigation.

There is a risk that this legislation will negatively impact Telenet's ability to launch new innovative applications and increase Telenet's financial contribution to broadcasters.

The current distribution agreements with VRT and MEDIALAAN entered into in 2014 allow Telenet to distribute the broadcasters' signal in an unaltered manner. The relevant broadcasters have given Telenet the right to offer their customers a "slightly delayed viewing" and a PVR functionality. Telenet is required to pay a higher fee for each customer using these functionalities.

Audiovisual media contribution

A local audiovisual media contribution by distribution platforms (such as Telenet) was introduced by way of decree of January 17, 2014, amending the 2009 Broadcasting Decree. This decree requires Telenet to make an annual contribution of €3 million, either by contributing financially to the co-production of audiovisual works or by making a contribution to the Flemish Audiovisual Fund (*Vlaams Audiovisueel Fonds*).

Payments to regional broadcasting organizations

A decree of February 21, 2014, also amending the 2009 Broadcasting Decree, requires distribution platforms (such as Telenet) to pay, as of January 1, 2015, a fee to the regional broadcasting organizations whose signal they distribute based on each regional broadcasting organization's reach.

Pricing of Cable Package

Until the sixth Belgian state reform, the Belgian law of January 22, 1945 on economic regulation and pricing and the Ministerial Decree of April 20, 1993 regarding special regulation on prices required television services distributors, among others, to receive the prior consent of the Minister of Economic Affairs before they could implement any price increase of their basic package. A television services distributor was not allowed to charge more for its services than the price approved by the Minister of Economic Affairs. Companies were, however, allowed to freely decide to charge amounts under this maximum.

The sixth Belgian state reform transferred pricing policy matters, including with respect to television distribution, to the Regions. On November 7, 2013 the European Court of Justice ruled in *UPC Nederland B.V. against Gemeente Hilversum* (Case C-518/11) that only the relevant national regulator had authority to set retail tariffs relating to the supply of basic cable packages.

At present, Telenet charges its basic cable television subscribers a monthly fee of €16.90 (including VAT), which includes a copyright fee. Copyright fees charged to subscribers are not subject to these pricing restrictions.

Copyright and Retransmission Restrictions

Book XI of the Belgian Code of Economic Law, which incorporates the 1994 Copyright Law with effect of January 1, 2015, governs the distribution activities of cable companies and *inter alia*, implements the Council Directive 93/83/EEC of September 27, 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission (the “**Satellite Directive**”) and the Copyright Directive.

The national government, acting through the Ministry of Economy, regulates all issues related to copyright. These regulations apply to Telenet’s basic cable television offerings, in both digital and analog format.

Pursuant to case-law of the Belgian Supreme Court and Book XI of the Belgian Code of Economic Law (incorporating the 1994 Copyright Law), cable companies must receive approval from the holders of the relevant copyrights and related rights to transmit protected works over the cable operators’ networks, irrespective of whether the works are redistributed, directly injected or directly generated by the cable company.

Telenet broadcasts copyrighted works over its cable network pursuant to agreements with several broadcasters and agencies that represent the holders of various foreign and domestic copyrights. These agreements have been the subject of litigation (see “*Description of Telenet’s Business—Legal Proceedings—Copyright related legal proceedings*” in this respect).

In Telenet’s on-demand offerings it complies with the provisions of the 2009 Broadcasting Decree that limit the broadcasting of programs with restricted content through the use of encryption.

Interactive Digital Television

In September 2005, Telenet began offering iDTV to its cable television subscribers. In addition to a selection of enhanced video channels, customers are able to access a variety of interactive features, including e-mail, text messaging and other internet services. See “—*Telenet’s Products and Services— Video*”.

Local Regulations

Telenet is subject to certain local regulations with respect to its networks, including network rights of use or rights of way on the public domain. For operators of a public telecommunications network, the 1991 Law explicitly provides that public authorities (*e.g.*, municipalities) cannot charge such operators for the rights of use or the rights of way granted to them. If a public authority intends to perform works to the public domain, the network operator may be required to make modifications to its network at its own costs. Several municipalities have implemented a model regulation requiring payment for “the municipal services and the use of the municipal public domain as a result of works on permanent utilities on the municipal public domain”. Telenet has asked the Flemish provincial governors to suspend these regulations on the grounds that they violate the 1991 Law. Several province governors have confirmed that the regulations do not apply to Telenet’s networks because they are superseded by the 1991 Law. However, Telenet has to pay the Flemish region retributions for the use of its public domain, *e.g.*, rights of way of regional streets. This amounts to approximately €150,000 annually.

In light of the preliminary ruling by the European Court of Justice of September 4, 2014, as well as earlier judgments by the Belgian Constitutional Court of December 15, 2011 and the Belgian Supreme Court of March 30, 2012, relating to the local authorities' right to impose taxes on the economic activity of telecoms operators on their territory through cellular telephone communication masts, pylons or antennae, it cannot be excluded that local authorities may in the future also seek to impose taxes directly or indirectly related to other telecommunications networks, such as Telenet's network, on their territory. Telenet cannot give any assurances that its challenges of such taxes will be successful.

Competition Law

In addition to sector-specific regulations, Telenet is also subject to EU and national competition rules. The EU competition rules, based on the Treaty on the Functioning of the European Union, are directly applicable in Belgium. These provisions prohibit anti-competitive behavior by a company having a dominant position in the market, as well as collusion between competitors that could affect trade between member states of the EU, and that has the objective or effect of restricting or preventing competition within the EU. The Belgian competition rules contain identical provisions that are applicable where the Belgian market, or a substantial part of it, is affected. The European Commission, the Competition Authority and the Belgian civil courts have jurisdiction in cases involving any violation or suspected violation of these provisions.

EU and national competition rules could limit Telenet's ability to offer bundled telephony services, internet services, television services and/or intermediary interactive products. See "*Provisions Applicable to All Electronic Communications—Unbundling Networks*." The market abuse prohibition could prevent Telenet from bundling a service or product for which Telenet has a significant market position with a service or product for which Telenet has no such position. In particular, it may be that bundled sales of its television offerings will be allowed to a lesser degree due to Telenet's market share for television distribution. See "*Telenet's Products and Services—Residential Sales, Marketing and Customer Care*".

Employees

The number of full-time equivalents employed by the Company at December 31, 2016 was 3,387, including 859 full-time equivalents of BASE. Certain of these full-time equivalents belong to organized unions and works councils. Certain of Telenet's subsidiaries also use contract and temporary employees, which are not included in this number, for various projects. Telenet believes that its employee relations are good.

Properties

Telenet BVBA

Telenet leases its office building in Mechelen buildings pursuant to two sale-leaseback arrangements with KBC Bank NV ("KBC"), which is the security agent under the Senior Credit Facility, and Dexia Lease Services ("DLS"). The leases expire on December 31, 2021 and June 30, 2022, respectively. In addition Telenet leases additional office (mainly call centers) and warehousing space across Flanders. Call centers are located in St-Truiden, Aalst, Herentals and Mechelen.

Telenet owns one shop in Schaerbeek, and leases 31 properties across Flanders and Brussels that form the Telenet retail shop network.

Telenet's fiber and coaxial network runs through public and private rights of way. Article 98 of the 1991 Law (see "*Regulation—Telephony Regulation—Overview*") grants Telenet free rights of way on public land. Article 99 of the 1991 Law grants Telenet a right to run its network lines over private land provided that it pays the owner of the land fair compensation. Disputes concerning the amount of compensation to be paid for private rights of way are resolved by the BIPT. In general, Telenet's fiber optic cable runs in trenches shared with utilities and other service providers and its coaxial cable runs in trenches to which it alone has access. Approximately 40% of Telenet's local loop is above ground.

The buildings housing Telenet's switches and head end stations are a vital part of its network. Telenet owns three switch buildings (Asse, Gent and Roeselare), and has ownership rights (*opstalrechten*) in two further switch buildings (Hasselt and Hoboken). Some head end stations are located in stand-alone structures and others are parts of larger utility and similar complexes. Telenet owns 25 of its head end stations and has ownership rights in 20 further head end stations.

Telenet owns 28 mobile network sites which it leases to other mobile operators. The antenna stations are located in standalone structure or in head-end stations.

Telenet Group BVBA

Telenet Group BVBA leases its main office space in Sint-Stevens-Woluwe and has two data center locations, of which one is owned.

Telenet Group BVBA's retail network consists of 87 leased retail locations across Belgium.

The mobile network infrastructure consists of about 3270 sites (excluding repeaters) of which about 2500 are leased from third parties. The remainder of the sites are mainly owned by other telecom operators with whom Telenet Group has site sharing agreements in place.

SFR Belux

SFR Belux leases limited office space in Brussels and Luxemburg. SFR Belux's Retail network consists of 3 leased retail locations in Brussels and Wallonia and 3 in Luxemburg.

To support its network operations, SFR Belux has a limited number of owned and leased technical facilities across Brussels, Wallonia and Luxemburg.

Advertising

Telenet has entrusted Pebble Media NV, a joint venture operated together with the Vlaamse Audiovisuele Regie NV, with the management of its online advertising on an exclusive basis. At November 21, 2017, Telenet held a 50% stake in Pebble Media NV.

Sponsorship

In order to promote Telenet's brand and image, Telenet regularly enters into promotion and sponsorship agreements, notably with major sports teams and/or sport players which, Telenet believes, portray its goals and values. Those contracts are usually entered into for a limited number of sport seasons and can be terminated by Telenet in a number of instances, including in case Telenet is likely to suffer reputational damages due to the sponsoree's misbehavior.

Environmental Matters

Telenet's operations are subject to a variety of laws and regulations relating to land use and environmental protection.

Legal Proceedings

Telenet is involved in a number of legal proceedings that have arisen in the ordinary course of its business, as Telenet operates in a very competitive environment. Litigation could arise in connection with, among other things, intellectual property, advertising, campaigns, product offers, and the pursuit of acquisition opportunities. Certain pending lawsuits in which Telenet is involved are described below. Other than as discussed below, Telenet does not expect the legal proceedings in which Telenet is involved or with which Telenet has been threatened to have a material adverse effect on its business or consolidated financial position. Note, however, that the outcome of legal proceedings can be extremely difficult to predict with certainty, and Telenet offers no assurances in this regard.

Legal proceedings concerning the agreement-in-principle and PICs Agreement concluded between Telenet and the PICs, Interkabel and INDI

On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the "**PICs Agreement**"), which closed effective October 1, 2008. Beginning in December 2007, Proximus, the incumbent telecommunications operator in Belgium,

instituted several proceedings seeking to block implementation of these agreements. Proximus lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle and initiated a civil procedure on the merits claiming the annulment of the agreement-in-principle. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Proximus in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Proximus brought this appeal judgment before the *Cour de Cassation* (the Belgian Supreme Court), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet in the civil procedure on the merits, dismissing Proximus' request for the rescission of the agreement-in-principle and the PICs Agreement. On June 12, 2009, Proximus appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Proximus is now also seeking compensation for damages. While these proceedings were suspended indefinitely, other proceedings were initiated, which resulted in a ruling by the Belgian Council of State in May 2014 annulling (i) the decision of the PICs not to organize a public market consultation and (ii) the decision from the PICs' board of directors to approve the PICs Agreement. In December 2015, Proximus resumed the civil proceedings pending with the Court of Appeal of Antwerp seeking to have the PICs Agreement annulled and claiming damages of €1.4 billion.

Telenet intends to defend itself vigorously in the resumed proceedings. A judgment of the Court of Appeal of Antwerp is not expected before mid-December 2017. No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the annulment of the PICs Agreement and/or to an obligation of Telenet to pay compensation for damages, subject to the relevant provisions of the PICs Agreement, which stipulate that Telenet is responsible for damages in excess of €20.0 million. There can be no assurances that the ultimate resolution of this matter will not have a material adverse impact on Telenet's results of operations, cash flows or financial position (although Telenet does not expect this to be the case). No amounts have been accrued by Telenet with respect to this matter as the likelihood of loss is not considered to be probable.

Legal proceedings regarding cable access

In December 2010, the BIPT and the regional regulators for the media sectors (together, the Belgian Regulatory Authorities) published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium. The Belgian Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (1) an obligation to make a resale offer at "retail minus" of the cable analog package available to third-party operators (including Proximus), (2) an obligation to grant third-party operators (except Proximus) access to digital television platforms (including the basic digital video package) at "retail minus", and (3) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Proximus).

In February 2012, Telenet submitted draft reference offers regarding the obligations described above, and the Belgian Regulatory Authorities published the final decision on the reference offers on September 9, 2013. Telenet has implemented the access obligations as described in its reference offers and, on March 1, 2016, Orange Belgium (formerly known as Mobistar NV) launched a commercial offer combining a cable TV package and broadband internet access for certain of their mobile customers. In addition, as a result of the November 2014 decision by the Brussels Court of Appeal described below, on November 14, 2014, Proximus submitted a request to Telenet to commence access negotiations. Telenet contests this request and has asked the Belgian Regulatory Authorities to assess the reasonableness of the Proximus request. This question is addressed in the Belgian Regulatory Authorities draft market review decisions of July 7, 2017. The timing for a decision regarding this assessment by the Belgian Regulatory Authorities is not known.

As a result of the July 2011 Decision, which imposed a retail minus pricing method, the CRC had to determine the retail minus tariffs applicable to the services referred to in the July 2011 Decision. On April 2, 2013, the CRC issued a draft decision regarding the "retail minus" tariffs of minus 35% for basic TV (basic analog and digital video package) and minus 30% for the bundle of basic TV and broadband internet services. On October 8, 2013, the European Commission received a draft quantitative decision from the CRC in which they changed the "retail minus" tariffs to minus 30% for basic TV (basic analog and digital video package) and to minus 23% for the bundle of basic TV and broadband internet services. Even though the European Commission made a number of comments regarding the appropriateness of certain assumptions in the proposed costing methodology, the CRC adopted such retail minus tariffs on December 11, 2013.

Following the adoption of the retail minus tariffs, the CRC initiated a consultative process regarding the determination of the retail minus tariffs not covered by the December 11, 2013 decision. Between May 27, 2015 and June 16, 2015, the BIPT, VRM, CSA and Medienrat started public consultations relating to their respective draft decisions reviewing the wholesale tariffs for the services for access to the cable in their respective regions. In these draft decisions, the regulators have stated that cable operators' retail offerings generally contain additional services (such as webmail, webspace, free content or content at a reduced price and access to public WiFi), which are reflected in the price of the retail offering. These additional services have been identified in the report and the regulators have aimed to identify the reference prices for these services. It was proposed that the basis for calculating the "retail minus" tariffs will be reduced accordingly, which would lead to significantly lower "retail minus" tariffs. During the public consultation process, Telenet observed that, due to the different elements taken into account by the CRC to fix the reduced wholesale tariffs, the decision was disproportionate and uncertain. The draft decision was sent for review to the European Commission and on February 19, 2016, the CRC adopted a decision implementing the July 2011 Decision and amending the initial December 11, 2013 decision establishing the retail minus tariffs. The February 19, 2016 decision on the revision of retail minus wholesale tariffs for access services to cable networks in the Brussels Capital Region amended the December 11, 2013 decision by, among other things, changing the minus determination model (excluding or taking into consideration certain elements for the determination of the retail minus tariffs) and the tariffication of decoders and modems and providing for the valuation of elements excluded from wholesale offers (WiFi access, second screen, etc.), thus reducing the applicable wholesale tariffs for access to the cable in the relevant markets (retail minus tariffs of minus 26% for basic television (basic analog and digital video package) and minus 18% for the bundle of basic television and broadband internet services during an initial two-year period. Following this two-year period, the tariffs would change to minus 15% and 7%, respectively). The February 2016 decision is addressed to Brute'le', Numericable and Telenet.

The above decisions have led to a number of proceedings and litigations. Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet's appeal of the July 2011 Decision and accepted Proximus' claim that Proximus should not be systematically excluded from access to Telenet's, among other operators', digital television platform and the resale of bundles of digital video and broadband internet services. On November 30, 2015, Telenet filed an appeal of this decision with the Belgian Supreme Court. In 2014, Telenet and wireless operator Orange Belgium each filed an appeal with the Brussels Court of Appeal against the initial retail minus decision of December 11, 2013. On April 25, 2016, Telenet also filed an appeal with the Brussels Court of Appeal challenging the February 19, 2016 retail minus decision. These proceedings against the February 19, 2016 decision have been joined by the Brussels Court of Appeal with the proceedings initiated by Telenet on February 20, 2014 against the decision of the CRC of December 11, 2013. On October 25, 2017, the Court of Appeal issued a judgment annulling both the December 11, 2013 and February 19, 2016 retail minus decisions, with effect from April 30, 2018. There can be no assurances that the decision of the Brussels Court of Appeal will not be appealed before the Supreme Court.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (1) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (2) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments.

On July 7, 2017, the BIPT published a draft decision regarding the analysis of the broadband and television broadcasting markets which it submitted for consultation. The public consultation ran until September 15, 2017, followed by a notification to the European Commission for advice by the end of 2017. In its draft decision, the BIPT defined retail markets (broadband over fixed network for residential customers, broadband over fixed network for non-residential customers, and provision of a television signal) as well as wholesale markets (local access, central access under ITU SG15 standardisation, central access under CableLabs standardization, and access to broadcasting over cable networks). For these markets, the BIPT concluded that Telenet, together with Proximus and other cable operators, such as Brute'le', Nethys and SFR, have SMP, and proposed a number of regulations to ensure effective competition and user satisfaction. These measures relate to non-discrimination, transparency and price control. In respect of price control, the BIPT proposed a methodology to replace the pre-existing retail minus methodology: (i) a cost obligation over the local and central access services over the copper network, and (ii) an obligation to apply fair tariffs for the other wholesale services (over fibre and cable), and a cost orientation obligation for the ancillary services. By "fair", the BIPT means a price which may exceed the

costs while keeping a link with costs, allowing for a reasonable margin between the cost of the product and the wholesale price. Timing for a final decision is unknown. If this draft market review decision is adopted in 2018, it will replace the July 2011 Decision.

Legal proceedings relating to Orange request for access to Coditel's network

On February 11, 2016, Orange made an official request for access to the cable network of Coditel, which was acquired by Telenet Group on June 19, 2017. On February 19, 2016, Orange transferred a sum of EUR 600,000 to Coditel as required to launch the six-month implementation period to put in place the necessary measures to give Orange access to the cable network pursuant to the July 2011 Decision. In principle, the implementation period ended on August 19, 2016. As Orange had not yet obtained effective access to Coditel's network in December 2016, Orange brought a claim for damages against Coditel on December 29, 2016 in front of the French-speaking Commercial Court of Brussels. Orange claimed to have suffered a loss of EUR 8,973 per day of delay. On January 16, 2017, Orange also initiated interim proceedings, but these have in the meantime been withdrawn.

The proceedings in front of the French-speaking Commercial Court of Brussels are still ongoing. Coditel considers that Orange has in the meantime obtained effective access to Coditel's cable network.

Cable ownership related legal proceedings

The municipality of Sint-Lambrechts-Woluwe granted the right to operate the cable network on its territory to WoluTV ASBL ("WoluTV") in 1971. Telenet provided a number of technical services to WoluTV in accordance with agreements dated February 11, 1998 (analog television) and September 3, 2007 (digital television). Telenet and WoluTV also concluded two agreements on May 7 and September 3, 2007 respectively, pursuant to which Telenet provided, in its own name and for its own account, internet and telephony services on the municipality's cable network. On December 16, 2014, WoluTV terminated the agreements with Telenet with effect on December 31, 2015.

The agreements terminated by WoluTV provide that WoluTV must compensate Telenet for all costs, damages and losses as a consequence of termination of the agreements. WoluTV has disputed that this clause is valid under Belgian law and has therefore refused to designate an expert to determine the amount of the compensation owed to Telenet. Telenet brought a claim against WoluTV before the Commercial Court of Brussels on November 10, 2015, whereby Telenet requested provisional compensation of €1 million (increased with interest), and that the Court appoint an expert to determine the compensation owed by WoluTV. The case is currently pending before the Commercial Court of Brussels.

Separately, on April 28, 2015, the municipality of Sint-Lambrechts-Woluwe decided to sell its cable network. On June 29, 2015, the municipality awarded the purchase contract to Coditel Brabant for €18 million. Telenet, who had also submitted an offer to purchase the cable network, brought an action for annulment of the municipality's decision before the Council of State. Telenet has withdrawn its action for annulment in light of the Coditel Acquisition.

Copyright related legal proceedings

The issue of copyrights and neighboring rights to be paid for the distribution of television has during the last two decades given rise to a number of litigations. Already in 1994, the Belgian Radio and Television Distributors Association (*Beroepsvereniging voor Radio-en Televisiedistributie / Union professionnelle de radio et de télédistribution*) (the "RTD", renamed afterwards to "Cable Belgium") was involved in discussions with various copyrights collecting agencies regarding the fees to be paid to the latter for the analogue broadcasting of various television programs. In November 2002, the RTD, together with certain Belgian cable operators (among which Telenet), began reaching settlements with the copyright collecting agencies and broadcasters. Pursuant to those settlement agreements, to which Telenet acceded, Telenet agreed to make certain upfront payments as well as to make increased payments over time. Consequently, in August 2003, Telenet increased the copyright fee it charges its subscribers. In July 2004, the Association for the Collection, Distribution and Protection of the Rights of the Artists, Interpreters and Performers (*CVBA Vereniging voor de inning, repartitie en de verdediging van de vertolkende en uitvoerende kunstenaars*) ("Uradex", later renamed to "Playright") filed a claim against the RTD for €55 million plus interest concerning neighboring rights owed by the members of the RTD to artists and performers represented by Uradex during the period from August 1994 through the end of July 2004.

After the roll-out of digital television, Telenet in 2006 started a judicial procedure against a number of collecting agencies. This procedure is related to a discussion between Telenet and these collecting agencies about the legal qualification of (i) simulcast (i.e. channels distributed both in analogue and in digital quality), (ii) direct injection (i.e. channels delivered to the distributor over a non-publicly accessible transmission channel) and (iii) all rights included contracts (i.e. contracts in which broadcasters engage to deliver their signals and programs after having cleared all rights necessary for the communication to the public over the distributor's networks).

On April 12, 2011, the Court of First Instance of Mechelen rendered a positive judgment in the procedure against Sabam, Agicoa, Uradex and other collecting agencies, and as part of which procedure several collecting agencies (Sabam not included) filed counterclaims against Telenet for the payment of the invoices that Telenet disputed. The Court validated Telenet's arguments in each of the claims and counterclaims that were the subject of the procedure and, as a result: (i) no retransmission fees have to be paid by Telenet in case of direct injection of a broadcaster's signal into Telenet's network, (ii) no retransmission fees have to be paid in case of simulcast of an analog and digital signal (and consequently, Telenet does not have to pay extra for the distribution of linear digital television signals) and (iii) all-rights- included contracts are deemed legally valid, which means that if Telenet agrees with a broadcaster that the latter is responsible for clearing all copyrights, Telenet is not liable towards the collecting agencies. The collecting agencies lodged an appeal (see below).

Since Sabam had not filed any counterclaim for the payment of invoices as part of the aforesaid judgment, on April 6, 2011, Sabam (not the other collecting agencies) initiated judicial proceedings before the Commercial Court of Antwerp, claiming payment by Telenet of invoices relating to (a) fees for a period from January 1, 2005 until December 31, 2010 for Telenet's basic digital television package, and (b) fee advances for the first semester of 2011 for Telenet's basic and optional digital television packages. The claims mainly related to (i) direct injection and (ii) all-rights-included contracts. Sabam's claim was based on arguments substantially similar to those rejected by the Court of First Instance in Mechelen on April 12, 2011. As discussed below, Sabam has asked the Commercial Court of Antwerp to withdraw these claims as Sabam has filed similar claims in the pending proceedings before the Brussels Court of Appeal. Simultaneously, Sabam initiated a summary procedure before the President of the Commercial Court of Antwerp, to receive provisional payment of the contested fees and fee advances. On June 30, 2011, the President of the Commercial Court of Antwerp rendered a positive judgment for Telenet in this procedure. Sabam lodged an appeal. On June 27, 2012, the Court of Appeal of Antwerp confirmed this judgment and dismissed the claim in summary proceedings of Sabam.

In the case of the appeal against the judgment of April 12, 2011 of the Court of First Instance of Mechelen, the Court of Appeal of Antwerp rendered an intermediate ruling on February 4, 2013. The Court of Appeal rejected the claims of the collecting societies with regard to simulcasting and confirmed that direct injection is a single copyright relevant operation (royalties should therefore be paid only once). The case was re-opened to allow the collecting societies to provide further proof of their actual claims. On January 20, 2014 and on May 5, 2014, respectively, Numéricable (previously Coditel) and Telenet appealed this intermediate ruling before the Supreme Court mainly because of the incorrect qualification of the fees to be paid for the communication to the public as if it would be "retransmission" rights. The Supreme Court has issued its judgment in this matter on September 30, 2016. The Supreme Court accepted the argument of Telenet that direct injection only involves a single communication to the public and therefore cannot constitute "retransmission" as this requires two communications to the public. The Supreme Court has referred the case to the Court of Appeal of Brussels, where the case has recently been activated upon request of Sabam. In the context of these proceedings Sabam has filed a counterclaim on August 29, 2017 for copyrights due as from 2005 to 2016 (all claims combined), withdrawing its claims that were pending before the Antwerp Commercial Court. In view of the complexity of the matter and the number of parties involved, it will take at least another year before a decision is rendered. Numéricable had reached a settlement with the collecting societies before, and has already withdrawn its appeal.

Telenet does not expect the ultimate resolution of this matter to have a material impact on its results of operations or financial condition.

MANAGEMENT AND GOVERNANCE OF TELENET

Board of Directors

Composition

The board of directors of Telenet Group Holding (the “**Telenet Board of Directors**”) currently consists of ten members, three of whom are independent directors. See “—*Independent Directors*”. The articles of association of Telenet Group Holding (the “**Telenet Articles of Association**”) provide that the Telenet Board of Directors can be composed of a maximum of 17 directors, three of which must be independent directors. Directors are appointed for terms of up to four years. Directors appointed upon the resignation of a director resigning before the end of the normal term period continue to serve only the remaining portion of the original appointed term before requiring re-election. A shareholder who owns a majority of the total shares issued by Telenet Group Holding, has the right to nominate at least a majority of the members of the Telenet Board of Directors.

Six of the ten directors that are currently on the Telenet Board of Directors have been appointed upon nomination of the Liberty Global Consortium. The remaining directors are its Chief Executive Officer and independent directors.

Independent Directors

The Telenet Board of Directors currently maintains three independent directors. Pursuant to the Telenet Articles of Association, independent directors are appointed by a majority of the shareholders from among candidates nominated by the majority of the members of the Telenet Board of Directors, upon advice of the Remuneration & Nomination Committee. See “—*Board Committees—Remuneration & Nomination Committee*”. Independent directors must satisfy the independence criteria of the Telenet Articles of Association and the Belgian Company Code.

Observers

The Telenet Articles of Association permit the holders of certain Golden Shares (as defined under “**Principal Shareholders of Telenet**”) of Telenet Group Holding to designate one observer to the Telenet Board of Directors, in case the MICs cease to be represented in the Telenet Board of Directors. The observer has the right to attend meetings of the Telenet Board of Directors and to receive all information provided to the Telenet Board of Directors, but is not entitled to vote and remains subject to the same confidentiality obligations as a member of the Telenet Board of Directors. Following the expiration of the mandate of Mr. André Sarens as director of Telenet at the general shareholders meeting of April 25, 2012, the MICs have requested to appoint Mr. André Sarens as observer on the Telenet Board of Directors in his personal name.

Members

As of the date of the Offering Memorandum, the members of the Telenet Board of Directors, their year of birth, and the expiry of their terms, are set out in the chart below:

Name⁽¹⁾	Year of birth	Position⁽²⁾	Term
Bert De Graeve ⁽³⁾	1955	Chairman of the Board and Independent Director	2018
Christiane Franck	1951	Independent Director	2018
Jo Van Biesbroeck ⁽⁴⁾	1956	Independent Director	2019
John Porter	1957	Chief Executive Officer and Managing Director	2021
Charles H. Bracken	1966	Director	2020
Diederik Karsten	1956	Director	2019
Manuel Kohnstamm	1962	Director	2019
Suzanne Schoettger	1968	Director	2020
Jim Ryan	1965	Director	2018
Dana Strong.....	1970	Director	2020

(1) The business address of each of the members of the Telenet Board of Directors is Neerveldstraat 105, 1200 Sint-Lambrechts-Woluwe.

- (2) With the exception of the Chief Executive Officer/Managing Director, all directors are non-executive directors.
- (3) As permanent representative of IDw Consult BVBA.
- (4) As permanent representative of JoVB BVBA.

The following paragraphs set forth biographical information regarding the members of the Telenet Board of Directors.

Bert De Graeve, Chairman of the Board and Independent Director

Bert De Graeve has been appointed as Chairman of the Board and independent director of Telenet at the annual general shareholders' meeting of April 2014. Since May 2014 Bert De Graeve is Chairman of the Bekaert Group. He started his career in 1980 with Arthur Andersen & Co and joined Alcatel Bell in 1982. In 1991 he became General Manager of Shanghai Bell Telephone Equipment Mfg. Cy in Shanghai. In 1994 he was appointed Vice President, Director Operations, Alcatel Trade International and later Director International Affairs, Alcatel Alstom in Paris. In 1996 he became Managing Director of the Flemish Public Radio & TV Broadcaster (VRT) and joined Bekaert in 2002 as CFO, to become CEO from 2006 until 2014. Bert De Graeve holds a Master in Law from the University of Ghent (1980), studied Financial Management at IPO (Antwerp) and became Master in Tax Management at VLEKHO (Brussels). Bert De Graeve is also Chairman of the Board of Managers of Telenet BVBA and the Board of Directors of Sibelco NV, Independent Director of UCB, Member of the International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC) and Member of the Board of the Concours Reine Elisabeth.

Christiane Franck, Independent Director

Christiane Franck has been the CEO of Vivaqua in Brussels since 2005, where she started her career. At Vivaqua, Ms. Franck consecutively held the positions of ICT Manager, Commercial Manager of Distribution and Secretary General. Vivaqua, specializing in water production and distribution, serves over two million in habitants throughout Belgium and federal level. Christiane Franck brings a strong level of service company experience to Telenet. Christiane Franck has a Masters in Mathematics from the University in Brussels (ULB) and is a member of the board of the ULB and a member of the advisory committee of Ethias Mutual Insurance Company.

Jo Van Biesbroeck, Independent Director

Up to 2014, Jo Van Biesbroeck has been Chief Strategy Officer of Anheuser-Busch InBev SA/NV (formerly known as InBev SA and Interbrew SA) where he also started his career in 1978. Anheuser-Busch InBev is the world's leading brewer and is amongst the world's top five companies operating consumer goods. Mr. Van Biesbroeck held various positions in controlling and finance and was Senior Vice-President of Corporate Strategy, Chief Business Development Officer, Chief Strategy and Business Development Officer, Chief Sales Officer, and Zone President Western Europe in that order. As of September 1, 2015, Jo Van Biesbroeck is manager of RSC Anderlecht. Jo Van Biesbroeck obtained a Master's degree in Economics at the Catholic University of Leuven. He is also an independent and non-executive director of Kinopolis Group NV.

John Porter, Chief Executive Officer and Managing director

For the biography of Mr. Porter, we refer to the section on Senior Management of these Listing Particulars.

Charles H. Bracken, Director

Charles H. Bracken is Executive Vice President and Chief Financial Officer for Liberty Global with responsibility for Group Finance and Treasury operations, including tax and financial planning, procurement, and facilities as well as capital allocation and finance operations of Liberty Global's largest operations, and overseeing its accounting, external reporting, Investor Relations and Corporate Responsibility functions. He is responsible for overseeing Liberty Global's business plan and its focus on customer support systems. He is an executive officer of Liberty Global and sits on the Executive Leadership Team and the Investment Committee.

Diederik Karsten, Director

Diederik Karsten has served as a director of Telenet since May 2007. He became Executive Vice President, Chief Commercial Officer for Liberty Global in August 2015. Previously Mr. Karsten served as Executive Vice President, European Broadband Operations. Before that he served as the Managing Director for Liberty Global's broadband operations in the Netherlands. Prior to joining Liberty Global, he held various management positions at PepsiCo and Procter & Gamble in the Netherlands, the United States, Germany and the United Kingdom. Mr. Karsten holds a degree in business economics from Erasmus Universiteit Rotterdam, with specializations in Marketing and Accountancy.

Dana Strong, Director

In January 2015 Dana was appointed Senior Vice President, Chief Transformation Officer at Liberty Global. In this role she is a member of the Executive Leadership Team, and works with Liberty Global's President and CEO Mike Fries on identifying the strategic and operational opportunities that will shape the future success of the business. From July 2013, Dana worked as Chief Operating Officer at Virgin Media where she oversaw a major restructure of parts of the business following Liberty Global's acquisition of Virgin Media. This followed two years as Chief Executive Officer of UPC Ireland, overseeing that operation's strong growth, improved customer satisfaction, and successful track record of product innovation. Before joining UPC Ireland, Dana served as the Chief Operating Officer of AUSTAR Communications in Australia for Liberty Global. Dana is a dual degree graduate from the University of Pennsylvania with a Bachelor of Science in Economics from The Wharton School of Business and a Bachelor of Arts in History from the College of Arts and Sciences.

Manuel Kohnstamm, Director

Manuel Kohnstamm has served as a director of Telenet since May 2007. Mr. Kohnstamm is Senior Vice President and Chief Corporate Affairs Officer for Liberty Global, responsible for regulatory strategy, government affairs and internal and external communications. Mr. Kohnstamm joined Liberty Global's predecessor in 1999 and held several positions in corporate affairs, public policy, and communications. He was appointed to his current position as an executive officer of Liberty Global in January 2012. Before he joined Liberty Global, Mr. Kohnstamm worked at Time Warner Inc., as Vice President of Public Affairs in Brussels and with the consulting group European Research Associates in Brussels. Mr. Kohnstamm has been President of the industry association Cable Europe since 2008, and a member of the Supervisory Board of Unitymedia GmbH, a Liberty Global subsidiary in Germany. Mr. Kohnstamm graduated in Political Science and holds a Doctorandus Degree in International and European law from the University of Amsterdam and a Postgraduate Degree in international relations from the Clingendael Diplomat School in The Hague. He also completed the Cable Executive Management Program from Harvard Business School, Boston (MA).

Suzanne Schoettger, Director

Suzanne Schoettger has worked with Liberty Global and its predecessors since April 1999. Currently Ms. Schoettger holds the position of Managing Director, Chief of Staff for the CEO Office. Prior to this position Ms. Schoettger held the position of Liberty Global's Chief Audit & Compliance Officer. Before that, she held various positions in financial reporting, auditing and internal controls working across Liberty Global's global footprint. Before joining Liberty Global, Ms. Schoettger worked in the audit practice of Arthur Andersen. Ms. Schoettger holds a Masters in Professional Accounting from the University of Texas at Austin and a Bachelor of Arts in Economics from Hastings College. In addition, she has completed Harvard Business School's General Management Program.

Jim Ryan, Director

Jim Ryan has served as a director of Telenet from May 2007 until April 2013. Mr. Ryan was appointed director during the shareholders' meeting of April 30, 2014 for a term of four years. Mr. Ryan has been with Liberty Global Europe Holding B.V. and its predecessors since 2000, as Managing Director of Strategy and Corporate Development until December 2011 and since January 2012, as Senior Vice President & Chief Strategy Officer, being responsible for the global strategy and strategic planning across all regions of Liberty Global's operations. He holds a degree in Politics, Philosophy and economics from St. John's College, Oxford University.

Votes of the Boards of Directors

General

In principle, the Telenet Board of Directors and Telenet BVBA Board of Managers take their decisions by simple majority of the directors/managers present or duly represented. For votes on certain matters, however, the Telenet Articles of Association impose special voting requirements, consisting of affirmative votes by certain directors. Changes to certain guarantees to the MICs on (i) price and content of the basic cable television package, (ii) the quality and the speed of the roll-out obligations for the digital platform, and (iii) provision of public services which utilize new technologies to local public administrations at cost price (the “**Public Interest Guarantees**”) require the approval of the majority of the ten Class A directors on Telenet’s Regulatory Board. See “—*Regulatory Board*”.

Compensation

The general meeting of shareholders of 26 April 2017 of Telenet Group Holding amended and approved the remuneration principles, in force as of the general meeting of shareholders of 28 April 2010, of the non-executive directors of Telenet Group Holding. Each non-executive director’s remuneration consists of an annual fixed fee, with an additional attendance fee per attended meeting of the Telenet Board of Directors. The observer and all directors, except the Chief Executive Officer and the directors appointed upon nomination of the Liberty Global Consortium, receive an annual fixed fee of €45,000 each. The chairman of the Telenet Board of Directors receives an annual fixed fee of €120,000. For each attended scheduled meeting of the Telenet Board of Directors, the observer and directors, except the Chief Executive Officer and the directors appointed upon nomination of the Liberty Global Consortium, receive an amount of €3,500 with a maximum of €24,500 per year. The directors appointed upon nomination of the Liberty Global Consortium, receive an annual fixed fee of €12,000 each. For each attended scheduled meeting of the Telenet Board of Directors, they receive an amount of €2,000. The annual fixed fees are only due if the director attends at least half of the scheduled board meetings. With respect to the committee meetings, a remuneration is foreseen for the independent directors. The chairman of the Audit Committee receives an attendance fee of €4,000 per meeting, while the other independent directors participating in the Audit Committee receive an attendance fee of €3,000 per meeting. The independent directors participating in the Remuneration and Nomination Committee receive an attendance fee of €2,000. The observer and the directors of the Liberty Global Consortium participating in committee meetings do not receive any additional remuneration. The observer to the Telenet Board of Directors is paid in the same way as the independent directors of Telenet Group Holding. In principle no additional remuneration is paid to the directors by other companies of the Telenet Group.

The CEO, who is the only executive director, is not remunerated for the exercise of his mandate as member of the Telenet Board of Directors or the board of directors of any of the other companies of the Telenet Group.

For the year 2016, the aggregate remuneration of the members of the Telenet Board of Directors (including the observer) amounted to €456,000.

None of the directors (except for the CEO of Telenet) receives: (i) variable remuneration within the meaning of the Belgian Law of April 6, 2010 and (ii) any profit-related incentives, option rights, shares or other similar fees.

Pursuant to Belgian legislation and regulations, all board members (or persons related to them or entities fully controlled by them) must report details of their (transactions in) stock options and shares of Telenet to the Belgian Financial Services and Markets Authority.

Board Committees

In accordance with the relevant legal requirements, the Telenet Board of Directors has established an Audit Committee and a Remuneration & Nomination Committee. Given the increasing impact and importance of corporate social responsibility and sustainability on Telenet’s business, the Telenet Board of Directors decided in 2013 that the design, implementation and monitoring of Telenet’s sustainability program (known as the “**LEAP program**”) will be discussed and approved at full board level. The Telenet Board of Directors also formally reviews and approves Telenet’s sustainability report and ensures that all material aspects are covered. The Telenet Board of Directors of each company may establish other committees in its own discretion. These committees are solely advisory bodies. They do not have the power to take binding decisions for Telenet Group Holding.

Audit Committee

The principal tasks of the Audit Committee include regularly convening to assist and advise the Telenet Board of Directors with respect to the monitoring of the financial reporting by Telenet and its subsidiaries, the monitoring of the effectiveness of the systems for internal control and risk management of Telenet, monitoring of the internal audit and its effectiveness, monitoring of the statutory audit of the annual accounts and the consolidated accounts including follow-up on questions and recommendations of the statutory auditor and assessment and monitoring of the independent character of the statutory auditor, taking into account the delivering of additional services to Telenet. The Audit Committee also meets at least once a year with the external auditor without the presence of the executive management.

Since the general shareholders' meeting of April 24, 2013, the Audit Committee is composed of three members, including two independent directors of Telenet, of whom one is the chairman. All members are non-executive directors. One director is appointed upon the nomination by Liberty Global. This composition conforms to article 526bis §1 of the Belgian Company Code regarding the composition of Audit Committees within listed companies, as introduced in December 2008, and the Corporate Governance Code 2009. The members of the Audit Committee as of the date of the Offering Memorandum were: Mr. Jo Van Biesbroeck (as permanent representative of JoVB BVBA), Chairman, Mrs. Christiane Franck and Ms. Suzanne Schoettger. The meetings of the Audit Committee are also attended by Mr. André Sarens in his capacity as observer of the Telenet Board of Directors.

Telenet has established a whistleblowing procedure, which has been reviewed by the Audit Committee and approved by the Telenet Board of Directors. Telenet implemented the whistleblowing procedure in December 2008. This policy allows employees of Telenet to raise concerns about possible improprieties in accounting, internal control or audit matters in confidence via a telephone line or a reporting website. The employees can remain anonymous if requested. Complaints received through the telephone line or reporting website are handled by Telenet's compliance officer and the chairman of the Audit Committee.

The chairman of the Audit Committee reports on the matters discussed in the Audit Committee to the Telenet Board of Directors after each meeting and presents the recommendations of the Audit Committee to the Telenet Board of Directors for decision-making.

Remuneration & Nomination Committee

The principal tasks of the Remuneration & Nomination Committee include formulating proposals to the Telenet Board of Directors with respect to the remuneration policy of non-executive directors and executive management (and the resulting proposals to be presented by the Telenet Board of Directors to the shareholders), the individual remuneration and severance pay of directors and executive management, including variable remuneration and long term performance bonuses, whether or not related to shares, in the form of stock options or other financial instruments (and the resulting proposals to be presented by the Telenet Board of Directors to the shareholders where applicable), the hiring and retention policy, the nomination of the CEO, assisting the CEO with the appointment and succession planning of executive management, the preparation of the remuneration report to be included in the corporate governance statement by the Telenet Board of Directors and the presentation of this remuneration report to the annual general shareholders' meeting.

Furthermore, the Remuneration & Nomination Committee's tasks include designing an objective and professional appointment procedure for directors, the periodic evaluation of the scope and composition of the Telenet Board of Directors, searching for potential directors and submitting their applications to the Telenet Board of Directors and making recommendations with respect to candidate-directors.

The Committee is composed exclusively of non-executive directors and has three members. Two members are independent directors of Telenet. The chairman of the Telenet Board of Directors also serves as chairman of the Remuneration & Nomination Committee.

The members of the Remuneration & Nomination Committee as of the date hereof were: Mr. Bert De Graeve (as permanent representative of IDw Consult BVBA), Mr. Charles H. Bracken, and Mrs. Christiane Franck.

The chairman of the Remuneration & Nomination Committee reports on the matters discussed in the Remuneration & Nomination Committee to the Telenet Board of Directors after each meeting and presents the recommendations of the Remuneration & Nomination Committee to the Telenet Board of Directors for decision-making.

Regulatory Board

The Regulatory Board oversees the compliance of the Telenet Group with the Public Interest Guarantees, which relate to its offering of digital television. The Regulatory Board consists of ten Class A directors and ten Class B directors. The Class A directors are appointed by the holders of Telenet's Golden Shares, and must include the members of the Telenet Board of Directors appointed upon nomination by the MICs. The Class B directors are nominated by the Telenet Board of Directors. All decisions of the Regulatory Board may only be taken by a majority of each of the Class A directors and Class B directors voting as a separate class.

Corporate Governance Charter

The Corporate Governance Charter of Telenet Group Holding has been updated by the Telenet Board of Directors on February 14, 2017, and can be viewed on the investors website of Telenet Group Holding (<http://investors.telenet.be>).

Senior Management

The Chief Executive Officer (“CEO”) is responsible for the daily management of Telenet. The CEO is assisted by the executive management (the “**Senior Leadership Team**”), of which he is the chairman, and that does not constitute a management committee within the meaning of article 524bis of the Belgian Company Code.

The Chief Executive Officer is authorized to legally bind Telenet acting individually within the boundaries of daily management and for specific special powers that were granted to him by the board of directors. In addition, the board of directors has granted specific powers to certain individuals within the Telenet Group. The latest delegation of powers has been published in the Annexes of the Belgian Official Journal on September 20, 2017.

Mr. Veenod Kurup, Chief Information Officer of Telenet and member of the Senior Leadership Team, took up the role of Chief Information Officer within the Liberty Organization as of 1 April 2016. Ms. Sam Lloyd replaced Mr. Kurup as Chief Information Officer of Telenet and member of the Senior Leadership Team as of 1 March 2016.

Telenet's Senior Leadership Team consists of the following individuals (including year of birth):

Name	Year of birth	Position
John Porter	1957	Chief Executive Officer and Managing Director
Birgit Conix.....	1965	Chief Financial Officer
Luc Machtelinckx.....	1962	Executive Vice President and General Counsel
Benedikte Paulissen.....	1969	Chief Customer Officer
Micha Berger.....	1970	Chief Technology Officer
Sam Lloyd	1974	Chief Information Officer
Patrick Vincent.....	1963	Chief Transformation Officer
Jeroen Bronselaer.....	1978	Senior Vice President—Residential Marketing
Martine Tempels	1961	Senior Vice President—Telenet Business
Ann Caluwaerts.....	1966	Senior Vice President—Corporate Affairs & Communication
Claudia Poels.....	1967	Senior Vice President—Human Resources
Dieter Nieuwdorp.....	1975	Senior Vice President—Strategy & Corporate Development

John Porter, Chief Executive Officer and Managing Director

John Porter is the Chief Executive Officer of Telenet Group Holding NV a Belgian public limited liability company. In this capacity, he is responsible for the day-to-day operations of Telenet, spanning over 2 million customers and accounting for EUR 2 billion of annualized revenue. Telenet's track record of substantial innovation around the customer relationship has delivered some of the lowest churn and highest net promoter scores in the industry. Prior to joining Telenet in 2013, Mr. Porter served as the Chief Executive Officer of AUSTAR United Communications Ltd., at the time a Liberty Global subsidiary and an Australian public company that was a leading provider of subscription television and related products in regional Australia. He held this position until AUSTAR was acquired by Foxtel, a joint venture between News Corporation and Telstra, in May 2012. Mr. Porter led the growth of AUSTAR since inception, becoming its CEO at the time of its 1999 initial

public offering. Previously, he served as the Chief Operating Officer for the Asia/Pacific region for a predecessor company of Liberty Global. From 1989 to 1994, Mr. Porter was President, Ohio Division, of Time Warner Communications. He started his career at Group W Broadcasting and Cable, as Director Government Relations before becoming General Manager of Westinghouse Cable Systems in Texas and Alabama. Mr. Porter serves as the Chairman and a non-executive director on the board of the publicly listed company Enero, a diversified marketing services company. Mr Porter has a Bachelor of Arts from Kenyon College.

Birgit Conix, Chief Financial Officer

Birgit Conix joined Telenet as Chief Financial Officer in October 2013. Ms. Conix has over 20 years of experience in finance across multiple industries, including fast moving consumer goods, medical devices and pharmaceuticals. Prior to joining Telenet, Ms. Conix was Regional Head of Finance for Heineken's Western European organization and a member of Heineken's Western European Management team and Global Finance Leadership team. Prior to joining Heineken in 2011, Ms. Conix held different top-level international positions at Johnson & Johnson in finance, strategy and business operations. Prior to Johnson & Johnson, she worked at Tenneco and Reed-Elsevier. Ms. Conix holds a Master of Science in Business Economics from Tilburg University in the Netherlands and an MBA from the University of Chicago Booth School of Business, USA.

Luc Machtelinckx, Executive Vice President and General Counsel

Luc Machtelinckx joined Telenet as Director Legal Affairs in February 1999. In this function, he was closely involved in the initial commercial steps, as well as the further development of Telenet's telephony and internet offerings. After the acquisition of the cable assets of the mixed intermunicipalities, Mr. Machtelinckx specialized in cable television legal affairs and more specifically, he played an important role in the iDTV project. In January 2007, Mr. Machtelinckx was appointed Vice President and General Counsel and as of January 2008 Senior Vice President and General Counsel. Since April 2009, Mr. Machtelinckx was appointed Executive Vice President and General Counsel. Prior to joining Telenet, Mr. Machtelinckx worked for 11 years at Esso Benelux in various legal and HR functions as well as for three 3 years at BASF Antwerp as Legal Manager and as Communication Manager.

Benedikte Paulissen, Chief Customer Officer

Benedikte Paulissen studied Applied Economics at the Catholic University of Leuven and obtained a post-graduate degree in European law at the UCL. She also worked for Flanders Technology International, a non-profit organization established by the Flemish government to promote technology, innovation and science. In 1998 she switched to Telenet and worked at the communication department and the marketing division to promote Telenet to the general public. In 2004, she was made responsible for all direct sales channels, including telesales and sales via indirect sales channels, including own shops, dealers and Telenet Centres. From 2011 she was also responsible for all customer service activities.

Micha Berger, Chief Technology Officer

Micha Berger joined the Telenet Group in July 2013 and he heads the activities of the Engineering Department and the Service Assurance Group as Chief Technology Officer. As of July 1, 2013, he also joined Telenet's Senior Leadership Team, reporting directly to Telenet's CEO. Mr. Berger has worked for Liberty Global since 2006, initially as Manager of the Engineering Department at UPC Nederland. As Vice President at Liberty Global since 2010, he has been responsible for the development and product roll-out of Horizon Next Generation digital TV. Mr. Berger gained his first experience in the cable industry at HOT Israel, where he was responsible for the development of the interactive digital service platform and the roll-out of video-on-demand.

Sam Lloyd, Chief Information Officer

Sam Lloyd joined Telenet in February 2016 to run the IT function for the combined Telenet and Base group. This division is responsible for running all of the IT systems across Telenet and the newly acquired Base company covering all software and hardware—including websites / Portals, Sales, CRM, Billing, OSS, middleware, BI, Big data and Enterprise / ERP. Responsibilities include all operational support and run & maintain activities, systems security, all software development, and testing of all new releases and technology. Prior to joining Telenet, Sam held the position of Director Development & Delivery at Virgin Media in the UK where she ran a team of circa 700 FTE and was accountable for all IT applications support, development and project delivery. Sam has more than 20 years' experience in the IT sector running and developing IT environments across the Utilities and Telecoms industries. In 2015 she was nominated for Woman of the Year Technology in the Worldwide 12th

Annual Stevie Awards for Women in Business held in New York, USA and achieved Silver. Sam has a degree in Business and during her career has undertaken numerous management, people leadership and negotiation training courses.

Patrick Vincent, Chief Transformation Officer

Patrick Vincent joined Telenet in September 2004 as Customer Service & Delivery Director. In 2007 he became EVP Sales & Customer operations. In 2013, Chief Customer Officer. He is currently Chief Transformation Officer in charge of the integration of the Base Company including guidance for new operating models. Mr. Vincent started his career in 1989 in the food industry as Business Unit Manager of the cash and carry division at NV Huyghebaert. From 1994 to 1998, he was responsible for the sales division and in 1998 was promoted to Commercial Director. From 2000 to 2004, he worked at Tech Data, an IT distribution & service company, as Sales Director for Belgium and Luxembourg, and in 2002 was promoted to the role of Country Manager for Belgium and Luxembourg.

Jeroen Bronselaer, Senior Vice President—Residential Marketing

Jeroen Bronselaer joined the Telenet Group in September 2010 and was first responsible for the negotiations and relations with broadcasters and content suppliers. Later he took on broader roles managing Telenet's premium sport and movie channels and was named Vice President Product Entertainment, responsible for the entire entertainment product portfolio of Telenet. In September 2015, Jeroen joined the Senior Leadership Team as Senior Vice President Residential Marketing. Prior to joining the Telenet Group, Jeroen Bronselaer worked at the Flemish public broadcaster VRT, where he started out as a TV producer but quickly evolved into more business driven roles within the Media department of VRT. Jeroen Bronselaer holds a Master degree as Commercial Engineer and Post-graduate degree in Communication from the KU Leuven.

Martine Tempels, Senior Vice President—Telenet Business

Martine Tempels joined the Telenet Group in January 2009. She is responsible for the Telenet Group's B2B division and joined the Senior Leadership Team in October 2010. Mrs. Tempels started her career as Account Manager at NCR. In 1996, Mrs. Tempels moved to EDS to become Account Manager and subsequently assumed additional responsibilities as Business Unit Manager for the financial and commercial sector. In 2007, Mrs. Tempels was appointed Application Service Executive for the Northern and Central Region EMEA. Mrs. Tempels holds a Master's degree in Business and Economics from Vrije Universiteit Brussel.

Ann Caluwaerts, Senior Vice President—Corporate Affairs & Communication

Ann Caluwaerts, Senior Vice President Corporate Affairs and Wholesale, has got more than 20 years of experience in the international telecom and local media industry. Before she began working at Telenet, Ann gained experience at BT and Lernout & Hauspie Speech Products. Her expertise is mainly focused on strategic communications, regulatory affairs, strategy development, change management, marketing and wholesale. Ann graduated as civil engineer and followed different courses at (a.o.) Insead and the London Business School. She regularly speaks at conferences and academic organizations.

Claudia Poels, Senior Vice President—Human Resources

Claudia Poels joined the Telenet Group in May 2008 as Vice President Human Resources. Since June 15, 2009, she joined the Senior Leadership Team as Senior Vice President Human Resources. Prior to joining the Telenet Group, Mrs. Poels worked since 1992 at EDS, where she gained extensive experience working within various human resources disciplines. In 2002, Mrs. Poels was promoted to HR Director of the Belgian and Luxembourg entity, and in 2006 she became the HR Operations Director for Northern Europe.

Dieter Nieuwdorp, Senior Vice President—Strategy & Corporate Development

As of May 1, 2014, Dieter Nieuwdorp joined the SLT as Senior Vice President Strategy & Corporate Development. Besides the development of the general strategy of the company and the structuring of M&A transactions and other partnerships, his function also includes the Project Portfolio Management Office and—since 2016—the New Business Department. Mr. Nieuwdorp joined Telenet in 2007 as Corporate Counsel and Corporate Secretary and became VP Corporate Counsel & Insurance in 2010. He started his career as a lawyer with Loeff Claeys Verbeke

(later Allen & Overy) in 1998. Mr. Nieuwdorp holds a Master of Law degree from KULeuven and a LL.M from the University of Pennsylvania Law School.

PRINCIPAL SHAREHOLDERS OF TELENET

The following chart identifies the principal and other holders of Telenet Group Holding's shares, as of October 27, 2017.

Name of shareholder	Number of Shares	Percentage of Shares ⁽¹⁾
Liberty Global Consortium ⁽¹⁾	66,342,037	56.54%
Blackrock, Inc	5,869,825	5.00%
Threadneedle Asset Management Limited	3,566,268	3.04%
Registered shares held by employees	374,926	0.32%
Own shares	2,252,026	1.92%
Public ⁽²⁾	38,930,541	33.18%
Total	<u>117,335,623</u>	<u>100.0%</u>

(1) The Liberty Global Consortium last notified Telenet Group Holding of its interest in the shares of Telenet Group Holding on August 18, 2017. All shares of Telenet Group Holding held by Liberty Global Consortium are currently held by Binan Investments B.V. This number includes 94,827 Liquidation Dispreference Shares. "Liquidation Dispreference Shares" are shares owned by Interkabel and the Liberty Global Consortium and which are subject to a liquidation dispreferential treatment in the case of a liquidation of Telenet Group Holding, and which can be converted into ordinary shares on the basis of a 1.04-for-1 ratio. The Liquidation Dispreference Shares are otherwise identical to and participate in the capital in the same manner as the ordinary shares, and are included in the 117,335,623 aggregate number of outstanding shares of Telenet Group Holding.

(2) This number includes 30 Golden Shares and 16 Liquidation Dispreference Shares. "Golden Shares" are shares held by each of the MICs offering them certain additional governance rights in order to supervise certain Telenet guarantees given to the MICs on provision of services, the Public Interest Guarantees; "Liquidation Dispreference Shares" are shares owned by Interkabel and the Liberty Global Consortium and which are subject to a liquidation dispreferential treatment in the case of a liquidation of Telenet Group Holding, and which can be converted into ordinary shares on the basis of a 1.04-for-1 ratio. The Golden Shares and Liquidation Dispreference Shares are otherwise identical to and participate in the capital in the same manner as the ordinary shares, and are included in the 117,335,623 aggregate number of outstanding shares of Telenet Group Holding.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS OF TELENET

Conflicts of Interest

Except as disclosed in these Listing Particulars, there are no potential conflicts of interest between any duties of the members of the administrative, management or supervisory bodies of Telenet Group Holding towards Telenet Group Holding and their private interests and/or other duties.

DESCRIPTION OF THE SENIOR CREDIT FACILITY AND THE RELATED AGREEMENTS

The following contains a summary of the material provisions of the Senior Credit Facility, the Finco Accession Agreement (together the Senior Credit Facility) and the Related Agreements. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the underlying documents. Some of the terms used herein are defined in these agreements, and the Issuer has not included all of such definitions herein.

Senior Credit Facility

Overview

On August 1, 2007, Telenet BVBA, BNP Paribas (subsequently replaced by Toronto Dominion (Texas) LLC and thereafter replaced by The Bank of Nova Scotia), as facility agent, KBC Bank NV, as security agent, the other financial institutions thereto and certain others entered into an agreement of up to €2,300,000,000 credit facilities (as amended, amended and restated or otherwise modified from time to time and most recently as amended and restated on 10 August 2017 with Telenet BVBA as the Original Borrower, the “**Senior Credit Facility**”). A copy of the Senior Credit Facility is set forth as Annex A to these Listing Particulars.

Pursuant to the Senior Credit Facility, The Bank of Nova Scotia as facility agent, and a number of banks and financial institutions, have agreed to make available to the Borrowers (as defined below) certain additional facilities, from time to time, by procuring additional lenders to accede to the Senior Credit Facility and to make available term and revolving loans, ancillary facilities and documentary credits by way of additional facilities.

Each of the 2017 Finco Accession Agreements and the New Finco Accession Agreements contain the advance consent of the Issuer, as a Telenet Lender, to certain significant amendments to the Senior Credit Facility that Telenet may request in the future. For a list of the amendments that the Issuer gives advance consent to at the time it enters the 2017 Finco Accession Agreements and the New Finco Accession Agreements, see schedules 4, 5, 6, 7, 8, 9 and 10 of Annexes B and C and schedules 4, 5, 6, 7, 8, 9 and 10 of Schedule 11 of Annexes B and C, respectively, in these Listing Particulars.

The Senior Credit Facility

Telenet BVBA, Telenet International Finance, Telenet Financing USD and Telenet Group BVBA are borrowers under the Senior Credit Facility (the “**Borrowers**”) and Telenet BVBA, Telenet International Finance, Telenet Financing USD and Telenet Group BVBA are guarantors under the Senior Credit Facility (the “**Guarantors**”).

The table below shows the term loan structure as of September 30, 2017, and does not give effect to the Q4-2017 Refinancing Transactions. See “Description of the Senior Credit Facility and the Related Agreements—Changes during 2016” and “Description of the Senior Credit Facility and the Related Agents—Changes during 2017”:

Facility	Principal	Maturity	Interest %
Borrower: Telenet International Finance	in millions		
Term Loan AB ⁽¹⁾	€530.0	July 2027	4.875% ⁽¹⁾
Term Loan AH	€1,330.0	March 2026	3.000%
Term Loan V ⁽¹⁾	€250.0	August 2024	6.750%
Revolving Credit Facility AG (undrawn) ⁽²⁾	€400.0	June 2023	2.750%
Revolving Credit Facility Z ⁽³⁾	€45.0	June 2018	2.250%
Borrower: Telenet Financing USD			
Term Loan AI	\$1,800.0	June 2025	2.750%
Term Loan AI2	\$500.0	June 2025	2.750%
Total € Facility	€2,555.0	8.0 years⁽³⁾	3.71%⁽⁴⁾
Total \$ Facility	\$2,300.0	7.8 years⁽⁴⁾	3.98%⁽⁵⁾

(1) The Term Loan AB and Term Loan V interest rates are, in each case, a fixed rate.

(2) The revolving credit facility AG can be drawn by Telenet International Finance.

(3) In the fourth quarter of 2017, revolving credit facility Z was repaid in full and cancelled.

- (4) Represents a weighted average that excludes Telenet's revolving credit facility AG, which is fully undrawn at present, as well as Telenet's revolving credit facility Z, which was repaid in full and cancelled during the fourth quarter of 2017, calculated on the basis of three-month EURIBOR of 0% (due to the 0% floor) as of September 30, 2017.
- (5) As above but in respect of three-month LIBOR of 1.234% as of September 30, 2017.

Interest Rates

Under the Senior Credit Facility, the rate of interest for each interest period in respect of each facility (except for Term Loan V and Term Loan AB which have a fixed rate) is the percentage rate per annum equal to the aggregate of an agreed margin and, in relation to any loan drawn in euro, EURIBOR, or, in relation to any loan drawn in U.S. dollars, LIBOR). Interest accrues daily from and including the first day of an interest period and is payable on the last day of the applicable interest period or if such interest period is longer than six months, at six monthly intervals from the first day of that interest period, and is calculated on the basis of a 360-day year.

Guarantees and Security

The Guarantors guarantee the obligations of the Obligors under the Senior Credit Facility (subject to certain specified guarantee limitations, including, but not limited to, the exclusion of liability to the extent that such guarantee would constitute unlawful financial assistance under applicable law). In addition, the Senior Credit Facility requires that additional members of the Group, as defined below, become guarantors under the Senior Credit Facility, where necessary in order to ensure that the aggregate EBITDA, of all borrowers and guarantors under the Senior Credit Facility (Obligors) (on an unconsolidated basis and excluding intra- group items) equal or exceed, respectively, 80% of the consolidated EBITDA (excluding for the purposes of this calculation, any EBITDA attributable to any Joint Venture (as defined in the Senior Credit Facility)) of the Group (excluding EBITDA attributable to any Joint Venture).

Security has been granted in respect of the indebtedness under the Senior Credit Facility by Telenet BVBA, Telenet Financing USD, Telenet International Finance, Telenet Group Holding NV, Telenet Vlaanderen NV and Telenet Group BVBA (the “**Existing Security Providers**”) over substantially all their assets. Such security includes:

- (a) share pledges given in respect of all the shares of Telenet BVBA, Telenet Group BVBA, Telenet International Finance and Telenet Vlaanderen NV;
- (b) non-joined (non-cumulative) mortgages granted by Telenet BVBA and Telenet Vlaanderen NV;
- (c) non-exercised mortgage mandates granted by Telenet BVBA and Telenet Vlaanderen NV;
- (d) non-joined (non-cumulative) floating charges (*pand op handelszaak/gage sur fonds de commerce*) granted by Telenet BVBA and Telenet Vlaanderen NV; a portion of floating charges have been granted in a non-joined manner (non-cumulative) with certain mortgages;
- (e) non-exercised floating charge mandates granted by Telenet BVBA and Telenet Group BVBA;
- (f) pledges on bank accounts and of all present and future receivables granted by Telenet BVBA, Telenet Group BVBA, Telenet Group Holding NV and Telenet Vlaanderen NV; and
- (g) pledges on bank accounts and of certain present and future intercompany receivables granted by the Initial Telenet Borrowers.

The non-joined (non-cumulative) floating charges (*pand op handelszaak/gage sur fonds de commerce*) consist of floating charges of (i) €1.25 billion granted by Telenet BVBA (formerly called Telenet NV) in March 2001 (€10 million), March 2002 (€375 million) and August 2002 (€865 million), (ii) €135 million granted by Telenet BVBA in May 2006, (iii) €250 million granted by Telenet BVBA (formerly called Telenet BidCo NV) in August 2002, (iv) €865 million granted by the former MixtICS NV (succeeded by Telenet BVBA) in August 2002, (v) €865 million granted by Telenet Vlaanderen NV in August 2002, (vi) €75 million granted by the former PayTVCo NV (succeeded by Telenet BVBA) in February 2004 and (vii) €75 million granted by the former Telenet Solutions NV in February 2004 (succeeded by Telenet BVBA). A portion of these floating charges have been granted in a non-joined manner (non-cumulative) with certain mortgages.

Prepayment

The Senior Credit Facility contains detailed provisions in relation to voluntary and mandatory prepayment. Such prepayments are subject to certain conditions and exceptions, and the Senior Credit Facility also contains detailed provisions regarding the order in which such prepayment proceeds are applied.

In addition to scheduled repayments of principal and interest, the Senior Credit Facility must be prepaid (each tranche in such proportion as described in the Senior Credit Facility) on the occurrence of any of the following events: (i) subject to certain exceptions which are more fully set out in the Senior Credit Facility, a change of control of Telenet Group Holding NV (being the Common Holding Company) followed by a request for repayment from the Facility Agent to, acting on the instructions of the Majority Lenders by not less than 30 Business Days' notice; (ii) if it becomes illegal for a Lender to perform any of its obligations relating to the Senior Credit Facility (in which case, that Lender must be prepaid); or (iii) with the net proceeds of a Permitted Disposal as defined therein (and subject to certain conditions). Any mandatory prepayment is to be applied firstly against the term loans, secondly against the revolving credit facilities (in the order of revolving of revolving loans followed by documentary credit outstandings and thirdly against repayment of any ancillary facility outstandings, in each case in such proportions as the relevant Borrower stipulates or, if the relevant Borrower fails to stipulate, *pro rata*.

Further, the indebtedness under the Senior Credit Facility may be voluntarily prepaid in whole or in part, on giving at least three business days' prior written notice (or such other period as may be agreed between Telenet BVBA and the Facility Agent), in a minimum amount of €5,000,000 and in integral multiples of €1,000,000, without premium or penalty but subject to break funding costs.

Undertakings

The Senior Credit Facility contains certain undertakings that, subject to certain customary and other agreed exceptions, limit the ability of each Obligor and, in certain cases, each Group member, to, amongst other things:

- incur, create or otherwise permit to be outstanding, any Financial Indebtedness;
- reduce its capital or purchase or redeem any class of its shares or any other ownership interest in it;
- create or permit to subsist any Security Interest on or over the whole or any part of its present or future assets, rights or revenues to secure or prefer any present or future Financial Indebtedness of any member of the Group or any other person;
- dispose of all or any part of its assets;
- make acquisitions or merge or consolidate with another company or person;
- grant or make any loans, any credit or any guarantees or enter into any transaction having the effect of lending money to any person;
- amend its constitutional documents in a manner that would or would be reasonably likely to materially adversely affect any charge or pledge granted over the shares or partnership interest of any member of the Group in connection with the Senior Credit Facility;
- declare, make or pay any dividend on or make any distribution or pay any other amounts in respect of, or redeem its share capital, capital stock or other securities to any affiliate of the borrower, other than to a member of the Group;
- make any payment of principal or interest on any loans, or any direct or indirect distribution dividend or other payment on account of any class of share capital to any Affiliate (as defined therein) of Telenet which is not a member of the Group;
- enter into any interest rate or currency swaps or other hedging arrangements other than as permitted under the Senior Credit Facility;

- issue any shares of any class to any person unless those shares are subject to security in favor of the Lenders; or
- liquidate on a solvent basis.

In addition, the Senior Credit Facility also requires each Obligor to observe certain affirmative undertakings subject to materiality and other customary and agreed exceptions.

Principal Terms and Tranches

1. **Borrowers** The Borrowers together with any member of the Group which becomes an “Additional Borrower”.
2. **Guarantors** The Guarantors. Additionally, Telenet BVBA shall procure that the aggregate earnings before interest, tax, depreciation and amortization of the Borrowers and Guarantors (the “**Obligors**”) (on an unconsolidated basis and excluding intra-group items) equal or exceed, respectively 80% of the consolidated EBITDA (excluding for the purposes of this calculation, any EBITDA attributable to any Joint Venture (as defined in the Senior Credit Facility)) of Telenet (excluding intra-group items) at the end of each financial year and tested by reference to annual financial information.
3. **Group** Group means Telenet BVBA and its Subsidiaries and any Permitted Affiliate Parent (currently Telenet Group BVBA) and its subsidiaries from time to time excluding “Group Excluded Subsidiaries”, provided that at any time after a Group Redesignation Notice has been delivered to the Facility Agent, the Group shall also include each New Group Topco and its Subsidiaries, other than Group Excluded Subsidiaries.
4. **Facility Agent** The Bank of Nova Scotia.
5. **Security Agent** KBC Bank NV.
6. **Majority Lenders** Lenders whose share in the outstanding Utilisations and whose undrawn commitments then aggregate 66 2/3% (two thirds) or more of the aggregate of all the outstanding Utilisations and the undrawn commitments of all the Lenders.
7. **Material Adverse Effect** Any event or circumstance, which has a material adverse effect on the ability of the Obligors (as a whole) to perform their payment under any of the Finance Documents (as defined therein) (a “**MAE**”).
8. **Additional Facilities** There have been a number of “Telenet Additional Facilities” provided under the Senior Credit Facility previously and there are currently 5 Telenet Additional Facilities outstanding. For further details, please refer to “—*Overview*” above.

Any person may become a Lender under the Senior Credit Facility by delivering to the Facility Agent a Telenet Additional Facility Accession Agreement (a “**Telenet Additional Facility Accession Agreement**”), which must be duly executed by that person, the Facility Agent and the Security Agent. That Lender will grant to the relevant Borrower a term loan or revolving loan facility (which may include any Ancillary Facility or Documentary Credit) (the “**Additional Facility**”) in the amount specified in the Telenet Additional Facility Accession Agreement in euros or U.S. dollars. Upon the relevant person becoming a Lender, the total commitments under the Senior Credit Facility shall be increased by the amount in the Telenet Additional Facility Accession Agreement. The aggregate principal amount of the proposed Additional Facility shall not exceed the aggregate of the sum of:

- (i) an unlimited amount, provided that (A) the Net Senior Debt to Consolidated Annualised EBITDA is equal to or less than 4.50:1 and (B) the Net Total Debt to Consolidated Annualised EBITDA is equal to or less than 5.50:1 (excluding any Holdco Debt) and 6.00:1 (including any Holdco Debt);
- (ii) if the proceeds of the Additional Facility are being used to refinance existing indebtedness that ranks *pari passu* or senior, an amount equal to the accrued interest, premiums and other amounts owing or paid relating to such existing indebtedness together with related fees and expenses; and
- (iii) any amount of Financial Indebtedness that does not exceed the greater of €200,000,000 and 5.00% of Total Assets at any time outstanding,

provided, that (x) any Additional Facility may be incurred under any of the above paragraphs as selected by Telenet BVBA, in its sole discretion, (y) Telenet BVBA may elect to incur Additional Facilities under paragraph (i) prior to using amounts available under paragraph (iii) and (z) amounts incurred pursuant to paragraph (iii) substantially concurrently with amounts incurred pursuant to paragraph (i) will not count as Financial Indebtedness for the purposes of calculating Net Senior Debt and Net Total Debt (the “**Additional Facilities Cap**”).

There shall be no limit on the aggregate principal amount of any proposed Telenet Additional Facility (a “**Refinancing Additional Facility**”) established in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole, or in part, existing Advances or Commitments (the “**Refinanced Debt**”), provided that if the obligations under the Refinancing Additional Facility do not rank equal to or junior to such existing Advances or Commitments, the principal amount of the Refinancing Additional Facility shall not exceed the Additional Facilities Cap. A Refinancing Additional Facility may only be established if:

- (i) it provides for Additional Facility Commitments which are in an aggregate principal amount that is not less than €1,000,000 in the case of any Revolving Facility and €15,000,000 in the case of any Term Facility provided that such amount may be less than €1,000,000 and €15,000,000, respectively, if such amount is equal to the entire outstanding principal amount of the Refinanced Debt;
- (ii) in the case of Refinancing Additional Facilities which are not Revolving Facilities (a) it does not have a final maturity date earlier than the applicable maturity date of the Refinanced debt, (b) it does not have a Weighted Average Life to Maturity shorter than the Weighted Average Life to Maturity of the Refinanced debt, (c) if it ranks junior in right of security, it participates on a junior basis with respect to voluntary prepayments or cancellations and mandatory prepayments of term loans, (d) it does not have a greater principal amount than the principal amount of the Refinanced Debt plus accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees, expenses, OID and upfront fees associated with the refinancing the Refinanced Debt, (e) it ranks *pari passu* or junior in right of payment with any Telenet Additional Facility Commitments which are senior in right of payment and shall rank *pari passu* or junior in right of Security with the Telenet Additional Facility Commitments which are secured on a first ranking basis in accordance with the terms of the Intercreditor Agreement or other intercreditor agreement or arrangement reasonably satisfactory to

the Borrower and the Facility Agent, and (f) it is subject to the Intercreditor Agreement;

- (iii) in the case of Refinancing Additional Facilities which are Revolving Facilities (a) it ranks *pari passu* or junior in right of payment with the Telenet Additional Facility Commitments that are senior in right of payment and shall rank *pari passu* in right of Security with the Telenet Additional Facility Commitments which are secured on a first ranking basis, (b) it does not have a final maturity date or commitment reduction date earlier than the final maturity date or commitment reduction date in respect of the Refinanced Debt, (c) borrowing and repayment (other than the exceptions listed therein) shall be made on a pro rata basis or less than a pro rata basis (but not more than a pro rata basis) with all other Revolving Facilities then existing, (d) it provides that assignments and participations of Refinancing Additional Facilities that are Revolving Facilities shall be governed by the same assignment and participation provisions applicable to the Revolving Facilities then existing, (e) it does not have a greater principal amount of Additional Facility Commitments than the principal amount of the Refinanced Debt and accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees, expenses, OID and upfront fees associated with the refinancing of the Refinanced Debt, and (f) it shall be subject to the Intercreditor Agreement.

9. Purpose

Facilities AB, AH, AI and AI2 were used to repay certain tranches under the Senior Credit Facility and for general corporate purposes. Revolving Credit Facility Z was issued for the financing of the acquisition of BASE Company NV (currently Telenet Group BVBA) and its Subsidiaries and for general corporate purposes and/or working capital purposes and Revolving Credit Facility AG was issued for general corporate purposes and/or working capital purposes of the Group. The Revolving Credit Facility AG remains undrawn. Revolving Credit Facility Z was repaid in full and cancelled during the fourth quarter of 2017.

10. Final Maturity Date

The Final Maturity Date for each Facility is as follows:

Term Loan AB — July 15, 2027

Term Loan V—August 15, 2024

Term Loan AH — March 31, 2026

Term Loan AI — June 30, 2025

Term Loan AI2 — June 30, 2025

Revolving Credit Facility AG — June 30, 2023

Revolving Credit Facility Z — June 30, 2018

Revolving Credit Facility Z was repaid in full and cancelled during the fourth quarter of 2017. As of the date of the Offering Memorandum, all other tranches have been repaid.

11. Interest

Except for Term Loan V and Term Loan AB, under the Senior Credit Facility the rate of interest for each advance (for an interest period (i) for any revolving facility between 1 day to 30 days or 1, 2, 3 or 6 months or such other period of up to 12 months or agreed by the Majority Lenders in respect of that facility and (ii) for a term facility 1, 2, 3 or 6 months or such longer

period of up to 12 months as the Majority Lenders under that facility may agree) is expressed to be the rate per annum determined by the Facility Agent to be the aggregate of:

- (a) the applicable margin; and
- (b) LIBOR in the case of an advance denominated in U.S. dollars or other currency or EURIBOR in the case of an advance denominated in euros;

The margin for each Facility is as follows:

Term Loan AH — 3.000%

Term Loan AI — 2.750%

Term Loan AI2 — 2.750%

Revolving Credit Facility AG — 2.750%

Revolving Credit Facility Z — 2.250%

Revolving Credit Facility Z was repaid in full and cancelled during the fourth quarter of 2017.

The interest rate in relation to Term Loan V and Term Loan AB is a fixed rate of 6.25%, 6.75% and 4.875%, respectively.

Interest is payable on the last day of each interest period. Default interest for unpaid amounts shall be 1% above the standard margin level.

12. EURIBOR/LIBOR

In relation to Term Loan AH, Term Loan AI, Term Loan AI2, Revolving Credit Facility AG and Revolving Credit Facility Z, the respective EURIBOR/LIBOR floor shall be zero. Revolving Credit Facility Z was repaid in full and cancelled during the fourth quarter of 2017.

Term Loan V and Term Loan AB are fixed rate facilities so no EURIBOR/LIBOR floor is relevant.

13. Repayment

The repayment profile of each Facility is as follows:

Term Loan AB—in full on July 15, 2027

Term Loan AH—in full on March 31, 2026

Term Loan AI—in full on June 30, 2025

Term Loan AI2—in full on June 30, 2025

Revolving Credit Facility AG—in full June 30, 2023

Revolving Credit Facility Z—in full on June 30, 2018

Revolving Credit Facility Z was repaid in full and cancelled during the fourth quarter of 2017. As of the date of the Offering Memorandum, all other tranches have been repaid.

14. Mandatory Prepayment

Mandatory prepayment and cancellation of a Loan is required in the circumstances set out in greater detail in the Senior Credit Facility, including in the circumstances described below:

- (a) upon notice from a Lender that it is unlawful in any applicable jurisdiction for that Lender to perform any of its obligations under a Finance Document or to fund or maintain its share in any Loan or Utilisation under an ancillary facility. Each Borrower must prepay the share of that Lender in each Loan or Utilisation under an ancillary facility made to it on the last day of the current term of that Loan or Utilisation or an earlier date if specified by the Lender;
- (b) if so instructed by the Majority Lenders, the Facility Agent shall cancel all commitments and make all outstanding Loans due and payable if (i) the Controlling Company: (A) ceases to be the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of the Telenet BVBA or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent; and (B) ceases, by virtue of any powers conferred by the articles of association or other documents regulating Telenet BVBA or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, as applicable, to, directly or indirectly, direct or cause the direction of management and policies of Telenet BVBA or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, as applicable (subject to certain carve outs for certain forms of permitted reorganization and spin-offs); (ii) the disposition of all or substantially all of the assets Telenet BVBA a Permitted Affiliate Parent (after any Permitted Affiliate Group Designation Date) and the Restricted Subsidiaries (taken as a whole) other than where the transfer is to certain “Permitted Holders” (other than as a result of the transfer of receivables to any Asset Securitisation Subsidiary); or (iii) at any time after a Permitted Affiliate Group Designation Date, any Permitted Affiliate Holdco ceases to be the beneficial owner directly or indirectly of 100% of the total voting power of the voting stock of any Permitted Affiliate Parent.

No Change of Control shall arise as a result of the events listed at (b)(i) to (b)(iii) above upon the liquidation on a solvent basis of a Permitted Affiliate Holdco provided that:

- (1) 100% of the shares in the relevant Permitted Affiliate Parent continue to be pledged in favour of the Finance Parties on a first ranking basis without any material adverse effect to the Finance Parties;
- (2) the successor Permitted Affiliate Holdco is not organized in a jurisdiction which would result in a materially adverse effect on the ability of the Finance Parties to enforce the share pledge over the shares in the relevant Permitted Affiliate Parent; and
- (3) the successor Permitted Affiliate Holdco is the sole shareholder of the relevant Permitted Affiliate Parent provided that to the extent a Permitted Affiliate Parent is a Belgian limited liability company it may have a second shareholder organized in a jurisdiction that does not result in a materially adverse effect on the ability of the Finance

Parties to enforce their security over all of the shares in the Permitted Affiliate Parent.

No Change of Control shall arise as a result of the events listed at (b)(i) to (b)(iii) above as a result of any sale, lease, transfer or other disposition of 100% of the shares in a Permitted Affiliate Parent provided that such sale, lease, transfer, conveyance or other disposition falls within one or more of the paragraphs of the definition of Permitted Disposal.

- (c) upon the receipt of proceeds from certain Permitted Disposals, Telenet shall prepay an amount of the facilities which is the lesser of (i) the amount of the Net Proceeds of such disposal; and (ii) an amount so as to ensure that if the Net Total Debt to Consolidated Annualised EBITDA would not be greater than the maintenance covenant ratio pro forma for such disposal,

no prepayment is required where:

- (i) the amount of such prepayment would be less than the greater of €200,000,000 and 5% of Total Assets; or
- (ii) it relates to the first €200,000,000 (or if greater an amount equal to 5% of Total Assets) of each Content Transaction;
- (iii) the amount that would be required to be prepaid is instead reinvested in assets (including acquisitions, permitted capital expenditure, operational expenditure and permitted joint ventures). Any amount not reinvested within 12 months (or contracted to be reinvested within 12 months and reinvested within 18 months) (the "Reinvestment End Date") will be applied in prepayment of the facilities; or
- (iv) provided that there shall be no requirement to make a prepayment if the financial ratio was not required to be tested for the most recent Measurement Period ending prior to the receipt of such disposal proceeds.

Any prepayment of the Additional Facilities from disposal proceeds will be applied first against the term loan facilities in such proportion as may be specified by Telenet, and second against any revolving facilities in such proportion as may be specified by Telenet BVBA or, if Telenet BVBA fails to specify a proportion, pro rata against the term loan facilities.

15. Voluntary Prepayment

Voluntary prepayment of any loan by Telenet BVBA is permitted at any time on not less than three business days' prior notice, or such other period as may be agreed between Telenet BVBA and the Facility Agent (such notice to be irrevocable) and in a minimum amount of €5,000,000 and an integral multiple of €1,000,000.

16. Cancellation

Any unutilized amount of the total commitments may be cancelled by Telenet BVBA, in whole or in part, at any time on not less than three business days' prior notice, or such other period as may be agreed between Telenet BVBA and the Facility Agent (such notice to be irrevocable).

Partial cancellation must be in a minimum amount of €5,000,000 and an integral multiple of €1,000,000. No premium or penalty shall apply in respect of any repayment save for break costs and amounts cancelled may not be reinstated.

The undrawn amount of any commitment under any facility shall be automatically cancelled at the close of business on the last day of the availability period of that facility.

If any sum payable to any Lender or Ancillary Facility Lender or L/C Bank by an Obligor is required to be increased under the tax gross up provisions in the Senior Credit Facility, any Lender or Ancillary Facility Lender or L/C Bank claims indemnification from Telenet or a Borrower under the tax indemnity provisions in the Senior Credit Facility or any Lender or Ancillary Facility Lender or L/C Bank invokes the market disruption provisions of the Senior Credit Facility or seeks mandatory prepayment as a result of any illegality, where such circumstances relate to a Lender, Telenet BVBA may arrange for the transfer and assignment of the whole (at par only) of that Lender's Commitment in the Utilisations to a new or existing Lender willing to accept that transfer or assignment.

17. Security

Security has been granted by the Existing Security Providers over substantially all their assets and includes:

- (a) share pledges given in respect of all the shares of Telenet BVBA, Telenet Group BVBA, Telenet International Finance and Telenet Vlaanderen NV;
- (b) non-joined (non-cumulative) mortgages granted by Telenet BVBA and Telenet Vlaanderen NV;
- (c) non-exercised mortgage mandates granted by the Telenet BVBA and Telenet Vlaanderen NV;
- (d) non-joined (non-cumulative) floating charges granted by Telenet BVBA and Telenet Vlaanderen NV; a portion of floating charges have been granted in a non-joined manner (non-cumulative) with certain mortgages;
- (e) non-exercised floating charge mandates granted by Telenet BVBA and Telenet Group BVBA;
- (f) pledges on bank accounts and of all present and future receivables granted by Telenet Group Holding NV, Telenet BVBA, Telenet Group BVBA and Telenet Vlaanderen NV; and
- (g) pledges on bank accounts and of certain present and future intercompany receivables granted by the Initial Telenet Borrowers.

See “*Description of the Senior Credit Facility and the Related Agreements—Guarantees and Security*”.

18. Representations and Warranties

Usual representations and warranties package for this type of agreement (subject to agreed exceptions, materiality and material adverse effect qualifications and disclosures as detailed in the Senior Credit Facility), given by each Obligor, or where applicable, Telenet BVBA, to the finance parties, in respect of itself and, where applicable, Group members, including, but not limited to:

- (a) status and due incorporation;
- (b) power and authority to perform obligations under the Finance Documents;

- (c) legal validity of the Finance Documents, recognition of choice of law and recognition of jurisdiction and judgments;
- (d) execution and performance of the Finance Documents does not violate any laws, constitutional documents or other documents;
- (e) all necessary licenses and authorizations are in full force and effect;
- (f) no event of default under any other agreement;
- (g) the financial statements delivered give a true and fair view of (if audited) or fairly represent (if unaudited) the financial condition of the Obligors (consolidated, if applicable) as the date to which they were drawn up and have been prepared in all material respects in accordance with IFRS or GAAP;
- (h) all necessary environmental licenses have been acquired and complied with, environmental law compliance and no material environmental claims;
- (i) no litigation or similar proceedings;
- (j) ownership, maintenance and non-infringement of intellectual property rights;
- (k) ownership of assets necessary to conduct business;
- (l) relevant United States regulations compliance;
- (m) anti-terrorism laws;
- (n) non-engagement in business of extending credit for purchasing or carrying margin stock;
- (o) ERISA compliance; and
- (p) compliance with U.S. Investment Company Act of 1940, as amended.

The representations and warranties listed above other than (d), (e), (f), (h), (i), (j), (k), (l), (m) and (p) are deemed to be repeated by each relevant Obligor on the date of each request and on each utilization date with reference to the facts and circumstances then existing.

19. Non-Financial Undertakings

Customary for this type of agreement (subject to agreed exceptions, materiality and MAE qualifications and disclosures as detailed in the Senior Credit Facility), binding on each Obligor in respect of itself and, where applicable, its subsidiaries which are members of the Group, including, but not limited to:

- (a) timely delivery of information in relation to the Group, including:
 - (i) audited consolidated financial statements of the Reporting Entity, as soon as available and within 150 days of financial year end;
 - (ii) unaudited quarterly management accounts of the Reporting Entity, as soon as available and within 60 days of the end of each financial quarter respectively or, in the case of

fourth quarter management accounts, within 150 days of each such financial quarter;

- (iii) a compliance certificate with each set of its financial statements if, as at the last day of a Measurement Period ending on the date of such financial statements, the aggregate of the Telenet Additional Facility Outstandings under each Revolving Facility (other than Documentary Credits that are cash collateralised and undrawn) and any net indebtedness under each Ancillary Facility exceeds an amount equal to 33⅓ per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment; and
 - (iv) a schedule containing the components and amounts of Holdco Debt;
- (b) to the extent that material differences exist between the business, assets, results of operations or financial condition of (i) the Reporting Entity and (ii) the Group (excluding, for the avoidance of doubt, the effect of any intercompany balances between the Reporting Entity and any member of the Group), Telenet BVBA shall provide to the Facility Agent, together with the financial statements delivered under paragraph (a) above, in sufficient copies for all the Lenders, the Group Reconciliation (provided however, that to the extent the Group Reconciliation is filed on the SEC's website or Telenet BVBA's website, such Group Reconciliation shall be deemed supplied to the Facility Agent in sufficient copies for all the Lenders).
 - (c) notice of default, notice of material non-compliance with any law or regulation relating to an ERISA plan and at any time while an event of default is continuing or the agent has reasonable grounds to believe that an event of default may exist, access to properties, books and records, principal officers and auditors;
 - (d) obtain, maintain, comply and renew all necessary licenses, filings, consents and authorizations required to perform its obligations under the finance documents and ensure that no necessary authorizations or licenses are revoked;
 - (e) pari passu ranking of payment obligations;
 - (f) negative pledge;
 - (g) compliance in all material respects with applicable laws, regulations and rules;
 - (h) disposals restriction;
 - (i) restriction on mergers and acquisitions;
 - (j) restriction on incurring financial indebtedness;
 - (k) restriction on the payment of dividends and distributions, principal or interest on any loan and the transfer of any assets other than permitted payments (payments of principal and interest on shareholder loans or dividends or other distributions or payments if the ratio of Net Total Debt to Consolidated Annualized EBITDA is 5.00:1 or less (before and after such payment) and no default or

event of default has occurred and is continuing or would occur as a result of such payment);

- (l) restriction on entry into any transactions other than Permitted Payments;
- (m) restriction on loans and guarantees and other extensions of credit granted or issued for the benefit of persons who are not members of the Group;
- (n) compliance with environmental laws, obtaining all requisite environmental approvals and compliance with all environmental licenses and obligations, notification of any claim under applicable environmental law;
- (o) maintenance of insurance cover;
- (p) maintenance, protection, preservation, of intellectual property rights;
- (q) restriction on reduction, purchase or redemption of any class of shares or other ownership interest;
- (r) restrictions on the issue of shares by members of the Group;
- (s) restricted persons to enter into a pledge of subordinated shareholder loans and security provider's deed of accession, before making any financial indebtedness available to the group;
- (t) restrictions on amendments to the constitutive documents of members of the Group that have their shares pledged in favour of the Lenders; and
- (u) compliance with ERISA.

20. Financial Covenant

The Senior Credit Facility requires that in the event that on the last day of a Measurement Period the aggregate of the Telenet Additional Facility Outstandings under any Revolving Facility (other than Documentary Credits that are cash collateralised or undrawn) and any net indebtedness under each Ancillary Facility exceeds an amount equal to 33 ⅓ per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment (the “**Test Condition**”), Telenet BVBA shall procure that the ratio of Net Total Debt to Consolidated Annualised EBITDA for each Measurement Period is not greater than 6.00:1 unless otherwise agreed in writing by the Composite Revolving Facility Instructing Group and Telenet BVBA.

In circumstances where the Test Condition is not met in any Measurement Period (the “**First Measurement Period**”) but is complied with when tested for the next Measurement Period (the “**Second Measurement Period**”), then, the prior breach of such financial covenant or any Event of Default arising therefore shall not directly or indirectly constitute or result in a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or Event of Default unless the Facility Agent has taken action under Clause 22.18 (*Maintenance Covenant Revolving Facility Acceleration*) of the Senior Credit Facility before the delivery of the financial statements in respect of the Second Measurement Period.

Telenet may, subject to certain limitations set forth in the Senior Credit Facility, cure a breach of the financial ratios by procuring that additional

equity is injected into the Group by one or more Restricted Persons and/or additional Subordinated Shareholder Loans are provided by the Group.

21. Events of Default

Customary for this type of agreement, including without limitation (and subject to agreed exceptions, thresholds, materiality and material adverse effect qualifications and grace periods):

- (a) non-payment under the finance documents;
- (b) breach of covenants or breach of other provisions of the Finance Documents;
- (c) a representation or warranty is incorrect in any material respect;
- (d) cross default and cross-acceleration:
 - (i) non-payment of financial indebtedness by a member of the Group any Permitted Affiliate Holdco or Telenet Group Holding;
 - (ii) any financial indebtedness of the Group any Permitted Affiliate Holdco or Telenet Group Holding is prematurely due and payable or placed on demand or capable of being declared to be prematurely due and payable or of being placed on demand in each case as a result of an event of default or any provision having similar effect; or
 - (iii) any commitment for financial indebtedness of the Group any Permitted Affiliate Holdco or Telenet Group Holding is cancelled or suspended as a result of an event of default;
- (e) insolvency, bankruptcy, winding up, moratorium, administration, enforcement proceedings, assignment for the benefit of creditors or similar, of any Obligor or Material Subsidiary;
- (f) any formal voluntary steps towards insolvency proceedings, any meetings or filing in connection with such proceedings, any petition for winding-up or similar, or the appointment, or request of appointment, of liquidator, administrator, receiver or similar in respect of any Obligor or Material Subsidiary;
- (g) enforcement of a creditor's process against any Obligor or Material Subsidiary;
- (h) unlawfulness of performance of obligations under the Finance Documents or the repudiation of any Finance Document;
- (i) cessation of business by an Obligor or member of the Group;
- (j) breach of the terms of the Intercreditor Agreement by any Obligor, member of the Group or a Subordinated Creditor (as defined in the Intercreditor Agreement);
- (k) loss, breach or failure to renew material licenses;
- (l) event or series of events reasonably likely to have an MAE; and

- (m) certain ERISA events.
 - (n) the Composite Revolving Facility Instructing Group directs the Facility Agent to take any action in accordance with Clause 22.18 (Maintenance Covenant Revolving Facility Acceleration) of the Senior Credit Facility as a result of a breach of the financial covenant set out in Clause 20.2 (Net Total Debt to Consolidated EBITDA) of the Senior Credit Facility.
- 22. **Tax**

All payments must be made free and clear of any taxes, deductions or withholdings unless required by law. Borrower to gross-up if necessary with respect to a Lender that is a Qualifying Lender and Lenders to reimburse any tax credit received as a result. If any gross-up is necessary, Borrower may, while the requirement continues, give notice requesting prepayment and cancellation in respect of the relevant Lender.
- 23. **Amendments and Waivers**

Any term of the Finance Documents can be amended or waived only with the consent of the Majority Lenders and Telenet. However certain waivers and amendments require the consent of all Lenders: these include, without limitation, waivers and amendments relating to extensions of maturity, reduction in fees, margin, principal or any other amount payable to a Lender and increasing additional facility commitments. Telenet can request that Lenders take a transfer of the rights and obligations of a non-consenting Lender. Any non-consenting Lender is required to transfer its rights and obligations to Lenders who agree to accept such a transfer.
- 24. **Transferability**

Obligors restricted from transferring or assigning their interests under the Finance Documents without the prior consent of all Lenders.

Lenders can transfer (by way of novation) their rights and obligations under the Finance Documents at any time subject to the following:

 - (a) partial transfer must be in a minimum amount of €2,000,000 or \$2,000,000 (in the case of participations in Advances denominated in euro or U.S. Dollars, respectively) (or if less, the aggregate of the commitments of the existing lender and other existing lender that is managed or controlled by the same investment manager, subject to a threshold of €1,000,000);
 - (b) prior consent (not to be unreasonably withheld or delayed) of Telenet required unless transfer is to another Lender, an affiliate of a Lender or an event of default is outstanding;
 - (c) transfer effected by novation certificate duly executed by the parties and the Facility Agent and the new lender and particulars concerning the transferred interests are entered into the register; and
 - (d) €2,500 fee.

The existing Lender is not responsible to the new Lender and the new Lender confirms it has carried out its own appraisal of the Obligors. No restriction on sub-participations.
- 25. **Law**

English.
- 26. **Miscellaneous**

The Senior Credit Facility is subject to the non-exclusive jurisdiction of the English courts and contains service of process, waiver of immunity and waiver of trial by jury clauses.

Changes during 2016

The Telenet Group completed the acquisition of BASE Company NV (currently Telenet Group BVBA) on February 11, 2016. On such date, BASE Company NV acceded to the terms of the Senior Credit Facility as an Additional Borrower and Additional Guarantor and provided security in favour of the Finance Parties. Base Company NV was designated as a Permitted Affiliate Parent for purposes of the Senior Credit Facility and therefore became part of the Group, together with its direct and indirect subsidiaries.

The Telenet Group subsequently carried out an international reorganization in view of BASE Company NV's integration in the Group. On April 27, 2016, Telenet BVBA and BASE Company NV were both converted into a Belgian private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid / société privée à responsabilité limitée*) and BASE Company NV was renamed Telenet Group BVBA. Telenet Service Center BVBA was liquidated, pursuant to which its shares of Telenet BVBA were transferred to Telenet Group Holding NV.

On August 4, 2016, Telenet Group Holding NV partly sold and partly contributed its shares of Telenet BVBA to Telenet Group BVBA. As a result, Telenet Group BVBA has become the direct parent company of Telenet BVBA and Telenet BVBA has become an indirect subsidiary of Telenet Group Holding NV.

On May 2, 2016 Telenet Finance USD LLC acceded to the terms of the Senior Credit Facility as an Additional Borrower and Additional Guarantor and provided security in favour of the Finance Parties under an all asset security agreement governed by New York law.

On May 2, 2016, Telenet Financing USD LLC, a newly incorporated entity existing under the laws of the State of Delaware for the purpose of acceding to the Senior Credit Facility as an Additional Borrower in respect of U.S. dollar denominated debt, entered into a U.S. Dollar denominated floating rate additional term loan facility in an aggregate principal amount of \$850.0 million under the Senior Credit Facility ("**Facility AD**"). Facility AD was due to be repaid on June 30, 2024 and was priced with margin of 3.75% over LIBOR. The proceeds of Facility AD were used to prepay and cancel in full the outstanding debt under the Telenet Additional Facility O Accession Agreement dated 15 February 2011 owing to Telenet Finance III Luxembourg S.C.A as the Facility O Lender and the outstanding debt under the Telenet Additional Facility P Accession Agreement dated 15 June 2011 owing to Telenet Finance IV S.C.A. as the Facility P Lender.

On November 3, 2016, Telenet International Finance S.à r.l entered into a euro denominated floating rate additional term loan facility in an aggregate principal amount of €1,600.0 million under the Senior Credit Facility ("**Facility AE**"). Facility AE was due to be repaid on January 31 2025 and was priced with margin of 3.25% over EURIBOR. The proceeds of Facility AE were used to prepay and cancel in full the outstanding debt under the Telenet Additional Facility AA Accession Agreement dated 7 May 2015 owing to the Telenet Additional Facility AA Lenders (as defined therein), the Telenet Additional Facility W Accession Agreement dated 9 April 2014 owing to the Telenet Additional Facility W Lenders (as defined therein) and the Telenet Additional Facility Y Accession Agreement dated 9 April 2014 owing to the Telenet Additional Facility Y Lenders (as defined therein).

On November 3, 2016, Telenet Financing USD LLC entered into a U.S. dollar denominated floating rate additional term loan facility in an aggregate principal amount of \$1,500.0 million under the Senior Credit Facility ("**Facility AF**"). Facility AF was due to be repaid on January 31 2025 and was priced with margin of 3.00% over LIBOR. The proceeds of Facility AF were used to prepay and cancel in full the outstanding debt under the Telenet Additional Facility AD Accession Agreement dated 2 May 2016 owing to the Telenet Additional Facility AD Lenders (as defined therein).

On November 22, 2016, Telenet International Finance S.à r.l entered into a euro denominated floating rate additional revolving facility in an aggregate principal amount €400.0 million under the Senior Credit Facility ("**Facility AG**"). Facility AG is due to be repaid on June 30, 2023 and is priced at 2.75% over EURIBOR. Facility AG remains undrawn as at the date of the Offering Memorandum. On November 22, 2016, Telenet International Finance S.à r.l cancelled in full the Telenet Additional Facility X Accession Agreement dated 11 April 2014 and 1 July 2015 which had not been drawn.

Changes during 2017

On April 4, 2017, Telenet International Finance S.à r.l entered into a euro denominated floating rate additional term loan facility in the aggregate principal amount of €1,330.0 million under the Senior Credit Facility ("**Facility**

AH). Facility AH is due to be repaid on March 31, 2026 and is priced with margin of 3.00% over EURIBOR. The proceeds of Facility AH were used to prepay and cancel in full the outstanding debt under the Telenet Additional Facility AE Accession Agreement dated November 3, 2016 owing to the Telenet Additional Facility AE Lenders (as defined therein).

On April 4, 2017, Telenet Financing USD LLC entered into a U.S. dollar denominated floating rate additional term loan facility in an aggregate principal amount of \$1,800.0 million under the Senior Credit Facility (“**Facility AI**”). Facility AI is due to be repaid on June 30, 2025 and is priced with margin of 2.75% over LIBOR. The proceeds of Facility AI were used to prepay and cancel in full the outstanding debt under the Telenet Additional Facility AF Accession Agreement dated November 3, 2016 owing to the Telenet Additional Facility AF Lenders (as defined therein).

On May 15, 2017, Telenet Financing USD LLC entered into a U.S. dollar denominated floating rate additional term loan facility in an aggregate principal amount of \$500.0 million under the Senior Credit Facility (“**Facility AI2**”). Facility AI2 is due to be repaid on June 30, 2025 and is priced with margin of 2.75% over LIBOR. The proceeds of Facility AI2 were used to prepay and cancel in full the outstanding debt under the Telenet Additional Facility U Accession Agreement dated August 16, 2012 owing to the Telenet Additional Facility U Lenders (as defined therein).

On August 10, 2017, Telenet BVBA entered into a supplemental deed among, *inter alios*, the Telenet Facility Agent and KBC Bank NV as security agent, amending and restating the Senior Credit Facility to give effect to certain significant amendments thereto. The amended and restated form of the Senior Credit Facility is attached as Annex A to these Listing Particulars.

Proposed Amendments to the Senior Credit Facility

By entering into the accession agreements for Facility AH, Facility AI and Facility AI2, the Lenders under these facilities have irrevocably consented to the Senior Credit Facility Amendments set forth in schedules 4, 5, 6, 7, 8, 9 and 10 of Annexes B and C in these Listing Particulars upon the approval by lenders constituting the “Majority Lenders” (as currently defined, without giving effect to the Senior Credit Facility Amendments). However, each of the Senior Credit Facility Amendments will only become effective only upon the approval of all lenders under the Senior Credit Facility. Following the issuance of the Notes offered hereby and the funding of the Finco Loan and the New Finco Loan, as applicable, the commitments and loans of the Issuer as a Telenet Lender will also be included in those of the Lenders outstanding under the Senior Credit Facility for the purposes of implementation of the Senior Credit Facility Amendments. Once the requisite level of consents of Telenet Lenders under the Senior Credit Facility, which may include consents from lenders under future term loan or revolving credit facilities, has been obtained by Telenet, then the Senior Credit Facility Amendments will become effective.

The Senior Credit Facility Amendments include material modifications to certain affirmative and negative covenants, financial maintenance covenants and related definitions, representations and warranties, events of default, mandatory prepayment provisions, administrative provisions and provisions relating to the security package. The Senior Credit Facility Amendments are generally less restrictive and provide greater flexibility to the Telenet Bank Group than the provisions currently included in the Senior Credit Facility. Specifically, the Senior Credit Facility Amendments include the following (capitalized terms used in the following description have the meanings currently provided in the Senior Credit Facility, without giving effect to the Senior Credit Facility Amendments):

- amend the definition of “80% Security Test” to provide that where a Guarantor generates negative earnings before interest, tax, depreciation and amortization, such Guarantor shall be deemed for the purpose of calculating the 80% Security Test numerator to have zero earnings before interest, tax, depreciation and amortization;
- amend the definition of “Affiliate” to include a proviso that any provision which uses such term, an Affiliate of the Company that issues notes, bonds or other securities for the purpose of on-lending proceeds of such issuance under a Facility and to a Borrower shall not be an Affiliate of the Company and such entity shall not be deemed to be managed by, or under control of, the Company or any of its Affiliates and any payments made to such entity in connection with any fees, costs, indemnity claims or expenses payable to it in connection with transactions related to the issuance of any notes, bonds or other securities will be a “Permitted Payment”;

- amend the definition of “Consolidated EBITDA” to include the amount of loss on transfer of assets in connection with an asset securitization programme, receivables factoring transaction or other receivables transaction;
- amend the definition of “Consolidated EBITDA” to add equity based compensation expenses and to remove the option for fees or other amounts charged or credited to the Company and the Guarantors related to Intra-Group Services to the extent that they are not included in the Company’s externally reported operating case flow or are deemed to be exceptional or unusual items;
- amend the definition of “Finance Document” to provide that an Increase Confirmation will be, and a Transfer Certificate won’t be, a Finance Document;
- amend the definition of “Finance Document” to provide that a Hedging Agreement is only a Finance Document, and to amend the definition of “Finance Party” to provide that a Hedge Counterparty is only a Finance Party, for the purpose of the guarantee provisions;
- amend the definition of “Financial Indebtedness” to remove any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or other instrument issued by a bank or financial institution;
- amend the definition of “Impaired Agent” to include any Facility Agent which is also a Defaulting Lender as a result of the Facility Agent being an L/C Bank which has failed to issue a Documentary Credit or failed to pay a claim;
- amend the definition of “Majority Lenders” to provide that the definition is subject to the snooze lose provision;
- amend the definition of “Measurement Period” to refer to each period of approximately six months covering two quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under the Senior Credit Facility are prepared, provided that the Company may make an election to establish that “Measurement Period” means each period of approximately 12 months covering four quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (and if such an election has been made, the Company may not elect to change the test period back);
- amend the definition of “Permitted Acquisition” to add a new limb to permit the acquisition by a member of the Group for the purposes of a solvent reorganisation of the Group where the acquisition is of share capital of a person which has not traded and does not own any assets or is a dormant subsidiary of the Ultimate Parent and which has no liabilities;
- amend the definition of “Permitted Acquisition” to add a new limb to permit the acquisition by any member of the Group of any Senior Unsecured Notes provided that an amount equal to the purchase price paid for the acquisition of any such Senior Unsecured Notes could have been used by such member of the Group to fund a Permitted Payment and provided further that to the extent any such acquisition is made in reliance on any basket amount provided for under the definition of “Permitted Payments”, such amount shall be reduced by an amount equal to the consideration paid for such acquisition;
- amend the definition of “Permitted Acquisition”, in particular limb (e), to remove the requirement to meet the ratio of Net Total Debt to Consolidated Annualised EBITDA being less than 6.00:1;
- amend the definition of “Permitted Acquisition”, in particular limb (j), to extend the time period for making the issued shares subject to Security to 60 days;
- amend the definition of “Permitted Disposal”, in particular limb (hh) of such definition, to mean disposals of real property where the aggregate fair market value does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year (with unused amounts being carried over);

- amend the definition of “Permitted Disposal”, in particular limb (ii) of such definition, to mean disposals of assets pursuant to sale and leaseback transactions where the aggregate fair market value does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year;
- amend the definition of “Permitted Disposal”, in particular limb (t) of such definition, to mean disposals of assets where the aggregate fair market value does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year (with unused amounts being carried over);
- amend the definition of “Permitted Disposal”, in particular limb (ww) of such definition, to remove the requirement for the Company to provide a certificate certifying the re-calculated financial ratio for the purposes of a disposal under such limb;
- amend the definition of “Permitted Disposal” to add a new limb to permit the disposal of undertakings, assets, rights or revenues comprising interests in the share capital of persons not holding or engaged in the distribution business (i.e. the business of upgrading, constructing, developing, acquiring etc. cable television network for the transmission, reception and/or delivery of multi-channel television and radio programming, telephony and internet and/or data services to the residual markets) of the Group or other undertakings, assets, rights or revenues not constituting part of such distribution business of the Group;
- amend the definition of “Permitted Disposal” to add a new limb to permit new disposals which constitute the concurrent purchase and sale or exchange of related business assets or a combination of such assets, cash and Cash Equivalent Investments between any member of the Group and another person provided that the member of the Group receives consideration at least equal to fair market value for the assets;
- amend the definition of “Permitted Disposal” to permit disposals by one member of the Group to another member of the Group provided that, if such assets subject to the disposal are subject to existing security, the Borrower within 15 Business Days of such disposal ensures that the assets remain subject to security;
- amend the definition of “Permitted Disposal” to permit disposals of shares or other interests in project companies, entities excluded from the Group which are subsidiaries of the Company or joint venture companies (each as defined in recent Liberty precedent) or the assignment of any Financial Indebtedness owed to a member of the Group by any project companies, entities excluded from the Group which are subsidiaries of the Company or a joint venture company;
- amend the definition of “Permitted Financial Indebtedness” to add a new limb to permit Financial Indebtedness incurred in connection with the Hedging Agreements and other hedging arrangements permitted by the Senior Credit Facility;
- amend the definition of “Permitted Financial Indebtedness” to add a new limb to permit Financial Indebtedness of any member of the Group, in respect of which the person to whom such Financial Indebtedness is owed has no recourse to any member of the Group for any payment or repayment in respect thereof other than recourse to such member of the Group for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness in an enforcement of any Security Interest given by a member of the Group over Non-Distribution Assets;
- amend the definition of “Permitted Financial Indebtedness, in particular limb (r) of that definition, to provide that a Default would not be a drawstop to Financial Indebtedness arising in respect of any guarantee given by a member of the Group in respect of any issuer of Holdco Debt’s obligations under any Holdco Debt;
- amend the definition of “Permitted Joint Venture”, in particular limb (b), to remove the requirement to meet the ratio of Net Total Debt to Consolidated Annualised EBITDA being less than 6.00:1;
- amend the definition of “Permitted Joint Venture” to remove the requirement that an acquisition would not fall within such definition if an Event of Default had occurred and was continuing at the time of such acquisition;
- amend the definition of “Permitted Joint Venture” to permit Telenet BVBA to contribute freely pledged loan and guarantee receivables to the Permitted Joint Venture’s share capital without requiring a release

from the Security Agent (subject to confirmation or re-taking of security over such pledged loan and guarantee receivables);

- amend clause 21.11 (*Restricted Payments*) to add an additional limb to permit payment by any member of the Group of Management Fees during such period as the applicable ratio for the purposes of clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) is 3.50:1 (or less);
- amend the definition of “Permitted Payment” to add an additional limb to permit any payment by way of transfer to any Restricted Person of any Non-Distribution Business Assets (to the extent they are permitted under the definition of Permitted Disposal);
- amend the definition of “Permitted Payment”, in particular limb (cc) of such definition, to mean payments in connection with a start-up financing or seed funding where the aggregate value of the payment does not exceed the greater of €50,000,000 and 1% of Total Assets;
- amend the definition of “Permitted Payment”, in particular limb (kk) of such definition, to mean payments in relation to tax losses received by a member of the Group from any member of the Wider Group that is not a member of the Group where the amount of tax losses does not exceed the greater of €200,000,000 and 3% of Total Assets in any financial year;
- amend the definition of “Permitted Payment”, in particular limb (ll) of such definition, to mean payments not covered by other parts of the definition where the amount of the payment does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year (with unused amounts being carried over);
- add a new limb to the definition of “Permitted Payment” to permit a payment in relation to any “Permitted Business Division Transaction” or any “Acceptable Joint Venture” (each as referred to above);
- add a new limb to the definition of “Permitted Security Interest” to permit any Security Interests attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business;
- add a new limb to the definition of “Permitted Security Interest” to permit any Security Interests over Non-Distribution Business Assets, securing Financial Indebtedness in respect of such Non-Distribution Business Assets;
- amend the definition of “Permitted Security Interest” to permit the Company to secure Financial Indebtedness on a *pari passu* or junior ranking basis provided that (other than in the case of a refinancing of other secured Financial Indebtedness in the same or a lesser principal amount) the Net Total Debt to Consolidated Annualised EBITDA ratio on a pro forma basis would not be greater than 5.50:1.00 and provided that such Financial Indebtedness is subject to an intercreditor agreement on terms which are satisfactory to the Security Agent (acting on the instructions of the Majority Lenders) and where (in the case of such Financial Indebtedness being secured on a junior ranking basis) the rights of the holders of such Financial Indebtedness in respect of any payment will be contractually subordinated to the rights of the Lenders on terms comparable to the Loan Market Association’s form of intercreditor agreement at such time for mezzanine debt;
- replace the definition of “Spin Off” under the Senior Credit Facility with a new definition which refers to a transaction by which all outstanding ordinary and or equity shares of the Common Holding Company and or any Holding Company of the Common Holding Company directly or indirectly owned by the Ultimate Parent are distributed to (a) all of the Ultimate Parent’s shareholders, or (b) all of the shareholders comprising one or more group of the Ultimate Parent’s shareholders as provided by the Ultimate Parent’s articles of association, in each case, either directly or indirectly through the distribution of shares in a company holding the Common Holding Company’s shares or such Holding Company’s shares;
- add a new definition of “Sub-participation” referring to any sub-participation or sub-contract (whether written or oral) or any other agreement or arrangement having an economically substantially similar effect, including any credit default or total return swap or derivative (whether disclosed undisclosed, risk or funded) by a Lender of or in relation to any of its rights or obligations under, or its legal, beneficial or

economic interest in relation to, the Facilities and/or Finance Documents to a counterparty and “sub-participate” shall be construed accordingly;

- amend the definition of “Majority Lenders” to reduce the fractions specified, from two thirds or more (for any or all purposes under the Credit Agreement or any other Finance Document (including for the purposes of any Telenet Additional Facility)) to more than 50.00% and to exclude the available commitments of defaulting lenders for the purposes of amendments or waivers;
- amend the definition of “Super Majority Lenders” so that amendments and waivers in respect of the release of any guarantee or security only requires the consent of Lenders representing 90.00% of Commitments;
- amend clause 29.3 (*Transfers by Lenders*) of the Senior Credit Facility to include a restriction on sub-participations of rights and obligations and is subject to the same consent regime as for assignments and transfers;
- add a new provision to provide that there will be no restrictions on sub-participations provided that certain conditions, which include, the Lender retaining exclusive control over all rights and obligations in relation to the participations, the relationship between the Lender and the proposed sub-participant being that of a contractual debtor and creditor and the proposed sub-participant having no proprietary interest in the benefit of the Senior Credit Facility or any of the Finance Documents or in any monies received by the relevant Lender;
- add a new provision to require any person granting a sub-participation to maintain a register on which it enters the name and address of each sub-participant in which each sub-participant has an interest or obligation;
- add a new provision which provides that no transfer of an interest in an Advance or Commitment under the Senior Credit Facility is effective unless and until it is recorded in the register referred to in the Senior Credit Facility;
- amend the additional facilities clause that each Lender under a Telenet Additional Facility shall be required to become such a party to the Senior Credit Facility and be entitled to share in the Security in accordance with the terms of the Intercreditor Agreement and the Security Documents *pari passu* with the Lenders under the other Facilities provided that the Company and the relevant Telenet Additional Facility Lenders may agree that a Telenet Additional Facility shares in the Security on a junior basis to the other Facilities or shall not be entitled to share in the Security either in accordance with the terms of the Intercreditor Agreement or pursuant to ancillary intercreditor arrangements;
- amend the Additional Facilities Cap such that (A) it includes an additional limb for the aggregate amount of any voluntary prepayments of Term Facility Advances under Revolving Facilities to the extent the relevant prepayment or cancellation is not funded or effected with any long term Financial Indebtedness and (B) the Company shall have the ability to classify such amounts of Financial Indebtedness on the date of their incurrence and shall only be required to include the amount and type of such Financial Indebtedness in more than one of the types of Financial Indebtedness described in such paragraphs, and, from time to time, may reclassify all or a portion of such Financial Indebtedness, in any manner;
- amend the definition of Consolidated EBITDA under the Senior Credit Facility to provide that any adjustments to reduce the impact of the cumulative effect of a change in accounting principles or policies and changes as a result of a the adoption or modification of accounting principles or policies can be added (at the Company’s option) to the operating income of the Group for that measurement period;
- amend the Senior Credit Facility to provide that any Affiliate of the Company may accede to the Senior Credit Facility as a Guarantor in accordance with the terms of the Senior Credit Facility (provided that Security has been granted in form and substance satisfactory to the Facility Agent (acting reasonably) in favour of the Security Agent over 100% of its shares and all rights in relations to loans from members of the Wider Group to it) and that such Affiliate shall be a member of the Group and an Additional Guarantor;

- add a new definition of “Affiliate Subsidiary” such that it means any Affiliate of the Company that accedes to the Senior Credit Facility as a Guarantor pursuant to the amendments described in the paragraph above and provided that it has not resigned as a Guarantor in accordance with the terms of the Credit Agreement;
- amend the definition of “ERISA Affiliate” to mean any person treated as a single employer with any Obligor under section 414 of the Code;
- amend the definition of “Plan” to mean an “employee benefit plan” as defined in section 3(3) of ERISA, which is subject to Title IV of ERISA (A) maintained by any Obligor or any ERISA Affiliate, or (B) to which any Obligor or any ERISA Affiliate is required to make any payment or contribution;
- amend the definition of “Reportable Event” to mean (A) an event specified as such in section 4043 of ERISA or any regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation, or (B) a failure to meet the minimum funding standard under section 412 or 430 of the Code or section 302 of ERISA, whether or not waived;
- amend the Senior Credit Facility so that the ERISA representation only applies to an Obligor and not all members of the Group and there is no Event of Default triggered in respect of ERISA;
- amend the Senior Credit Facility to amend the undertaking relating to ERISA such that each Obligor and its ERISA Affiliates must (A) be, and remain, in compliance in all material respects with all laws and regulations relating to each of its Plans and (B) must ensure that no event or condition exists at any time in relation to a Plan which is reasonably likely to result in the imposition of a lien or other encumbrance on any of its assets or which is reasonably likely to have a Material Adverse Effect;
- amend the definition of “Limited Condition Transaction” to include any Restricted Payment;
- amend the representation at clause 18.17 (*United States Regulations*) so that the representation to be given is that no Obligor is required to be registered as an “investment company” under the United States Investment Company Act of 1940;
- amend the representation at clause 18.19 (*Margin stock*) so that the representation to be given is that no Obligor is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System of the United States), or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any borrowings will be used for any purpose that violates Regulation U;
- add a new provision to clause 21.13 (*Loans and Guarantees*) to permit any guarantee of any Financial Indebtedness of any Parent that is given by an Affiliate Subsidiary provided that (i) on the date of incurrence of such guarantee the ratio of Net Total Debt (including any Holdco Debt) to Consolidated Annualised EBITDA on a pro forma basis would not exceed 6.00:1 (provided that outstanding Net Total Debt (including Holdco Debt) for the purpose of calculating such ratio under this paragraph shall include any Financial Indebtedness represented by guarantees by any member of the Group of Financial Indebtedness of any Parent), (ii) such guarantee is expressed to be subordinated to the liabilities of such Affiliate Subsidiary under the Finance Documents and (iii) no Event of Default is continuing or occurs as a result of such Financial Indebtedness of that Parent being raised or issued;
- amend clause 21.13 (*Loans and Guarantees*), in particular limb (bb) of such clause, to mean loans made, credit granted or guarantees given by any member of the Group where the aggregate amount does not exceed the greater of €150,000,000 and 3% of Total Assets;
- amend Clause 21.13 (*Loans and Guarantees*), in particular limb (g) of such clause, to permit guarantees by an Obligor in respect of the liabilities of any other member of the Group which is not an Obligor provided that that other member of the Group must become an Additional Guarantor in accordance with the terms of the Senior Credit Facility within 30 days of the granting of the guarantee;

- amend clause 21.13 (*Loans and Guarantees*), in particular limb (z) of such clause, to mean loans made in connection with any start-up financing or seed funding where the aggregate value does not exceed the greater of €25,000,000 and 1% of Total Assets;
- add a new provision to clause 21.13 (*Loans and Guarantees*) to permit any loans or guarantees relating to Excess Capacity Network Services provided that the price payable to any member of the Group in relation to such Excess Capacity Network Services is no less than the Cost incurred by the relevant member of the Group in providing such Excess Capacity Network Services;
- add a new provision to clause 21.13 (*Loans and Guarantees*) to permit any guarantees or similar undertakings granted by any member of the Group in favour of any tax authority in respect of any obligations of a member of the Group in respect of tax in order to facilitate the winding up of any member of the Group provided that the Facility Agent shall have first received confirmation from the Company that based on discussions with such tax authority and the Company's reasonable assumptions, the Company does not believe that the liability under such guarantee will exceed €15,000,000 (such confirmation to be supported by a letter from the Company's auditors for the time being, confirming that based on the Company's calculations of such tax liability the Company's confirmation is a reasonable assessment of such tax liability);
- amend clause 10.2(b) (*Mandatory Prepayment—Change of Control*) to provide that upon consummation of (i) the Post-Closing Reorganisation, the "Controlling Company" will mean the relevant New Intermediate Holdco and its successors or (ii) a Spin-Off in which the Common Holding Company and its successors is no longer a Parent of the Company and any Permitted Affiliate Parent, the "Controlling Company" will mean a common Parent of the Company and any Permitted Affiliate Parent designated by the Company and any successors of such Parent;
- amend the definition of "GAAP" to provide that at any date after the date of preparation of the original financial statements, the Company may make an election to establish "GAAP" to mean GAAP as in effect on a date that is on or prior to the date of such election but provided that for the purposes of clause 19.1 (*Financial Statements*) GAAP means generally accepted accounting principles in the United States as in effect from time to time;
- amend the definition of "IFRS" to provide that at any date after the date of preparation of the original financial statements, the Company may make an election to establish "IFRS" to mean IFRS as in effect on a date that is on or prior to the date of such election but provided that for the purposes of clause 19.1 (*Financial Statements*) IFRS means generally accepted accounting principles in the United States as in effect from time to time;
- amendments to the Change in Accounting Principles clause to provide that all ratios and calculations based on IFRS shall be computed in conformity with IFRS and that the audited consolidated financial statements and unaudited quarterly consolidated management accounts shall be prepared in accordance with IFRS;
- amendments to the Change in Accounting Principles clause to provide that at the time of an election from the Company to apply or all purposes of the Senior Credit Facility, in lieu of IFRS, GAAP and, upon such election, references to IFRS in the Senior Credit Facility will be construed to mean GAAP, provided that all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of GAAP as in effect from time to time (including that, upon first reporting its financial year results under GAAP, the financial statements of the Reporting Entity shall be restated on the basis of GAAP for the year ending immediately prior to the first financial year for which financial statements have been prepared on the basis of GAAP) and from and after such election, all ratios, computations and other determinations based on GAAP contained in this Agreement shall, at the Company's option (A) continue to be computed in conformity with GAAP (*provided that*, following such election, the annual and quarterly information required to be delivered under the Senior Credit Facility shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such GAAP presentation to the corresponding GAAP presentation of such financial information) or (B) be computed in conformity with GAAP with retroactive effect being given thereto assuming that such election had been made on the OFS Date, subject to any further election in accordance with the definition of GAAP. After such election, the Company may, at its option, elect to apply IFRS or GAAP and compute all ratios, computations and other determinations based on IFRS or GAAP;

- amend the definition of “Business Division Transaction” to remove the requirement for the approval of the Majority Lenders to such transactions;
- add a new definition of “Permitted Business Division Transaction” to mean a Business Division Transaction provided that after giving pro forma effect thereto, an Obligor could incur at least €1.00 of additional Financial Indebtedness pursuant to limb (v) of the definition of Permitted Financial Indebtedness;
- add a new definition of “Acceptable Joint Venture” to mean a joint venture, partnership or similar arrangement formed by a member of the Group (a) by the contribution of some or all of the assets of the Group pursuant to a Business Division Transaction to such joint venture, partnership or similar arrangement with one or more persons and/or (b) for the purposes of network and/or infrastructure sharing with one or more Joint Ventures;
- amend the construction clause of the Senior Credit Facility to provide that the Senior Credit Facility is subject to the terms of the Intercreditor Agreement and the terms of the Intercreditor Agreement will prevail if there is a conflict between the terms of the Senior Credit Facility and the Intercreditor Agreement;
- amend the increase provisions so that, with the prior consent of a Lender, the Commitments of any Increase Lender can be increased without the drawstop of an Event of Default;
- amend the increase provisions to provide that at the election of the Company (in its sole discretion) it shall be a condition to an increase (A) that the aggregate principal amount of any proposed increase in the Commitments shall not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date that such increase in the Commitments becomes effective (giving pro forma effect to the intended use of proceeds of such increased Commitment and assuming that the entire amount of that increased Commitment is drawn on such date or (B) to any Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to clause 6.2 (*Renewal of Documentary Credits*)) of that increased Commitment that the aggregate principal amount of that increased Commitment to be drawn would not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date of that Utilisation;
- amend the provisions relating to compliance certificates to provide that the Company is only required to provide a Compliance Certificate with its financial statements to the Facility Agent if, as at the last day of the Measurement Period ending on the date of such financial statements, the Financial Ratio Test Condition is met;
- amendments to the financial covenant provisions so that (a) should any net indebtedness under each Ancillary Facility exceed an amount equal to 40 per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment, the ratio of Net Total Debt to Consolidated Annualised EBITDA shall not exceed 6.00:1 and (b) if the financial covenant set out in paragraph (a) has been breached for a Measurement Period but is complied with when tested for the next Measurement Period, then, the prior breach of such financial covenant or any Event of Default arising therefrom shall not constitute a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or Event of Default;
- amend the equity cure provisions to provide that the Company may cure a breach of the financial ratio by procuring that additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or greater than the amount which if it had been (A) deducted from Net Total Debt or (B) added to Consolidated Annualised EBITDA for the Measurement Period in respect of which the breach arose, would have avoided the breach provided that such cure would not be effective unless an amount equal to or greater than the required amount of additional equity or the proceeds of any Subordinated Shareholder Loans is received by one or more members of the Group within 30 Business Days of delivery of the financial statements which show the breach of the financial ratio and provided further that if the Company makes such election for re-calculation it shall be under no obligation to apply the amount of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group in prepayment of the Facilities or for any other specific purpose and such amount will be deemed to be deducted from Net Total Debt or added to Consolidated Annualised EBITDA for the purposes of the financial ratio as at the last day of the relevant Measurement Period;

- amend the equity cure provisions to provide that the Company may cure a breach of the financial ratio by procuring that any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility are prepaid (from any source selected by the Company in its sole discretion) in an amount which if such prepayment had occurred immediately prior to the calculation on the last day of the Measurement Period in respect of which the breach arose, the Financial Ratio Test Condition as at the last day of that Measurement Period would not have been met and therefore the financial ratio would not have been required to be tested provided that such cure would not be effective unless the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are required to be prepaid are so prepaid within 30 Business Days of delivery of the financial statements which show the breach of the financial ratio and provided further that if the Company makes such election for re-calculation the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are prepaid shall be deemed to be deducted in the calculation of the Financial Ratio Test Condition as at the last day of the relevant Measurement Period;
- amend the representation provision in the Senior Credit Facility to (A) delete the representation that the Senior Credit Facility does not result in the creation of any Security Interest, (B) delete the representation that a member of the Group is not in default under any law, regulation or agreement, (C) to carve Licenses out of the scope of licenses in the authorisations representation and (D) to provide that the insolvency proceeding representation only extends to Obligors or Material Subsidiaries;
- amend the increased costs provisions to include an exception for any cost attributable to a change in the Tax Liability on the overall net income of the Finance Party, attributable to any penalty having been imposed by the relevant central bank or monetary or fiscal authority upon the Finance Party or attributable to a breach of a Finance Document by the Finance Party;
- amend the stamp taxes indemnity to carve out any Tax Liabilities payable in connection with the assignment or transfer by any Lender of any of its rights and/or obligations under the Finance Documents and any registration duties relating to a registration submission or filing which is not required to maintain or preserve the rights of that Finance Party;
- amend the tax indemnity provision to carve out any loss, liability or cost which has been compensated under the stamp taxes indemnity provisions;
- amend the undertaking relating to share capital to include an additional carve out for members of the Group in order to permit a solvent liquidation and the reduction of capital or purchase or redemption of shares to the extent it relates to the cancellation of the share capital of any member of the Group or any Obligor;
- amend the further assurance provision to provide that there will not be a breach of the 80% Security Test if the members of the Group become Obligors within 60 days of the delivery of the relevant Compliance Certificate by the Company demonstrating that the 80% Security Test has not been satisfied;
- amend the breach of other obligations event of default to provide that the breach of the undertakings relating to pari passu ranking, negative pledge, disposals, acquisitions and mergers, restricted payments, loans and guarantees and share security will not trigger an event of default if such non-compliance is capable of remedy and is remedied within 30 days of the earlier of the Facility Agent giving notice of the breach to the Company or any Obligor become aware of the non-compliance;
- amend the cross-default event of default to delete the provision which states that it will be an Event of Default to the extent that Financial Indebtedness is placed on demand and include the additional requirement that it will not be an Event of Default if the relevant Financial Indebtedness is covered by a Documentary Credit or a letter of credit, bank guarantee, indemnity or other documentary credit under an Ancillary Facility;
- amend the information undertakings to remove the requirement for the Obligors to provide copies of material reports or other notice delivered by a member of the Group whose shares are subject to a pledge to their shareholders;

- amend the change of business undertaking to provide that it will not be breached by an Obligor or any member of the Group to the extent that it is as a result of a Permitted Disposal, Permitted Acquisition or Permitted Joint Venture;
- amend the insurance undertaking to provide that the Obligors are only required to procure compliance of Material Subsidiaries;
- amend the shareholder loan undertaking to provide that the Obligor has 60 days from the date of the shareholder loan to put in place the relevant security over such shareholder loan;
- amend the share security undertaking to include carve outs to the issuance of shares where (A) the shares are to a non-member of the Group if they are made subject to security in favour of the Senior Secured Creditors (as defined in the Intercreditor Agreement) and it does not result in a Change of Control, (B) to a member of the Group or to Telenet Group BVBA if they are made subject to the security in favour of the Senior Secured Creditors (as defined in the Intercreditor Agreement), (C) the shares are issued pursuant to the exercise of Approved Stock Options, (D) the shares are part of an Acquisition or merger and do not result in a Change of Control, (E) the shares are issued by a member of the Group to all the holders of their shares pro rata and if relevant, are made subject to security in favour of the Senior Secured Creditors (as defined in the Intercreditor Agreement), and (F) shares issued pursuant to any agreement existing before the Signing Date and it does not result in a Change of Control;
- amend the group redesignation provision to provide that the Company may deliver a notice to the Facility Agent designating any Holding Company of the Company and/or any Holding Company of any Permitted Affiliate Parent as a “New Group Topco” for the purposes of this Agreement provided that taking into account any actions to be taken by the Company for the benefit of the Lenders, it would not be materially prejudicial to the interests of the Lenders in the opinion of the Facility Agent (acting reasonably);
- amend the merger provision to permit a merger of Telenet Group Holding NV, Telenet BVBA or Telenet Vlaanderen NV or any of their intermediate holding companies;
- amend the Clean Up Period to 180 days;
- amend the acceleration provision to remove the discretion of the Facility Agent once it has been instructed to do so by the Majority Lenders;
- amend the currency indemnity and break costs provisions to provide that the relevant Finance Party must be indemnified within 10 Business Days of demand;
- amend the amendment provisions to permit the Facility Agent (without the consent of the Lenders) to make modifications to a Finance Document if such modification is not materially prejudicial to the position of any Lender, is minor or operational, relates to an increase in the principal amount of a Commitment of a Lender and such increased Commitment has been requested by the Company to fund any original issue discount required to be paid to that Lender or relates to the implementation of any alternative basis for the calculation of interest that is binding on all Parties in accordance with the terms of the Senior Credit Facility;
- amend the amendment provisions to include an additional exception for a waiver of issuance or the release of any Guarantor from any of its obligations under the guarantee provisions of the Senior Credit Facility or a release of any Security under the Security Documents, in each case, other than in accordance with the terms of any Finance Document shall require the prior written consent of affected Lenders whose share in the outstanding Utilisations and whose undrawn Commitments amount in aggregate to more than 75 per cent. of all of the outstanding Utilisations and undrawn Commitments;
- amend the non-consenting lender provisions to remove the requirement for a 21 day time period to have elapsed from the date of the request for consent;
- amend the governing law clause to include non-contractual obligations arising out of or in connection with the Senior Credit Facility;

- amend the ancillary facilities provisions to provide that (i) a date specified in a conversion notice as the effective date for an ancillary facility commitment may be a date not less than 3 Business Days after the date such conversion notice is received by the Facility Agent, (ii) any proposed increase or reduction or extension of the ancillary facility commitment shall only take effect from a date not less than 3 Business Days after the date the Facility Agent has received notice of the relevant modification or variation or extension and (iii) an ancillary facility lender may demand repayment or prepayment of any amounts under its ancillary facility if the ancillary facility outstandings under that ancillary facility can be repaid by a revolving facility advance (and not less than 7 Business Days notice (or such shorter period as agreed to by the Company) is given to the relevant Borrower before payment becomes due);
- amend the defaulting lender provisions to include the right to replace a Lender (in whole and at par) if that Lender becomes a Defaulting Lender;
- amend the assignment of the Lender provisions to provide that the consent of the Company is not required for any assignment or transfer by a Lender if a non-payment, insolvency, insolvency proceedings, creditors' process and similar proceedings Event of Default is outstanding;
- amend the assignment of the Lender provisions to clarify that the Company should have the right to withhold consent in respect of an assignment/transfer of the Revolving Facility to an entity which is not a lender under a revolving facility to the wider Liberty group (subject to no consent being required in the case of transfers to other Lenders or affiliates of Lenders or following an event of default which is continuing). There should be no unreasonableness qualifier on this right (in respect of the Revolving Facility only). Remove requirement of deemed consent within 10 Business Days in respect of each Revolving Facility;
- amend the amendments and waivers provisions to provide that amendments and waivers of clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) to 20.4 (*Cure provisions*) shall only be made with the consent of the Company and the Composite Revolving Facility Instructing Group and shall not require the consent of any other Finance Party;
- amend the amendment and waivers provisions to introduce a class exception, whereby any amendment or waiver that relates only to the rights or obligations of a particular Utilisation or Facility and does not materially and adversely affect the rights or interests of Lenders in respect of other Utilisations or Facilities only requires the consent of the relevant proportion of Lenders participating in such Utilisation or Facility;
- amend the amendment and waivers provisions to require the consent of affected Lenders only and not all Lenders (and make any consequential changes by amending for example, all references to matters requiring all Lender consent to only requiring affected Lender consent);
- amend the amendments and waivers provision to provide that where a request for a waiver of, or an amendment to, any provision of any Finance Document has been sent by the Facility Agent to the Lenders at the request of an Obligor, each Lender that does not respond to such request for waiver or amendment within 10 Business Days after receipt by it of such request (or within such other period as the Facility Agent and the Company shall specify), shall be excluded from the calculation in determining whether the requisite level of consent to such waiver or amendment was granted, and delete the proviso to the definition of Majority Lenders;
- amend the non-consenting lender provisions to remove the timing window of 90 days during which the Company may exercise its rights under such non-consenting lender provision at any time;
- amend the provisions in the Senior Credit Facility to provide that, subject to certain thresholds being met no Obligor nor any other member of the Group is required to provide any Security or guarantee other than Security over the shares that it holds in any Obligor, Security required under the terms of the Credit Agreement in respect of Subordinated Shareholder Loans and a guarantee from the Obligors under the terms of the Credit Agreement and include a provision to authorise the Security Agent to release any other Security or guarantees other than the aforementioned and to release Security in respect of Permitted Disposals and to permit relevant Security to be released if a Guarantor resigns in accordance with the terms of the Senior Credit Facility) provided that the guarantor coverage test would still be met notwithstanding such release;

- amend the assignment of the Obligors provisions to provide that any Benelux Borrower may assign or transfer any of its rights and obligations under the Revolving Facility or the Term Loans to another Benelux Borrower and so that any US Borrower may do the same to another US Borrower, in each case, without the prior consent of the Lenders provided that a solvency opinion and legal opinion are provided, if requested, in accordance with recent Liberty precedents in respect of an equivalent provision;
- amend the additional borrower provisions to provide that, in addition to the existing ability for an Additional Borrower incorporated in Benelux and the US to accede (without requiring any Lender consent), to provide an ability to accede Additional Borrowers incorporated in any other jurisdictions with the consent of the Majority Lenders; and
- amend the additional borrower provisions to permit Additional Borrowers to be incorporated in the Kingdom of Belgium, Netherlands, Luxembourg or, in relation to any new Additional Facilities, in the United Kingdom.

Finco Accession Agreement AJ

The Issuer acceded to the Senior Credit Facility as an additional lender and extended an additional tranche (the Finco Loan AJ) to Telenet International Finance as borrower (Facility AJ) with the proceeds of the offering of the Dollar Notes, pursuant to the Finco Accession Agreement AJ. Principal and interest on the Dollar Notes will be financed by principal and interest payable on the Finco Loan AJ, on a limited recourse basis. The Finco Accession Agreement AJ, which documents the terms of the Finco Loan AJ, has the following principal terms, which shall be read in conjunction with the terms of the Senior Credit Facility specified elsewhere herein:

1.	Acceding Lender	Issuer.
2.	Borrower	Telenet International Finance
3.	Facility	Term Loan AJ.
4.	Facility Commitment	Term Loan of \$1,000.0 million may be drawn by one Loan on the date of the Finco Accession Agreement for only the principal amount of the Facility AJ Commitment.
5.	Interest Rate	5.500% per annum.
6.	Interest Term	Initially, from the date the Finco Accession Agreement takes effect (in accordance with the satisfaction of the conditions precedents stipulated therein), up to and including January 15, 2018; and thereafter, each subsequent Term will be 6 months.
7.	Final Maturity Date	March 1, 2028
8.	Mandatory Prepayments	Upon the occurrence of a mandatory prepayment of the Term Loan AJ Facility following a change of control (as defined in the Senior Credit Facility), the Borrower will pay to the Facility Agent an amount equal to 1% of the principal amount of the Term Loan AJ Facility, plus accrued and unpaid interest to the date of such prepayment. With respect to certain asset sales, Telenet BVBA and Telenet International Finance may elect, at their option, to (i) prepay a principal amount of the Term Loan AJ Facility equal to the aggregate principal amount of the Dollar Notes tendered in a related asset sale offer to be made by the Issuer (not to exceed the amount of the available proceeds from the related asset sale); or (ii) subject to the payment of certain premiums, prepay the Term Loan AJ Facility in an amount equal to available proceeds from the related asset sale.
9.	Voluntary Prepayments	At any time prior to December 1, 2022, upon a voluntary prepayment of any or all of the Term Loan AJ Facility (other than a prepayment made as described in the following three paragraphs), the Borrower will pay to the

Facility Agent an amount equal to the Additional Amount (as defined in the Finco Accession Agreement AJ).

At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of any of the Term Loan AJ Facility by the Borrower under Clause 10.5 (*Voluntary prepayment*) of the Credit Agreement (other than a voluntary prepayment complying with Clauses 17, 18 or 20 of the Finco Accession Agreement set out in Annex B of these Listing Particulars) in an amount not to exceed 10% of the original principal amount of the Term Loan AJ Facility during each twelve-month period commencing on the date of the Finco Accession Agreement AJ, the Borrower under the Term Loan AJ Facility agrees to pay to the Facility Agent (for the account of the Issuer) an amount equal to 3.0% of the principal amount of the Term Loan AJ Facility being prepaid, plus accrued and unpaid interest then due on the amount of the Term Loan AJ Facility Loan prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower under the Term Loan AJ Facility to the Facility Agent (for the account of the Issuer) on the actual date of such prepayment. Prior to December 1, 2022, to the extent that during any twelve-month period commencing on the date of the Finco Accession Agreement AJ, the principal amount of the Term Loan AJ Facility prepaid in any one or more voluntary prepayments is greater than an amount equal to 10% of the original principal amount of the Term Loan AJ Facility (any such amount, the “**Excess Early Redemption Proceeds**”), the Borrower will apply the Excess Early Redemption Proceeds to a voluntary prepayment of the Term Loan AJ Facility as described in the paragraph above.

At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of the Term Loan AJ Facility by the Borrower pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Senior Credit Facility with the Net Cash Proceeds (as defined in the Finco Accession Agreement) of one or more Equity Offerings (as defined in the Finco Accession Agreement) (the “**Equity Offering Early Redemption Proceeds**”) in an amount not to exceed 40% of the Term Loan AJ Facility, the Borrower shall make a payment to the Facility Agent (for the account of the Issuer) in an amount equal to 5.500% of the principal amount of the Term Loan AJ Facility prepaid, plus accrued interest then due on the amount of the Term Loan AJ Facility prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower to the Facility Agent (for the account of the Issuer) under the Term Loan AJ Facility on the actual date of such prepayment.

On or after December 1, 2022, upon a voluntary prepayment of any or all of the Term Loan AJ Facility (other than a voluntary prepayment complying with Clause 17, 18, 19 and 21 the Finco Accession Agreement set out in Annex B of these Listing Particulars), the Borrower will pay to the Facility Agent an amount equal to the relevant percentage of the principal amount of the Term Loan AJ Facility being prepaid as set forth below (plus accrued and unpaid interest then due), plus accrued and unpaid interest to the date of such prepayment, if prepaid during the twelve-month period beginning on December 1 of the years indicated below.

Year	Prepayment Amount
2022	2.750%
2023	1.375%
2024	0.688%
2025 and thereafter.....	0.000%

Finco Accession Agreement AK

The Issuer acceded to the Senior Credit Facility as an additional lender and extended an additional tranche (the Finco Loan) to Telenet International Finance as borrower (Facility AK) with the proceeds of the offering of the Notes, pursuant to the Finco Accession Agreement. Principal and interest on the Euro Notes will be financed by principal and interest payable on the Finco Loan AK, on a limited recourse basis. The Finco Accession Agreement AK, which documents the terms of the Finco Loan AK, has the following principal terms, which shall be read in conjunction with the terms of the Senior Credit Facility specified elsewhere herein:

1. **Acceding Lender** Issuer.
2. **Borrower** Telenet International Finance.
3. **Facility** Term Loan AK.
4. **Facility Commitment** Term Loan of €600.0 million may be drawn by one Loan on the date of the Finco Accession Agreement AK for only the principal amount of the Facility AK Commitment.
5. **Interest Rate** 3.500% per annum.
6. **Interest Term** Initially, from the date the Finco Accession Agreement AK takes effect (in accordance with the satisfaction of the conditions precedents stipulated therein), up to and including AK, 2017; and thereafter, each subsequent Term will be 6 months.
7. **Final Maturity Date** March 1, 2028
8. **Mandatory Prepayments**

Upon the occurrence of a mandatory prepayment of the Term Loan AK Facility following a change of control (as defined in the Senior Credit Facility), the Borrower will pay to the Facility Agent an amount equal to 1% of the principal amount of the Term Loan AK Facility, plus accrued and unpaid interest to the date of such prepayment.

With respect to certain asset sales, Telenet BVBA and Telenet International Finance may elect, at their option, to (i) prepay a principal amount of the Term Loan AK Facility equal to the aggregate principal amount of the Notes tendered in a related asset sale offer to be made by the Issuer (not to exceed the amount of the available proceeds from the related asset sale); or (ii) subject to the payment of certain premiums, prepay the Term Loan AK Facility in an amount equal to available proceeds from the related asset sale.
9. **Voluntary Prepayments**

At any time prior to December 1, 2022, upon a voluntary prepayment of any or all of the Term Loan AK Facility (other than a prepayment made as described in the following three paragraphs), the Borrower will pay to the Facility Agent an amount equal to the Additional Amount (as defined in the Finco Accession Agreement AK).

At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of any of the Term Loan AK Facility by the Borrower under Clause 10.5 (*Voluntary prepayment*) of the Credit Agreement (other than a voluntary prepayment complying with Clauses 17, 18 or 20 of the Finco Accession Agreement set out in Annex C of these Listing Particulars) in an amount not to exceed 10% of the original principal amount of the Term Loan AK Facility during each twelve-month period commencing on the date of the Finco Accession Agreement, the Borrower under the Term Loan AK Facility agrees to pay to the Facility Agent (for the account of the Issuer) an amount equal to 3.0% of the principal amount of the Term Loan AK Facility being prepaid, plus accrued and unpaid interest then due on the amount of the Term Loan AK Facility Loan prepaid to the due date of prepayment. Such payment

shall be due and payable by the Borrower under the Term Loan AK Facility to the Facility Agent (for the account of the Issuer) on the actual date of such prepayment. Prior to December 1, 2022, to the extent that during any twelve-month period commencing on the date of the Finco Accession Agreement AK, the principal amount of the Term Loan AK Facility prepaid in any one or more voluntary prepayments is greater than an amount equal to 10% of the original principal amount of the Term Loan AK Facility (any such amount, the “**Excess Early Redemption Proceeds**”), the Borrower will apply the Excess Early Redemption Proceeds to a voluntary prepayment of the Term Loan AK Facility as described in the paragraph above.

At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of the Term Loan AK Facility by the Borrower pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Senior Credit Facility with the Net Cash Proceeds (as defined in the Finco Accession Agreement) of one or more Equity Offerings (as defined in the Finco Accession Agreement) (the “**Equity Offering Early Redemption Proceeds**”) in an amount not to exceed 40% of the Term Loan AK Facility, the Borrower shall make a payment to the Facility Agent (for the account of the Issuer) in an amount equal to 3.500% of the principal amount of the Term Loan AK Facility prepaid, plus accrued interest then due on the amount of the Term Loan AK Facility prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower to the Facility Agent (for the account of the Issuer) under the Term Loan AK Facility on the actual date of such prepayment.

On or after December 1, 2022, upon a voluntary prepayment of any or all of the Term Loan AK Facility (other than a voluntary prepayment complying with Clause 17, 18, 19 and 21 the Finco Accession Agreement set out in Annex C of these Listing Particulars), the Borrower will pay to the Facility Agent an amount equal to the relevant percentage of the principal amount of the Term Loan AK Facility being prepaid as set forth below (plus accrued and unpaid interest then due), plus accrued and unpaid interest to the date of such prepayment, if prepaid during the twelve-month period beginning on December 1 of the years indicated below.

Year	Prepayment Amount
2022.....	1.750%
2023.....	0.875%
2024.....	0.438%
2025 and thereafter.....	0.000%

The Intercreditor Agreement

The Intercreditor Agreement was entered into on October 10, 2007 and has been amended and restated from time to time (most recently on August 10, 2017) by, among others, various creditors of the Telenet Group together with the Effective Date Debtors, the Effective Date Security Grantors, the Effective Date Subordinated Creditors, the Mandated Lead Arrangers, the Senior Agent and the Security Agent, in each case, as defined therein or as set out below:

The Financial Institutions:	Lenders (as defined in the Senior Facilities Agreement)
Mandated Lead Arrangers:	ABN AMRO Bank N.V., BNP Paribas S.A., and J.P. Morgan Plc
Intra-Group Lenders:	Telenet BVBA, Telenet Group BVBA, Telenet International Finance, Telenet Financing USD, Finance Center Telenet S.à r.l., Ulana Business Management Ltd, Coditel Brabant BVBA, Telenet Vlaanderen NV, Telenet Retail BVBA, Telenet Luxembourg Finance Center S.à r.l., Telenet Solutions Luxembourg S.A.

Subordinated Creditors:	Telenet Group Holding NV
The Hedge Counterparties:	(a) each credit institution which is party to the Intercreditor Agreement as a “Hedging Bank” on the Effective Date; and (b) any Acceptable Hedge Counterparty which becomes Party as a Hedge Counterparty pursuant to Clause 22.11 (Creditor Accession Undertaking) to the extent permitted or not prohibited by each of the Debt Documents.
Upon Accession Second Lien Agent:	each Agent under and as defined in a Second Lien Facilities Agreement which accedes to the Intercreditor Agreement pursuant to Clause 22.11 (Creditor Accession Undertaking).
Second Lien Lender:	“Lender” (or equivalent) under and as defined in any Second Lien Facilities Agreement.
Second Lien Notes Trustee:	any entity acting as a trustee or representative under any issue of Second Lien Notes and which accedes to the Intercreditor Agreement pursuant Clause 22.13 (Accession of Second Lien Notes Trustee).
Senior Secured Notes Trustee:	any entity acting as a trustee or representative under any issue of Senior Secured Notes and which accedes to the Intercreditor Agreement pursuant to Clause 22.14 (Accession of Senior Secured Notes Trustee).
High Yield Notes Trustee:	any entity acting as a trustee or representative under any issue of High Yield Notes and which accedes to the Intercreditor Agreement pursuant to Clause 22.12 (Accession of High Yield Notes Trustee).
Pari Passu Debt Representative:	any entity acting as trustee or creditor representative for the Pari Passu Creditors under any Pari Passu Debt Document and which accedes to the Intercreditor Agreement pursuant to Clause 22.6 (New Pari Passu Creditors and Pari Passu Debt Representatives).

The Intercreditor Agreement regulates the relationship and rights between these creditors, including (but not limited to) the ranking of their claims, the enforcement of security, the turnover of proceeds and the sharing of losses. A copy of the Intercreditor Agreement is set forth as Annex D to these Listing Particulars. Capitalised terms used in this section entitled “*The Intercreditor Agreement*” shall have the meaning given to them in the Intercreditor Agreement unless otherwise defined herein.

Ranking and Subordination

The Intercreditor Agreement provides that, the liabilities owed by the Debtors (other than a HY Issuer) to the Primary Creditors, Subordinated Creditors and/or Intra-Group Lenders shall rank as follows:

- First: the Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Debt Liabilities, the Hedging Liabilities, the Agent Liabilities, the Arranger Liabilities, the Second Lien Liabilities (but subject to Clause 2.2 (Transaction Security of the Intercreditor Agreement), the Senior Secured Notes Trustee Amounts, the Second Lien Notes Trustee Amounts, the High Yield Notes Trustee Amounts and the Pari Passu Debt Representative Amounts (pari passu among themselves);
- Second: the High Yield Note Liabilities (pari passu among themselves);
- Third: the Subordinated Liabilities; and
- Fourth: the Intra-Group Liabilities.

The liabilities owed by a HY Issuer to the Primary Creditors shall rank in right and priority of payment pari passu between themselves and without any preference between them (but subject to Clause 2.2 (Transaction Security of the Intercreditor Agreement)).

The Intercreditor Agreement provides that the Transaction Security shall rank and secure the following Liabilities in the following order:

- First, the Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Debt Liabilities, the Senior Agent Liabilities, the Senior Arranger Liabilities, the Senior Secured Notes Trustee Amounts, the Pari Passu Debt Representative Amounts and the Hedging Liabilities (but, in the case of Transaction Security granted under the Pre-Effective Date Security Documents, only to the extent that such Transaction Security is expressed to secure those Liabilities, but without prejudice to Clause 17 (Application of Proceeds) and Clause 18 (Equalisation) of the Intercreditor Agreement), pari passu and without any preference between them; and
- Second, the Second Lien Liabilities.

Undertakings

In order to facilitate the ranking as described, certain parties to the Intercreditor Agreement have provided undertakings restricting their ability to take various steps that might affect such ranking. In particular:

- The debtors in respect of the Subordinated Liabilities (each a “**Subordinated Creditor**”) and the Debtors have undertaken, among other things, that they will not, until the Final Discharge Date, pay, permit any security to subsist for, or give any guarantee in respect of, the Subordinated Liabilities, except for, among others, Permitted Subordinated Creditor Payments.
- Each Hedging Bank has undertaken, among other things, that they will not, until the later of (a) Senior Lender Discharge Date; (b) the Senior Secured Notes Discharge Date; and (c) the Pari Passu Debt Discharge Date, or without the Majority Senior Creditors’ demand or receive payment from the Debtors, except for scheduled payments arising under the original terms of the hedging documents and as may be necessary to terminate or close out any permitted hedging transaction.
- The Senior Lenders, the Pari Passu Creditors and the Senior Secured Notes Creditors have undertaken not to obtain, take or receive from any Debtor, any member of the Group or any Security Grantor, the benefit of any security interest, guarantee, indemnity or other assurance against loss in respect of the Senior Lender Liabilities, the Pari Passu Debt Liabilities or the Senior Secured Notes Liabilities other than under the Security Facilities Agreement, the Intercreditor Agreement or any Common Assurance which is given to all the Senior Secured Parties in respect of their Liabilities and ranks in the same order of priority as that contemplated in the Intercreditor Agreement.

Turnover

The Intercreditor Agreement contains a covenant which, among other things, requires any Creditor that receives or recovers a payment or distribution of, or on account of or in relation to, any of the Liabilities, except where such payment or distribution is excluded or permitted or made in accordance with the application of proceeds clause in the Intercreditor Agreement, that Creditor will hold that payment on trust for the Security Agent and pay the required amounts to the Security Agent for application in accordance with the terms of the Deed.

Security—Enforcement

- (a) The Intercreditor Agreement provides that the Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by:
 - (i) the Instructing Group; or
 - (ii) if required under paragraph (c) below, the Majority Second Lien Creditors.
- (b) Subject to the Transaction Security having become enforceable in accordance with its terms:
 - (i) the Instructing Group; or

- (ii) to the extent permitted to enforce or to require the enforcement of the Transaction Security prior to the Senior Discharge Date, the Majority Second Lien Creditors,

may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.

- (c) Prior to the Senior Discharge Date:

- (i) if the Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the Transaction Security; or

- (ii) in the absence of instructions from the Instructing Group,

and, in each case, the Instructing Group has not required any Debtor to make a Distressed Disposal, the Security Agent shall give effect to any instructions to enforce the Transaction Security which the Majority Second Lien Creditors are then entitled to give to the Security Agent.

If at any time the Majority Second Lien Creditors are then entitled to give the Security Agent instructions to enforce the Transaction Security and the Majority Second Lien Creditors either give such instructions or indicate any intention to give such instructions, then either the Senior Agent or the Senior Secured Notes Representative(s) may give instructions to the Security Agent to enforce the Transaction Security as such Senior Agent or the Senior Secured Notes Representative(s) sees fit in lieu of any instructions to enforce given by the Majority Second Lien Creditors and the Security Agent shall act on the first such instructions received from the Senior Agent or the Senior Secured Notes Representative(s).

“Instructing Group” means at any time:

- a) prior to the Senior Secured Discharge Date, the Majority Senior Secured Creditors;
- b) on or after the Senior Secured Discharge Date but before the Second Lien Discharge Date, the Majority Second Lien Creditors; and
- c) on or after the later of the Senior Secured Discharge Date and the Second Lien Discharge Date but before the High Yield Discharge Date, the Majority High Yield Creditors (acting through the relevant High Yield Representative(s)).

“Majority Second Lien Creditors” means, at any time, those Second Lien Creditors whose Second Lien Credit Participations at that time aggregate more than 50% of the total Second Lien Credit Participations at that time.

Security—Distribution of Proceeds

The Intercreditor Agreement provides that all amounts received or recovered by the Security Agent pursuant to the terms of any Debt Document, except as stated therein, are to be applied by the Security Agent in the following order:

- a) in payment of all costs charges expenses and liabilities (and all interest due thereon) incurred by or on behalf of the Security Agent or by such other party as the case may be in connection with the realization of the security and any receiver, delegate, attorney or agent, in each case in connection with the carrying out or purporting to carry out, its duties or exercising its powers, and the remuneration of any such receiver, each on a pari passu basis;
- b) in discharging any sums owing to the Second Lien Agent, any sums owing to a Pari Passu Debt Representative and any Senior Secured Notes Trustee Amounts, Second Lien Notes Trustee Amounts or High Yield Notes Trustee Amounts on a pari passu basis;
- c) in payment to the Senior Agent on its own behalf and on behalf of the Arrangers and the Senior Lenders, each Pari Passu Debt Representative on its own behalf and on behalf of the Pari Passu Creditors, each Senior Secured Notes Representative on its own behalf and on behalf of the Senior Secured Notes Creditor and the Hedge Counterparties, for the application towards the discharge of

- sums owing to the Senior Agent (in respect of the Senior Agent Liabilities);
- sums owing to the Security Agent (other than as set out above);
- the Senior Arranger Liabilities and the Senior Lender Liabilities (in accordance with the terms of the Senior Finance Documents);
- the Pari Passu Debt Liabilities (in accordance with the terms of the Pari Passu Debt Documents);
- the Senior Secured Notes Liabilities (in accordance with the terms of the Senior Secured Notes Finance Documents); and
- the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty) (provided that, any Group Recoveries from a Non-ECP Debtor shall not be applied towards the discharge of any Hedging Liability that constitutes an Excluded Swap Obligation),

on a pro rata basis (excluding, for the purposes of calculating the pro rata distribution in accordance with this Clause, any amounts owed by a Debtor in respect of any Ancillary Facility or any Letter of Credit to the extent, and in the amount, that SFA Cash Cover has been provided by a Debtor in respect of that amount and is available to the relevant Lender (in respect of an Ancillary Facility) or the party it has been provided for (in respect of a Letter of Credit) pursuant to the relevant SFA Cash Cover Document) and ranking pari passu between subparagraphs above;

in payment to each Second Lien Representative on its own behalf and on behalf of the other Second Lien Finance Parties (other than the Security Agent) for application (in accordance with the terms of the Second Lien Finance Documents) towards the discharge of the Second Lien Liabilities on a pro rata and pari passu basis;

- a) in payment to each High Yield Representative on its own behalf and on behalf of the High Yield Notes Finance Parties for application towards the discharge of the High Yield Notes Liabilities; and
- b) to the extent there is a surplus, to the relevant Debtor or Security Grantor.

Restricted Amendments

The Intercreditor Agreement restricts certain amendments to the terms of the Hedging Agreements, Second Lien Finance Documents, High Yield Notes Finance Documents, Subordinated Creditor documents and Transaction Security Documents. In particular:

- In respect of the hedging debt, the Hedging Counterparty and the Debtors are permitted to make any amendments by mutual agreement to the hedging documents provided that:
 - the amendment or waiver does not breach another term of the Intercreditor Agreement; and
 - such amendment or waiver would not result in a breach of the terms of the Senior Facilities Agreement, the Senior Secured Notes Indenture(s) or the Pari Passu Debt Documents.
- In respect of the Second Lien Creditors, the Second Lien Creditors may amend or waive the terms of the Second Lien Finance Documents provided that prior to the Senior Secured Discharge Date, the Second Lien Creditors may not amend or waive the terms of the Second Lien Finance Documents without the prior consent of the Majority Senior Lenders and the relevant Senior Secured Notes Representatives and Pari Passu Debt Representatives if the amendment or waiver would result in the Second Lien Finance Documents not being in compliance with the terms of the Senior Facilities Agreement, the Senior Secured Notes Indenture(s) and/or the Pari Passu Debt Documents or a Second Lien Finance Document being inconsistent in any material respect with the Second Lien Major Terms.
- In respect of the High Yield Creditors, the High Yield Creditors may amend or waive the terms of the High Yield Notes Finance Documents (other than the Intercreditor Agreement) in accordance with their terms at any time, provided that Prior to the later of the Senior Secured Discharge Date and the Second

Lien Discharge Date, the High Yield Notes Finance Parties may not, without the consent of the Majority Senior Lenders, the Majority Second Lien Lenders, the relevant Senior Secured Notes Representative(s), the relevant Second Lien Representative(s), the Pari Passu Debt Representative(s) amend or waive the terms of the High Yield Notes Finance Documents if the amendment or waiver would result in the High Yield Notes Finance Documents not being in compliance with the terms of the Senior Facilities Agreement, any Second Lien Facilities Agreement, the Second Lien Notes Indenture(s), the Senior Secured Notes Indenture(s) and/or the Pari Passu Debt Documents or the High Yield Notes Finance Documents being inconsistent in any material respect with the High Yield Notes Major Terms.

- In respect of the Subordinated Creditor documents, Until after the Final Discharge Date, no Debtor nor any Subordinated Creditor will amend any term of any Subordinated Creditor Document in a manner or to an extent which would result in:
 - any Debtor being subject to obligations which would conflict with any provisions of the Intercreditor Agreement; or
 - the ranking and/or subordination provided for in the Intercreditor Agreement, being affected in any way that is materially adverse to the interests of the Senior Finance Parties, the Pari Passu Creditors, the Senior Secured Notes Finance Parties, the Hedge Counterparties, the Second Lien Finance Parties and/or the High Yield Notes Finance Parties,

in each case without the prior consent of the Majority Senior Creditors, the relevant Senior Secured Notes Representative(s), the relevant Pari Passu Debt Representative(s), the relevant Second Lien Representative(s), the Majority Second Lien Lenders and the High Yield Notes Trustee.

- In respect of the Transaction Security Documents, the Security Agent may, if authorised by an Instructing Group, and if Telenet BVBA Consents, amend the terms of, waive any of the requirements of or grant Consents under, any of the Transaction Security Documents which shall be binding on each Party. However, the prior Consent of the Senior Agent, the Second Lien Agent, each Senior Secured Notes Trustee, each Second Lien Notes Trustee, each Pari Passu Debt Representative the High Yield Notes Trustee and each Hedge Counterparty is required to authorise in case of any amendment or waiver of, or Consent under, any Transaction Security Document which would adversely affect the nature or scope of the Charged Property or the manner in which the proceeds of enforcement of the Transaction Security are distributed.

Equalization and Loss Sharing

The Intercreditor Agreement provides that, if for any reason, any Senior Secured Liabilities remain unpaid after the Enforcement Date and the resulting losses are not borne by the Senior Secured Creditors in the proportions which their respective Exposures at the Enforcement Date bore to the aggregate Exposures of all the Senior Secured Creditors at the Enforcement Date, the Senior Secured Creditors will make such payments amongst themselves as the Security Agent shall require to put the Senior Secured Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

Description of the Related Agreements

Telenet Service Agreement

The Telenet Service Agreement is the agreement dated the Issue Date and entered into between the Issuer, Telenet International Finance and Telenet Group BVBA, pursuant to which Telenet International Finance will agree to reimburse the Issuer for certain recurring costs (the “**Recurring Costs**”) which may be incurred by the Issuer in connection with the offering of the Notes, Additional Debt and the Finco Loans including, but not limited to, fees and disbursements of legal counsel, fees in connection with the appointments of the Trustee and any paying agents in connection with the Notes, fees and expenses incurred in connection with the performance by the Issuer of its business including any indemnification of the Trustee, payments in respect of any applicable taxes owing by the Issuer and any Additional Amounts (as defined in “*Description of the Notes*”) payable in respect of the Notes which the Issuer is required to pay to holders of the Notes; and any amounts equal to any withholding taxes withheld on payments under the Finco Loans to the Issuer, to the extent not grossed up. Telenet International Finance’s obligations under the Telenet Service Agreement will be limited so that the maximum amount owed by them at any one time does not exceed the greater of €10 million and the available unused portion at that time of

the basket described in paragraph (ff) of the definition of “Permitted Financial Indebtedness” in the Senior Credit Facility (or any corresponding basket following the implementation of the Senior Credit Facility Amendments). The Telenet Service Agreement also provides that Telenet International Finance will agree certain undertakings in order to ensure compliance by the Issuer with certain covenants included in the Indenture. Telenet Group BVBA will agree to guarantee the payment obligations of Telenet International Finance of such sums under the Telenet Service Agreement to the Issuer.

Telenet Dollar Fee Letter

The Telenet Dollar Fee Letter is the agreement dated the Issue Date and entered into between the Issuer, Telenet International Finance and Telenet Group BVBA, pursuant to which Telenet International Finance has agreed to pay certain upfront fees for a determined amount of non-recurring up-front fees (the “**Non-Recurring USD Costs**”) incurred by the Issuer in connection with its accession to the Senior Credit Facility pursuant to the Finco Accession Agreement AJ and the subsequent Finco Loan AJ. Telenet Group BVBA has agreed to guarantee the payment obligations of Telenet International Finance of such sums under the Telenet Dollar Fee Letter to the Issuer.

Telenet Euro Fee Letter

The Telenet Euro Fee Letter is the agreement dated the Issue Date and entered into between the Issuer, Telenet International Finance and Telenet Group BVBA, pursuant to which Telenet International Finance has agreed to pay the Issuer certain upfront fees for a determined amount of non-recurring up-front fees (the “**Non-Recurring Euro Costs**”) incurred by the Issuer in connection with its accession to the Senior Credit Facility pursuant to the Finco Accession Agreement AK and the subsequent Finco Loan AK. Telenet Group BVBA has agreed to guarantee the payment obligations of Telenet International Finance of such sums under the Telenet Euro Fee Letter to the Issuer.

DESCRIPTION OF OTHER INDEBTEDNESS OF TELENET

The following contains a summary of the material provisions of the Senior Secured Notes after giving effect to the Refinancing. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the underlying documents.

Telenet Finance V Luxembourg Notes and Facility V under the Senior Credit Facility

On August 16, 2012, Telenet Finance V Luxembourg, an unaffiliated special purpose financing company created for the primary purpose of issuing senior notes, issued (i) €450.0 million principal amount of 6¹/₄% senior secured notes due 2022 (the “**2022 Notes**”) and (ii) €250.0 million principal amount of 6³/₄% senior secured notes due 2024 (the “**2024 Notes**” and together with the 2022 Notes, the “**Telenet Finance V Luxembourg Notes**”), each at par. Telenet Finance V Luxembourg used the proceeds of the 2022 Notes and the 2024 Notes to fund a new Facility U and Facility V, respectively, under the Senior Credit Facility, with Telenet International Finance as the borrower. Telenet International Finance used the net proceeds from Facility U and Facility V to grant a loan to Telenet Group Holding NV to partly fund the payment of an extraordinary dividend to the shareholders of Telenet Group Holding on May 8, 2013, and to service certain payments to Telenet Finance V Luxembourg in connection with the issuance of the Telenet Finance V Luxembourg Notes. The 2022 Notes and Facility U were repaid and cancelled in full on June 13, 2017.

Telenet Finance V Luxembourg is dependent on payments from Telenet International Finance under Facility V in order to service its payment obligations under the 2024 Notes. Although Telenet International Finance has no equity or voting interest in Telenet Finance V Luxembourg, the Facility V loan creates a variable interest in Telenet Finance V Luxembourg for which Telenet International Finance is the primary beneficiary, as contemplated by EU-IFRS. As such, Telenet International Finance and its parent entities, including Telenet Group Holding, are required by the provisions of EU-IFRS to consolidate Telenet Finance V Luxembourg following the issuance of the Telenet Finance V Luxembourg Notes. Accordingly, the amounts outstanding under Facility V will be eliminated within Telenet Group Holding’s consolidated financial statements.

The Telenet Finance V Luxembourg Notes were issued pursuant to an indenture, dated August 16, 2012. Facility V is made pursuant to a Facility V Accession Agreement (the “**Facility V Accession Agreement**”). Pursuant to the Facility V Accession Agreement, the call provisions, maturity and applicable interest rate for Facility V are the same as those of the 2024 Notes. Telenet Finance V Luxembourg, as a lender under the Senior Credit Facility, will be treated the same as the other lenders under the Senior Credit Facility and will have benefits, rights and protections that are similar to those benefits, rights and protections afforded to the other lenders.

Telenet Finance V Luxembourg is prohibited from incurring any additional indebtedness, subject to certain exceptions under the indenture governing the Telenet Finance V Luxembourg Notes.

The 2024 Notes are non-callable until August 15, 2018. At any time prior to August 15, 2018, upon the occurrence of an Early Redemption Event (being a voluntary prepayment of all or a portion of Facility V), Telenet Finance V Luxembourg will redeem an aggregate principal amount of the 2024 Notes equal to the amount of Facility V prepaid, at a redemption price equal to the sum of (i) 100% of the principal amount thereof, (ii) the excess of (a) the present value at such redemption date of (1) the redemption price on August 15, 2018, plus (2) all required remaining scheduled interest payments due through August 15, 2018, computed using the discount rate specified in the indenture, over (b) the principal amount of the 2024 Notes on the redemption date and (iii) accrued but unpaid interest and additional amounts, if any, to the applicable redemption date. On or after August 15, 2018, upon the occurrence of an Early Redemption Event (as defined in the indenture), Telenet Finance V Luxembourg will redeem an aggregate principal amount of the 2024 Notes equal to the principal amount of Facility V prepaid at the redemption prices set forth in the indenture governing the 2024 Notes, plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date.

Telenet Finance VI Luxembourg Notes and Facility AB under the Senior Credit Facility

On July 24, 2015 Telenet Finance VI Luxembourg, an unaffiliated special purpose financing company, created for the primary purpose of issuing senior notes, issued €530.0 million principal amount of 4⁷/₈% senior secured notes due 2027, at an issue price of 98.885% (the “**Telenet Finance VI Luxembourg Notes**”). Telenet Finance VI Luxembourg used the proceeds from the Telenet Finance VI Luxembourg Notes to fund an additional facility (the “**Facility AB**”) under the Senior Credit Facility, with Telenet International Finance as borrower. Telenet

International Finance used substantially all of the proceeds from Facility AB to repay Facility M under the Senior Credit Facility, and to service certain payments to Telenet Finance VI Luxembourg in connection with the issuance of the Telenet Finance VI Luxembourg Notes. The remainder of the proceeds from the new Facility AB was used for general corporate purposes of the Telenet Group.

Telenet Finance VI Luxembourg is dependent on payments from Telenet International Finance under Facility AB in order to service its payment obligations under the Telenet Finance VI Luxembourg Notes. Although Telenet International Finance has no equity or voting interest in Telenet Finance VI Luxembourg, Facility AB creates a variable interest in Telenet Finance VI Luxembourg for which Telenet International Finance is the primary beneficiary, as contemplated by EU-IFRS. As such, Telenet International Finance and its parent entities, including Telenet Group Holding, are required by the provisions of EU-IFRS to consolidate Telenet Finance VI Luxembourg following the issuance of the Telenet Finance VI Luxembourg Notes. Accordingly, the amounts outstanding under the Facility AB will be eliminated within the Telenet Group Holding's consolidated financial statements.

The Telenet Finance VI Luxembourg Notes have been issued pursuant to an indenture, dated July 24, 2015. Facility AB is made pursuant to a Facility AB Accession Agreement (the "**Facility AB Accession Agreement**"). Pursuant to the Facility AB Accession Agreement, the call provisions, the maturity and the applicable interest rate for Facility AB are the same as those of the Telenet Finance VI Luxembourg Notes. Telenet Finance VI Luxembourg, as a lender under the Senior Credit Facility, will be treated the same as the other lenders under the Senior Credit Facility and will have benefits, rights and protections that are similar to those benefits, rights and protections afforded to the other Telenet Lenders.

Telenet Finance VI Luxembourg is prohibited from incurring any additional indebtedness, subject to certain exceptions under the indenture governing the Telenet Finance VI Luxembourg Notes.

At the election of Telenet International Finance, the Telenet Finance VI Luxembourg Notes may be assigned to a Belgian special purpose financing company (the "**Telenet VI Belgian SPV Issuer**") for the purposes of assuming Telenet Finance VI Luxembourg's rights and obligations under the Telenet Finance VI Luxembourg Notes, the indenture governing the Telenet Finance VI Luxembourg Notes, the Intercreditor Agreement, the Senior Credit Facility and other related transaction documents (the "**Telenet VI Belgian SPV Issuer Accession**"). In addition, at the election of Telenet International Finance, Facility AB may be exchanged, on a cash or cashless basis, for a loan under a new additional facility under the Senior Credit Facility ("**Facility AC**") in an equal principal amount and having substantially identical terms (other than with respect to the borrower of such loan) as Facility AB.

The Telenet Finance VI Luxembourg Notes are non-callable until July 15, 2021. At any time prior to July 15, 2021, upon the occurrence of an Early Redemption Event (being a voluntary prepayment of all or a portion of Facility AB or Facility AC (as applicable)) (other than in the case of Facility AB, in connection with the implementation of Facility AC or in the case of each such Facility, as described in the paragraph below), Telenet Finance VI Luxembourg (or following the Telenet VI Belgian SPV Issuer Accession, the Telenet VI Belgian SPV Issuer) will redeem an aggregate principal amount of the Telenet Finance VI Luxembourg Notes equal to the amount of Facility AB or Facility AC, as applicable, prepaid, at a redemption price equal to the sum of (i) 100% of the principal amount thereof, (ii) the excess of (a) the present value at such redemption date of (1) the redemption price on July 15, 2021, plus (2) all required remaining scheduled interest payments due through July 15, 2021, computed using the discount rate specified in the indenture, over (b) the principal amount of the Telenet Finance VI Luxembourg Notes on the redemption date and (iii) accrued but unpaid interest and additional amounts, if any, to the applicable redemption date. On or after July 15, 2021, upon the occurrence of an Early Redemption Event (as defined in the indenture), Telenet Finance VI Luxembourg (or following the Telenet VI Belgian SPV Issuer Accession, the Telenet VI Belgian SPV Issuer) will redeem an aggregate principal amount of the Telenet Finance VI Luxembourg Notes equal to the principal amount of Facility AB or Facility AC, as applicable, prepaid at the redemption prices set forth in the indenture governing the Telenet Finance VI Luxembourg Notes, plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date.

Prior to July 15, 2021, upon the occurrence of an Early Redemption Event, Telenet Finance VI Luxembourg (or following the Telenet VI Belgian SPV Issuer Accession, the Telenet VI Belgian SPV Issuer) will redeem an aggregate principal amount of the Telenet Finance VI Luxembourg Notes equal to the principal amount of Facility AB or Facility AC, as applicable, prepaid (not to exceed an amount equal to 10% of the principal amount of Facility AB or Facility AC, as applicable), at a redemption price equal to 103% of the principal amount of the Telenet Finance VI Luxembourg Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. In addition, at any time prior to July 15, 2018, upon the occurrence of an Early

Redemption Event, Telenet Finance VI Luxembourg (or following the Telenet VI Belgian SPV Issuer Accession, the Telenet VI Belgian SPV Issuer) will redeem an aggregate principal amount of the Telenet Finance VI Luxembourg Notes equal to the principal amount of Facility AB or Facility AC, as applicable, prepaid with the proceeds of certain equity offerings (not to exceed an amount equal to 40% of the principal amount of Facility AB or Facility AC, as applicable), at a redemption price equal to 104.875%, plus accrued and unpaid interest and additional amounts, if any, to the redemption date; provided that at least 50% of the principal amount of the Telenet Finance VI Luxembourg Notes remain outstanding after the redemption and the redemption occurs within 180 days after the closing of such equity offering.

The Collateral Sharing Agreement

The terms defined in this section entitled “—*Collateral Sharing Agreement*” are for the purposes of this description of the Collateral Sharing Agreement only. To establish the relative rights of the Senior Creditors (as defined below), the Issuer (and together with the Belgian Issuer following its accession to the Collateral Sharing Agreement in its capacity as such, the “**Debtor**”) will enter into a collateral sharing agreement (the “**Collateral Sharing Agreement**”) with, amongst others:

- The Bank of New York Mellon, London Branch in its capacity as security trustee under the Collateral Sharing Agreement (the “**Security Trustee**”); and
- The Trustee (the “**Original Note Trustee**”) on its behalf and on behalf of the holders of the Notes.

The Collateral Sharing Agreement will regulate the rights, title and interest of the Senior Creditors (as defined below) in respect of the Shared Security Documents (as defined below) and sets out, among other things, the relative ranking of certain debt of the Debtors, the consent levels of Senior Creditors required in order to cast their votes and exercise their rights in respect of consents, instructions, rights and remedies under the Senior Credit Facility, when enforcement action can be taken in respect of the Shared Security Documents (as defined below) by the Security Trustee and the turnover provisions.

The following description is a summary of certain provisions, among others, that are contained in the Collateral Sharing Agreement and which relate to the rights and obligations of the Debtor and the Senior Creditors.

Certain Definitions

“**Accelerated Default**” means (i) any enforcement action taken or made under or in respect of any Note Document or under any corresponding Senior Facilities Loan or (ii) any enforcement action taken or made under or in respect of any Pari Passu Debt Document or under any corresponding Senior Facilities Loan;

“**Belgian Issuer Accession**” means an accession by the Belgian Issuer to the Collateral Sharing Agreement;

“**Belgian Issuer Accession Date**” means the date of the Belgian Issuer Accession;

“**Debt Document**” means the Note Documents and the Pari Passu Debt Documents;

“**Initial Telenet Service Agreement**” means the service agreement dated on or about the Issue Date, entered into between the Issuer, Telenet International Finance S.à r.l. and Telenet Group BVBA, as may be amended, modified or restated from time to time;

“**Instructing Group**” means, at any time, those Senior Creditors (other than any Senior Creditor who, pursuant to the Debt Documents in effect at such time, is not entitled to vote) representing Secured Obligations which constitute at that time in aggregate more than 50% of the Secured Obligations;

“**Intercreditor Agreement Lender Right**” means any instruction, direction, rights or remedies which a Senior Lender (as defined in the Intercreditor Agreement) is entitled to give or otherwise exercise under the Intercreditor Agreement;

“**Intercreditor Agreement Voting Request**” means any request made to the any Debtor in its capacity as a Senior Lender (as defined in the Intercreditor Agreement) at any time for a consent, amendment, release, waiver, direction, instruction or any other vote under or in connection with the Intercreditor Agreement;

“Intercreditor Debt Document” has the meaning given to the term “Debt Document” under the Intercreditor Agreement;

“Issuer” refers to (i) Telenet Finance Luxembourg Notes S.à r.l. prior to the Belgian Issuer Accession Date and (ii) the Belgian Issuer after the Belgian Issuer Accession Date, as the case may be;

“Liabilities” means all present and future liabilities of the Debtor to the Senior Creditors under the Debt Documents and present and future liabilities of members of the Senior Facilities Group to the Debtor (in their respective capacities as a lender under the Senior Credit Facility) under the Senior Credit Facility, in each case both actual and contingent and whether incurred solely or jointly in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations (i) any refinancing, novation, deferral or extension of that liability, (ii) any claim for misrepresentation or breach of warranty or undertaking or on an event of default or under any indemnity in connection with any document or agreement evidencing or constituting any other liability or obligation, (iii) any claim for damages or restitution, (iv) any claim resulting from any recovery by the Debtor or member of the Senior Facilities Group (as applicable) on the grounds of preference or otherwise falling within this definition; and (v) any amount (such as post- insolvency interest) which would be included in any of the above but for its discharge, non-provability, enforceability or non-allowability in any insolvency or other proceedings;

“New Shared Security Documents” means, on or after the Belgian Issuer Accession Date, the following security documents:

- (a) a first-ranking pledge over the rights of the Belgian Issuer under the Finance Documents (as defined in the Senior Credit Facility) (including the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, and any other Finco Accession Agreements) in respect of which the Belgian Issuer has any right, title, benefit and/or interest, the Intercreditor Agreement and any related fee letters;
- (b) a first-ranking pledge over the rights of the Belgian Issuer under the New Telenet Service Agreement; and
- (c) a first-ranking pledge over certain of the bank accounts of the Belgian Issuer;

“New Telenet Service Agreement” means the service agreement to be dated on or about the Belgian Issuer Accession Date between the Belgian Issuer and certain members of the Senior Facilities Group, as may be amended, modified or restated from time to time;

“Note Creditor” means the Noteholders and each Note Trustee;

“Note Debt” means the Liabilities of the Debtor to the holders of the Notes and each Note Trustee under the Note Documents;

“Note Documents” means the Notes, each Note Indenture, the applicable Telenet Service Agreement, the Shared Security Documents, the Senior Credit Facility, the Collateral Sharing Agreement and all other documents evidencing the terms of the Notes, and any other agreement or document that may be entered into or executed pursuant thereto or in connection therewith evidencing Liabilities owed to any Note Creditor in connection with the issue of the Notes;

“Note Indenture” means:

- (a) the Original Indenture; and
- (b) any subsequent indenture between, amongst others, the Debtor, a Note Trustee and the Security Trustee governing the terms of issuance of any Notes;

“Note Trustee” means the Original Note Trustee and any additional note trustee who has acceded to the Collateral Sharing Agreement in accordance with the relevant provisions of the Collateral Sharing Agreement;

“Note Trustee Amounts” means all amounts incurred by and/or payable to any Note Trustee (or to be payable to any paying agent, custodian or other person appointed in accordance with the Note Documents and any VAT payable on such amounts, personally and for its own account, by way of fees, costs, charges, expenses (including

legal and other professional advisors' fees) or by way of indemnity and remuneration pursuant to any relevant Note Document including any costs incurred in defending or disputing any of the foregoing and including all taxes on the foregoing (but excluding (i) any payment in relation to any unpaid costs and expenses incurred in respect of any litigation by or on behalf of any Note Trustee or any Note Creditors against any of the other Senior Creditors and (ii) any payment made directly or indirectly on or in respect of any amounts owing under any Notes Debt (other than those amounts which are Note Trustee Amounts) (including principal, interest, premium or any other amounts) to any of the Noteholders);

"Noteholders" means any holder of Notes under any Note Indenture;

"Notes" means the Original Notes and any other notes issued by the Debtor under any Note Indenture where the additional trustee has acceded to the Collateral Sharing Agreement in accordance with the relevant provisions of the Collateral Sharing Agreement;

"Original Note Indenture" means the Indenture;

"Original Notes" means the Notes offered pursuant to the Original Note Indenture;

"Original Shared Security Documents" means, prior to the Belgian Issuer Accession Date, the following security documents:

- (a) an English law governed assignment agreement dated on or about the date of the Collateral Sharing Agreement between the Issuer as security provider and the Security Trustee in relation to the rights of the Issuer under the Finance Documents (as defined in the Senior Credit Facility) (including the 2017 Finco Accession Agreements and any other Finco Accession Agreements) in respect of which the Issuer has any right, title, benefit and/or interest, the Intercreditor Agreement and any related fee letters;
- (b) an English law governed assignment agreement between the Issuer as security provider and the Security Trustee in relation to the rights of the Issuer under the Initial Telenet Service Agreement; and
- (c) a first-ranking charge or other security interest over certain of the bank accounts of the Issuer;

"Pari Passu Creditors" means the lenders or other creditors in respect of any Pari Passu Debt and the Pari Passu Debt Representative(s);

"Pari Passu Debt" means the Liabilities of the Debtor to the Pari Passu Creditors under the Pari Passu Debt Documents;

"Pari Passu Debt Documents" means each document or instrument entered into between the Debtor and a Pari Passu Creditor setting out the terms of any loan, credit or debt facility, notes, indenture or security which creates or evidences any Pari Passu Debt including the Shared Security Documents, the Collateral Sharing Agreement and the applicable Telenet Service Agreement;

"Pari Passu Debt Representative" means any entity acting as trustee or creditor representative for the Pari Passu Creditors under the Pari Passu Debt Documents where the trustee or creditor representative has acceded to the Collateral Sharing Agreement in accordance with the relevant provisions of the Collateral Sharing Agreement;

"Pari Passu Debt Representative Amounts" means fees, expenses and other amounts owed by and/or payable by the Debtor to each Pari Passu Debt Representative under the Pari Passu Debt Documents including (i) any amounts payable to a Pari Passu Debt Representative personally by way of indemnity and/ or remuneration pursuant to a Pari Passu Debt Document (including guarantees of such amounts contained therein) or any other document entered into in connection with the incurrence of Pari Passu Debt, (ii) compensation for and the fees and expenses of the collection by any Pari Passu Debt Representative of any amount payable to such Pari Passu Debt Representative for the benefit of the other Pari Passu Creditors; (iii) the costs of any actual or attempted security enforcement action (including the fees and expenses of the Pari Passu Debt Representative's agents and counsel); and (iv) amounts to be payable to any paying agent, registrar or any agent, custodian or other person appointed in accordance with the Pari Passu Debt Documents by any Pari Passu Debt Representative in relation to the Pari Passu Debt and any VAT payable on such amount, provided that, for the avoidance of doubt, Pari Passu Debt Representative Amounts shall not include (i) any payment in relation to any unpaid costs and expenses incurred in respect of any litigation by or on behalf of any Pari Passu Debt Representative or any Pari Passu

Creditor against any of the other Senior Creditors and (ii) any payment made directly or indirectly on or in respect of any amounts owing in respect of the Pari Passu Debt (other than those amounts which are Pari Passu Debt Representative Amounts) (including principal, interest, premium or any other amounts) to any of the Pari Passu Creditors);

“Secured Obligations” means the Senior Debt;

“Security” means the security created, evidenced or conferred by or pursuant to any of the Shared Security Documents;

“Senior Creditors” means all of the creditors of the Senior Debt; **“Senior Debt”** means the Note Debt and the Pari Passu Debt;

“Senior Credit Facility Lender Right” means any instruction, direction, rights or remedies which any Debtor in its capacity as a lender under the Senior Credit Facility is entitled to give or otherwise exercise under the Senior Credit Facility;

“Senior Credit Facility Voting Request” means any request made to any Debtor in its capacity as a lender under the Senior Credit Facility at any time for a consent, amendment, release, waiver, direction, instruction or any other vote under or in connection with the Senior Credit Facility;

“Senior Facilities Group” means the “Group” as defined in the Senior Credit Facility; **“Senior Facilities Loans”** means the loans funded under the Senior Credit Facility; **“Shared Security Documents”** means:

- (a) prior to the Belgian Issuer Accession Date, each of the Original Shared Security Documents and, following the Belgian Issuer Accession Date, each of the New Shared Security Documents;
- (b) any document designated as a Shared Security Document by the Debtor and the Security Trustee; and
- (c) document or agreement designated as a Shared Security Document by the Debtor and the Security Trustee;

“Telenet Service Agreement” means (i) the Initial Telenet Service Agreement prior to the Belgian Issuer Accession Date and (ii) the New Telenet Service Agreement after the Belgian Issuer Accession Date, as the case may be;

Ranking

The Collateral Sharing Agreement provides, subject to certain provisions, that the Note Debt and the Pari Passu Debt will rank in right and priority of payment *pari passu* amongst themselves and the Shared Security Documents secure the Note Debt and the Pari Passu Debt owed to the Senior Creditors *pari passu* amongst themselves.

Enforcement

At any time after an Accelerated Default has occurred and whilst it is continuing, the Security Trustee may enforce the Security and/or dispose of an asset which is the subject of the Security or the shares in or Liabilities or obligations of the Debtor and/or collect and receive payments or distributions which may be payable in relation to any Senior Debt.

Pursuant to the terms of the Collateral Sharing Agreement, no Senior Creditor will have any independent power to enforce, or has recourse to, any Security except through the Security Trustee, and the Security Trustee will enforce the Security if so instructed to do so by the Instructing Group (who may give or refrain from giving instructions to the Security Trustee to enforce or refrain from enforcing the Security as it sees fit). The Security Trustee will not be obliged to enforce the Security if it has not received security and/or been indemnified to its satisfaction and each of the Senior Creditors waives all rights to require that the Security is enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person which is capable of being applied in or towards discharge of any of the Liabilities is so applied.

Releases and Disposals of Security

If, in connection with the enforcement of Security, the Security Trustee sells or otherwise disposes of any asset under the Shared Security Documents, the Security Trustee can release the Security created pursuant to the Shared Security Documents over the relevant asset and apply the proceeds in accordance with the “*Application of Proceeds*” section described below.

Application of Proceeds

All amounts from time to time received or recovered by the Security Trustee pursuant to the provisions of the Debt Documents or in connection with the realisation or enforcement of all of any part of the Security (the “**Recoveries**”) will be applied at any time as the Security Trustee sees fit, and to the extent permitted by law, in the following order:

- first, in or towards payment (i) first to the Security Trustee in respect of any amounts payable to it in its personal capacity (and all interest thereon as provided for in the relevant Debt Documents) and any receiver, attorney or agent under or in connection with the Collateral Sharing Agreement or the Shared Security Documents (including without limitation, in connection with the perfection, preservation or actual or attempted enforcement of the Security and any indemnity or remuneration, fees and other expenses or costs); and then *pari passu* (ii) to each Note Trustee in respect of Note Trustee Amounts and (iii) each Pari Passu Debt Representative in respect of Pari Passu Debt Representative Amounts;
- second, in payment or distribution on a pro rata basis and *pari passu* to each Note Trustee on behalf of the Noteholders under all Note Indentures and each Pari Passu Debt Representative on behalf of the Pari Passu Creditors under the Pari Passu Debt Documents for application towards the discharge of (i) the Note Debt owed to the Noteholders and (ii) the Pari Passu Debt owed to the Pari Passu Creditors; and
- third, the surplus, if any, in payment to the Debtor.

The Collateral Sharing Agreement provides that, in certain circumstances, the Security Trustee can at its discretion hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Trustee for so long as the Security Trustee shall think fit until otherwise directed by the Instructing Group (the interest being credited to the relevant account) for later application from time to time of those monies in the Security Trustee’s discretion.

Turnover of Proceeds

The Collateral Sharing Agreement provides that, subject to certain provisions, if any Senior Creditor receives or recovers the proceeds of any enforcement of Security, otherwise than in accordance with the “*Application of Proceeds*” section described above, subject to certain exceptions, such Senior Creditor must promptly notify the Security Trustee and, in accordance with the terms of the Intercreditor Agreement, hold an amount of that receipt or recovery on trust for the Security Trustee and promptly pay that amount to the Security Trustee for application in accordance with the “*Application of Proceeds*” section described above. Each Debtor is under a similar obligation to turn over any amounts received or recovered under the Senior Credit Facility, following the acceleration of the Senior Debt or any enforcement of the Security, or at any time under the Intercreditor Agreement to the Security Trustee.

Amendments and Waivers—Collateral Sharing Agreement

Other than technical amendments or waivers made to or in relation to the Collateral Sharing Agreement: (i) to correct any manifest error or typographical error; (ii) to resolve ambiguities or inconsistencies or to effect changes of a minor, technical, operational or administrative nature, or, (iii) for the purposes of addressing technical issues arising under local law and in connection with the Security, which in each case may be agreed in writing between the Security Trustee and the Debtor, the Collateral Sharing Agreement may, subject to certain exceptions, only be amended or waived with the written agreement of the Note Trustee and Pari Passu Debt Representative acting in accordance with the required consent of each of the applicable Senior Creditors under the applicable Debt Documents.

To the extent an amendment, waiver or consent affects only one tranche of Debt and such amendment, waiver or consent could not reasonably be expected to materially and adversely affect the interests of the Senior Creditors

of the other tranches of Debt, only written agreement from the representative of that tranche of Senior Debt is required in each case, acting in accordance with the required consent of the applicable Senior Creditors under the applicable Debt Documents.

Amendments and Waivers—Shared Security Documents

Any provision of a Shared Security Document may be amended or waived by the written agreement of the Debtor and the Security Trustee (acting in accordance with the provisions of the Collateral Sharing Agreement and the relevant Shared Security Documents).

Additional Senior Debt

The Debtor may borrow additional loans and/or issue new note debt at any time without the prior consent of any other Senior Creditor, provided that, in each case, the incurrence of such Note Debt and Pari Passu Debt is permitted or not prohibited under the Debt Documents existing at the time of such issue, and (subject to certain accession requirements), once incurred, any such new Note Debt and new Pari Passu Debt shall be treated as Senior Debt for the purposes of the Collateral Sharing Agreement.

Intercreditor Agreement

In relation to an Intercreditor Agreement Voting Request or in respect of any Intercreditor Agreement Lender Right which the Debtor becomes entitled to exercise, the Debtor will cast its vote in respect of such Intercreditor Agreement Voting Request or exercise its right in respect of such Intercreditor Agreement Lender Right in accordance with the instructions of the Instructing Group provided that (other than with respect to certain specified Intercreditor Agreement Voting Requests including relating to the direction or instruction to the security agent under the Intercreditor Agreement in relation to any enforcement action thereunder) to the extent a corresponding request is not required to be submitted to the relevant Senior Creditors pursuant to the terms of any Debt Documents applicable to a specific tranche of Debt, the Secured Obligations of such tranche shall be deemed to be zero for the purposes of calculating the Instructing Group.

Senior Credit Facility

In relation to any Senior Credit Facility Voting Request or in respect of any Senior Credit Facility Lender Right which the Debtor becomes entitled to exercise, the Debtor will cast its vote or otherwise exercise such right in accordance with the terms of the Senior Credit Facility and any relevant Debt Documents.

Equalization

If, for any reason, any Senior Debt remains unpaid after the first date on which certain specified enforcement action is taken and the resulting losses are not borne by the Senior Creditors in the proportions which their respective exposures at that date bore to the aggregate exposures of all the Senior Creditors at such date, the Senior Creditors (subject to certain terms) will make such payments amongst themselves as the Security Trustee shall require to put the Senior Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

DESCRIPTION OF THE NOTES

Telenet Finance Luxembourg Notes S.à r.l. issued \$1,000 million of its 5.500% senior secured notes due 2028 (the “**Dollar Notes**”) and €600.0 million of its 3.500% senior secured notes due 2028 (the “**Euro Notes**” and, together with the Dollar Notes, the “**Notes**”) under an indenture (the “**Indenture**”) between, among others, the Issuer (as defined below), The Bank of New York Mellon, London Branch, as trustee (the “**Trustee**”) and The Bank of New York Mellon, London Branch, as security trustee (the “**Security Trustee**”), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”). The terms of the Notes include those stated in the Indenture. The Notes Security Documents referred to below under the caption “—*Security*” define the terms of the mortgages, charges and/or assignments that secure the Notes.

You can find the definitions of certain terms used in this description under the subheading “—*Certain Definitions*”. In this description:

- (1) the term “**Issuer**” refers to (i) Telenet Finance Luxembourg Notes S.à r.l. (the “**Initial Issuer**”), a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue Peternelchen, L-2370 Howald, Luxembourg, registered with the Luxembourg Trade and Companies Register under number B219682 prior to the Belgian Issuer Accession Date (as defined below) and (ii) the Belgian Issuer (as defined below) after the Belgian Issuer Accession Date, as the case may be;
- (2) the term “**Telenet BVBA**” refers only to Telenet BVBA and not to any of its subsidiaries;
- (3) the term “**Telenet Group BVBA**” refers only to Telenet Group BVBA and not to any of its subsidiaries;
- (4) the term “**Telenet Bank Group**” refers to Telenet Group BVBA and its subsidiaries (excluding any Group Excluded Subsidiaries (as defined in the Senior Credit Facility)); and
- (5) the term “**Initial Telenet Borrower**” refers only to Telenet International Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue Peternelchen, L-2370 Howald, and registered with the Luxembourg Trade and Companies Register under number B155066 and not to any of its subsidiaries.

Certain additional defined terms used in this description but not defined below under “—*Certain Definitions*” or elsewhere in this Description of the Notes have the meanings assigned to them in the Indenture.

The following description is a summary of the material provisions of the Indenture and refers to the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements (as applicable), the 2017 Telenet Fee Letters, the Telenet Service Agreement or the New Telenet Service Agreement (as applicable), the Collateral Sharing Agreement and the Notes Security Documents. It does not restate those agreements in their entirety. We urge you to read the Indenture, the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements (as applicable), the 2017 Telenet Fee Letters, the Telenet Service Agreement or the New Telenet Service Agreement (as applicable), the Collateral Sharing Agreement and the Notes Security Documents because they, and not this description, define your direct and indirect rights as holders of the Notes. Copies of the Indenture, the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements (as applicable), the 2017 Telenet Fee Letters, the Telenet Service Agreement or the New Telenet Service Agreement (as applicable), the Collateral Sharing Agreement, the Notes Security Documents, and the Paying and Domiciliary Agency Agreement are available as described below under “—*Additional Information*”. The Senior Credit Facility is attached as Annex A to these Listing Particulars, the forms of each 2017 Finco Accession Agreement are attached as Annex B and Annex C to these Listing Particulars and the forms of each New Finco Accession Agreement are attached as Schedule 11 of each of Annex B and Annex C to these Listing Particulars.

The Notes are initially not held in definitive form and the registered holder of a Note is treated as the owner of it for all purposes. Only registered holders have rights under the Indenture.

The Issuer will apply to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF of the Luxembourg Stock Exchange (the “**Euro MTF**”).

Brief Description of the Structure of the Offering

In connection with the offering of the Notes, the Issuer entered into (i) a Finco Accession Agreement with the Initial Telenet Borrower and the Telenet Facility Agent (the “**Finco Accession Agreement AJ**”), pursuant to which the Issuer made available to the Initial Telenet Borrower an additional facility under the Senior Credit Facility in a principal amount equal to the aggregate principal amount of the Dollar Notes issued in the offering and (ii) a Finco Accession Agreement with the Initial Telenet Borrower and the Telenet Facility Agent (the “**Finco Accession Agreement AK**”, together with the Finco Accession Agreement AJ, the “**2017 Finco Accession Agreements**”), pursuant to which the Issuer made available to the Initial Telenet Borrower an additional facility under the Senior Credit Facility in a principal amount equal to the aggregate principal amount of the Euro Notes issued in the offering. On the Issue Date, the Issuer (i) advanced the net proceeds of the issuance of the Dollar Notes, together with the fees payable to it (if any) by the Initial Telenet Borrower under the Telenet USD Fee Letter (as defined herein), pursuant to the Finco Accession Agreement AJ; and (ii) advanced the net proceeds of the issuance of the Euro Notes, together with the fees payable to it (if any) by the Initial Telenet Borrower under the Telenet EUR Fee Letter (as defined herein), pursuant to the Finco Accession Agreement AK.

The Issuer (or following the Belgian Issuer Accession (as defined below), the Belgian Issuer), as a lender under the Senior Credit Facility (a “**Telenet Lender**”), will be treated the same as all other lenders under that facility and will have benefits, rights and protections that are similar to those benefits, rights and protections afforded to other Telenet Lenders. Through the covenants in the Indenture and the security interests over the Issuer’s (or the Belgian Issuer’s) rights under the Finance Documents (as defined in the Senior Credit Facility) (including under the 2017 Finco Loans (as defined below) or the New Finco Loans (as defined below)) granted to the Security Trustee on behalf of itself, the Trustee and the holders of the Notes to secure the Issuer’s (or following the Belgian Issuer Accession, the Belgian Issuer’s) obligations under the Notes, the holders of the Notes will be provided indirectly with the benefits, rights and protections granted to the Issuer (or following the Belgian Issuer Accession, the Belgian Issuer) as a Telenet Lender, including the indirect benefit of the covenants contained in the Senior Credit Facility, the guarantees granted by the members of the Telenet Bank Group that are guarantors under the Senior Credit Facility and the security granted for the benefit of the Telenet Lenders. See “*Description of the Senior Credit Facility*”. Thus, in the case of the ongoing obligations of the Telenet Bank Group and the Initial Telenet Borrower or the Belgian Borrower (as defined below), as applicable, under the Senior Credit Facility, the Issuer (or following the Belgian Issuer Accession, the Belgian Issuer) will be treated in the same way as the other Telenet Lenders, with the right to vote as part of the lending group at the direction of the holders of each series of Notes (subject to certain pre-agreed amendments and consents referred to below under “—*2017 Finco Accession Agreements and the Senior Credit Facility*” and listed in Schedules 4, 5, 6, 7, 8, 9 and 10 of each 2017 Finco Accession Agreement or Schedules 4, 5, 6, 7, 8, 9 and 10 of each New Finco Accession Agreement (as defined below), as applicable) and to receive principal and interest on the 2017 Finco Loans, or the New Finco Loans, as applicable, which it will in turn use to make payments on the Notes. For a description of procedures under the Indenture and the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, regarding voting rights of holders of the relevant series of Notes with respect to decisions under the Senior Credit Facility, see below under “—*Amendment, Supplement and Waiver—To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements*”.

Under the Senior Credit Facility, to the extent the Telenet Bank Group is in compliance with certain financial covenants, the borrowers under the Senior Credit Facility, at their discretion and without the consent of the Telenet Lenders, are permitted to incur additional pari passu indebtedness pursuant to additional facilities under the Senior Credit Facility (the existing facilities, and any additional facilities under the Senior Credit Facility, the “**Facilities**”), which benefit from the protections provided to all Telenet Lenders, including the representations and warranties, covenants, guarantees and security provided thereunder. For a further description of the Senior Credit Facility, see “*Description of the Senior Credit Facility*”. The Senior Credit Facility is attached as Annex A to these Listing Particulars.

On the Issue Date, (i) the net proceeds of the offering of the Dollar Notes, together with the fees payable (if any) to the Issuer from the Initial Telenet Borrower under the Telenet USD Fee Letter, were used by the Issuer to fund a loan in a principal amount equal to \$1,000.0 million (the “**Finco Loan AJ**”) borrowed under an additional facility (“**Finco Facility AJ**”) under the Senior Credit Facility and (ii) the net proceeds of the offering of the Euro Notes, together with the fees payable (if any) to the Issuer from the Initial Telenet Borrower under the Telenet EUR Fee Letter, were used by the Issuer to fund a loan in a principal amount equal to €600.0 million (the “**Finco Loan AK**”, and, together with Finco Loan AJ the “**Finco Loans**”) borrowed under an additional facility (the “**Finco Facility AK**” and together with Finco Facility AJ, the “**Finco Facilities**”) under the Senior Credit Facility, and the Issuer became a Telenet Lender. In addition to indirect benefits arising from the protections and security

afforded to the Issuer as a Telenet Lender, holders of Notes will also benefit directly from the first-ranking (subject to the relevant account bank waiving any first-ranking security that may exist under the account bank's standard terms and conditions) security interests in the Note Collateral as described below under "*—Security*".

The principal amount of the Dollar Notes due at maturity, as well as the maturity date, rate of interest and currency, among other things, will be identical to the corresponding provisions of Finco Loan AJ, and the principal amount of the Euro Notes due at maturity, as well as the maturity date, rate of interest and currency, among other things, will be identical to the corresponding provisions of Finco Loan AK.

Further, if an Event of Default is continuing under the Indenture or the Notes, holders of Notes will be entitled to direct the Trustee and/or the Security Trustee to enforce their rights under the Notes, the Indenture and (subject to and in accordance with the terms of the Collateral Sharing Agreement) the Notes Security Documents, in which case the holders of Notes will have multiple available remedies (through the Trustee and/or the Security Trustee, where relevant), including declaring the Notes due and payable. For more information on Events of Default and Remedies, see "*—Collateral Sharing Agreement*" and "*—Events of Default and Remedies*".

Indebtedness under the Senior Credit Facility

As of September 30, 2017, as adjusted to give effect to (i) the borrowing of the Finco Loans and the application of the proceeds therefrom as described in "*Use of Proceeds*", and (ii) the Refinancing (as defined under "*General Description of Telenet's Business, the Issuer and the Offering—The Refinancing and Other Transactions*"), €4,103.7 million (equivalent) carrying amount of indebtedness would have been outstanding under the Senior Credit Facility on a non-eliminated basis, which includes amounts outstanding under Facilities V and AB that are eliminated through the consolidation of the lenders thereof within the Telenet Group Holding NV's consolidated financial statements. See "*Capitalization of Telenet and the Issuer*". This amount also includes €1,447.3 million (equivalent), or 35.3% of the aggregate principal amount outstanding under the Senior Credit Facility, representing the 2017 Finco Loans. The Issuer is Consolidated by Telenet Group Holding.

Certain Transaction Documents

2017 Finco Accession Agreements

In connection with Finco Loan AJ, the Issuer and the Initial Telenet Borrower entered into the Finco Accession Agreement AJ and in connection with Finco Loan AK, the Issuer and the Initial Telenet Borrower entered into the Finco Accession Agreement AK, pursuant to each of which the Issuer acceded to the Senior Credit Facility as a Telenet Lender. The Finco Accession Agreement AJ sets out the principal economic terms of Finco Facility AJ and the Finco Accession Agreement AK sets out the principal economic terms of Finco Facility AK. The forms of each 2017 Finco Accession Agreement entered into on the Issue Date are attached as Annex B and Annex C to these Listing Particulars.

Following the accession to the Senior Credit Facility pursuant to the 2017 Finco Accession Agreements, the Issuer benefits from all the rights of a Telenet Lender, including the protections of the affirmative, negative and financial covenants and events of default set out in the Senior Credit Facility except in certain limited circumstances expressly outlined in each 2017 Finco Accession Agreement. In particular, the financial covenant set out in the Senior Credit Facility shall not be for the benefit of the Issuer as the Additional Facility AJ Lender or the Additional Facility AK Lender (each as defined in the Senior Credit Facility). In addition, the Finco Loans are secured by the assets of the Telenet Bank Group granted to the Telenet Security Agent to secure the Telenet Loans.

Subject to certain provisions to reflect the Transactions contemplated hereby, each 2017 Finco Accession Agreement is similar in form to the accession agreements entered into by other Telenet Lenders and includes additional rights that are specific to the relevant 2017 Finco Loan, including the maturity date of, the rate of interest accruing on, and the interest periods applicable to the relevant 2017 Finco Loan. In addition, each 2017 Finco Accession Agreement provides for the payment of certain premiums in connection with certain voluntary and mandatory prepayments of the relevant 2017 Finco Loan that enables the Issuer to pay the premiums applicable to corresponding redemptions of the Dollar Notes and/or Euro Notes (as applicable), as described below under "*—Redemption and Repurchase*". Each 2017 Finco Accession Agreement also includes the consent of the Issuer as a Telenet Lender to certain amendments under the Senior Credit Facility if the borrowers seek a consent to those amendments from the Telenet Lenders, as described below under "*—2017 Finco Accession Agreements and the Senior Credit Facility*". Each 2017 Finco Accession Agreement will constitute a "Finance Document" for purposes of the Senior Credit Facility.

Each 2017 Finco Accession Agreement further provides that the Issuer will accede to the Intercreditor Agreement as a lender and is bound by the terms and provisions of the Intercreditor Agreement in its capacity as a lender.

Following completion of the Belgian Issuer Accession, at the election of the Initial Telenet Borrower, the relevant 2017 Finco Loan may, pursuant to certain transactions, be exchanged, refinanced or otherwise replaced, on a cash or cashless basis, for a loan under a new additional facility under the Senior Credit Facility borrowed by the Belgian Borrower in an equal principal amount and having substantially identical terms (other than with respect to the borrower of such loan) as such 2017 Finco Loan. The terms of each New Finco Loan (as defined below) will be governed by the relevant New Finco Accession Agreement (as defined below) which are attached as Schedule 11 of each of Annex B and Annex C to these Listing Particulars. See “—*Finco Loans Borrower Exchange*”.

2017 Telenet Fee Letters

The Issuer, the Initial Telenet Borrower and Telenet Group BVBA entered into a fee letter (the “**Telenet USD Fee Letter**”) relating to the payment by the Initial Telenet Borrower of certain up-front fees to the Issuer. The Issuer, the Initial Telenet Borrower and Telenet Group BVBA entered into a fee letter (the “**Telenet EUR Fee Letter**”, together with the Telenet USD Fee Letter, the “**2017 Telenet Fee Letters**”) relating to the payment by the Initial Telenet Borrower of certain up-front fees to the Issuer. Under each 2017 Telenet Fee Letter, Telenet Group BVBA guarantees the obligations of the Initial Telenet Borrower to the Issuer under such 2017 Telenet Fee Letter.

Telenet Service Agreement

The Issuer, the Initial Telenet Borrower and Telenet Group BVBA entered into a service agreement (the “**Telenet Service Agreement**”) in respect of the reimbursement by the Initial Telenet Borrower of certain ongoing obligations of the Issuer, including in respect of the maintenance of the Issuer’s existence, the payment of certain tax liabilities of the Issuer, the payment of Additional Amounts (as defined under “—*Withholding Taxes*”) pursuant to the Indenture following certain tax events and the payment of additional interest required to be paid under the Notes on overdue principal and interest. The reimbursement obligations of each Initial Telenet Borrower under the Telenet Service Agreement are limited so that the maximum amount owed at any one time by such Initial Telenet Borrower does not exceed the greater of €10 million and the available unused portion at that time of the basket described in paragraph (ff) of the definition of Permitted Financial Indebtedness in the Senior Credit Facility (or such corresponding basket following the implementation of the Senior Credit Facility Amendments). Failure by the Issuer to pay any Additional Amounts or default interest on the Dollar Notes and/or the Euro Notes will constitute a Default under the Indenture whether or not such amounts exceed the amount payable by the Initial Telenet Borrower under the Telenet Service Agreement.

The Telenet Service Agreement also provides that the Initial Telenet Borrower agrees to certain undertakings in order to ensure compliance by the Issuer with certain covenants included in the Indenture. Under the Telenet Service Agreement, Telenet Group BVBA agrees to guarantee the obligations of the Initial Telenet Borrower to the Issuer.

The Telenet Service Agreement further provides that if the Finco Loans Borrower Exchange (as defined below) is consummated and Telenet Group BVBA is the Belgian Borrower (as defined below), Telenet Group BVBA agrees to become a borrower under each New Finco Loan (as defined below) on substantially the same terms and conditions as the Initial Telenet Borrower is subject to under the relevant Finco Loan.

Collateral Sharing Agreement.

On the Issue Date, the Issuer, the Trustee and Security Trustee entered into a collateral sharing agreement governing the relative rights of creditors under the Notes (including any Additional Notes) and any Additional Debt of the Issuer that will benefit from the shared Note Collateral on a *pari passu* basis. Pursuant to the Collateral Sharing Agreement, the Security Trustee and the Trustee agreed that all proceeds from the enforcement of the Note Collateral will be shared on a *pari passu* basis by the holders of the Notes (including any Additional Notes) and all Additional Debt of the Issuer. The Collateral Sharing Agreement sets out, among other things, (i) the relevant ranking of certain debt of the Issuer, (ii) the consent level of the senior creditors required to cast votes and exercise their rights in respect of consents, instructions and remedies under the Indenture, the Notes, the Notes Security Documents and the other debt instruments or agreements sharing in the Note Collateral, in each case, when enforcement action can be taken in respect of the Note Collateral by the Security Trustee and the turnover

provisions. Pursuant to the terms of the Collateral Sharing Agreement, the holders and/or lenders, as applicable, of a majority in the aggregate principal amount of all Notes (including any Additional Notes) and Additional Debt then outstanding will control any enforcement actions in respect of the Note Collateral. In connection with the Belgian Issuer Accession, the Belgian Issuer will enter into an accession agreement or similar agreement or instrument to accede to the Collateral Sharing Agreement as debtor and assume all of the Initial Issuer's rights and obligations thereunder.

The 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, the 2017 Telenet Fee Letters, the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, and the Collateral Sharing Agreement are collectively referred to herein as the “**Transaction Documents**”.

Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange

Following the issuance of the Notes, at the election of the Initial Telenet Borrower, the Notes may be assigned to a financing company or a designated notes issuer incorporated under the laws of Belgium for the purpose of assuming the Initial Issuer's rights and obligations under the Notes, the Indenture, the Intercreditor Agreement, the Senior Credit Facility and the Transaction Documents (the “**Belgian Issuer**”). In addition, at the election of the Initial Telenet Borrower, each 2017 Finco Loan may be exchanged, on a cash or cashless basis, for loans under new additional facilities under the Senior Credit Facility in an equal principal amount and having substantially identical terms (other than with respect to the borrower of such loan) as such 2017 Finco Loan. A description of these transactions is provided below.

Belgian Issuer Accession

At any time prior to the Maturity Date and upon no less than 8 Business Days' written notice (the “**Belgian Issuer Accession Notice**”) from the Initial Telenet Borrower to the Initial Issuer, with a copy to the Telenet Facility Agent, the following transactions will be completed substantially concurrently (collectively, the “**Belgian Issuer Accession**”); *provided that* (i) all corresponding conditions in the Finance Documents (as defined in the Senior Credit Facility) have been satisfied and (ii) the Initial Telenet Borrower or another member of the Telenet Bank Group shall pay, or procure the payment of, any costs or expenses in respect of the maintenance of the Initial Issuer's existence (including any tax liabilities) or incurred by the Initial Issuer in order to consummate the Belgian Issuer Accession, in each case until the earlier of (i) the Initial Issuer's liquidation or dissolution or (ii) the date that is six months and ten days following the Belgian Issuer Accession Date (as defined below):

- (1) the Belgian Issuer will enter into a supplemental indenture, accession agreement or other similar agreement to accede to the Indenture and the Notes as issuer and assume all of the Initial Issuer's rights and obligations thereunder (the “**Accession Agreement**”);
- (2) the Initial Issuer will assign, novate or otherwise transfer to the Belgian Issuer all of the Initial Issuer's rights, title, interest and obligations under the Transaction Documents (other than the Collateral Sharing Agreement), and the Belgian Issuer will assume all of the Initial Issuer's rights, title, interest and obligations thereunder, pursuant to an assignment agreement, novation agreement, transfer agreement or other similar agreement (the “**Transfer Agreement**”);
- (3) each of the Initial Issuer, the Belgian Issuer and the Telenet Facility Agent will execute and deliver a transfer certificate with respect to each 2017 Finco Loan pursuant to clause 29.4 of the Senior Credit Facility;
- (4) the Belgian Issuer will execute and deliver a deed of accession to the Intercreditor Agreement (the “**ICA Accession**”);
- (5) the Belgian Issuer will enter into an accession agreement or similar agreement or instrument to accede to the Collateral Sharing Agreement as debtor and assume all of the Initial Issuer's rights and obligations thereunder (the “**CSA Accession**”); and
- (6) if the Initial Telenet Borrower does not elect to complete the Finco Loans Borrower Exchange (as defined below) concurrently with the Belgian Issuer Accession, the Belgian Issuer will grant, or procure the grant of, security in favor of holders of the Notes of substantially the same type, scope and priority as the Initial Note Collateral existing immediately prior to the Belgian Issuer Accession (see “—*Note Collateral*” below).

As a condition to the effectiveness of the Belgian Issuer Accession:

- (i) the Initial Telenet Borrower will be required to deliver (or cause to be delivered) to the Trustee: (A) an audited opening balance sheet or audited balance sheet as of the most recent fiscal year end of the Belgian Issuer, (B) if the Belgian Issuer has been incorporated for longer than 6 months prior to the Belgian Issuer Accession Date, a statement of cash flows (or similar) for the period from the date of incorporation through to the date of the Belgian Issuer's most recently completed financial quarter and (C) all documents reasonably required for the Trustee to complete its customary client identification processes on the Belgian Issuer; *provided*, that the Trustee will not be determining whether the accession has any impact on the holders of the Notes or is in the best interests of the holders of the Notes;
- (ii) immediately after giving effect to the Belgian Issuer Accession, the Notes (A) will be the general obligations of the Belgian Issuer, (B) will rank *pari passu* in right of payment with any Financial Indebtedness of the Belgian Issuer that is not subordinated in right of payment to the Notes, (C) will rank senior in right of payment to any existing and future debt of the Belgian Issuer that is subordinated in right of payment to the Notes and (D) with respect to the obligations owed by the Belgian Issuer only, will not be subject to any enforcement standstill or payment block; and
- (iii) the Issuer shall deliver to the Trustee and the Security Trustee an Opinion of Counsel and an Officer's Certificate stating (A) that all conditions precedent to the Belgian Issuer Accession have been satisfied and (B) the Indenture (as amended by the Accession Agreement), the Intercreditor Agreement (as amended by the ICA Accession), the Collateral Sharing Agreement (as amended by the CSA Accession) and the relevant Security Documents (or any new Security Documents) creating security in respect of the Note Collateral are enforceable against the Belgian Issuer or the relevant grantor thereof, it being acknowledged that any Opinion of Counsel may be subject to exceptions, limitations and exclusions that are customary for a transaction by this type of entity and are determined by counsel to be necessary or appropriate including in light of applicable law.

The date of the consummation of the Belgian Issuer Accession is referred to herein as the “**Belgian Issuer Accession Date**”. The Initial Issuer will deliver the Belgian Issuer Accession Notice to the Trustee no less than 8 Business Days prior to the Belgian Issuer Accession Date and such notice shall specify the Belgian Issuer Accession Date. Upon consummation of the Belgian Issuer Accession, the Belgian Issuer will succeed to, and be substituted for, and shall assume the obligations of and may exercise every right and power of, the Initial Issuer under the Notes, the Indenture, the Intercreditor Agreement, the Senior Credit Facility and the Transaction Documents, and upon such substitution, the Initial Issuer will be released from all of its obligations under the Notes, the Indenture, the Senior Credit Facility and the Transaction Documents. Following the Belgian Issuer Accession, all references to the Issuer in the Notes, the Indenture and the Transaction Documents will be to the Belgian Issuer.

In connection with the Belgian Issuer Accession, the Initial Issuer will be released from its obligations under the Notes Security Documents and all security interests granted by the Issuer will be released. There can be no assurance that a Belgian Issuer Accession will occur.

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer (or a member of the Telenet Bank Group on behalf of the Issuer) will publish notice of the consummation of the Belgian Issuer Accession in a newspaper having a general circulation in Luxembourg or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange.

Finco Loans Borrower Exchange

Promptly following completion of the Belgian Issuer Accession (but no later than 60 Business Days following the Belgian Issuer Accession Date), the following transactions will, at the election of the Initial Telenet Borrower, be completed substantially concurrently (collectively, the “**Finco Loans Borrower Exchange**”):

- (1) the Belgian Issuer, as Telenet Lender, Telenet Group BVBA or, provided that the necessary accession mechanics under the Senior Credit Facility are adhered to, another borrower under the Senior Credit Facility that is incorporated under the laws of Belgium (the “**Belgian Borrower**”), as borrower, and the Telenet Facility Agent will execute (i) an additional facility accession agreement (the “**New Finco Accession Agreement AJ-B**”) pursuant to which the Belgian Issuer will agree to provide an additional facility under the Senior Credit Facility to the Belgian Borrower (the “**New Finco Loan AJ-B**”) in a principal amount equal to the aggregate principal amount of Finco Loan AJ then outstanding and upon terms that are substantially identical to the terms of Finco Loan AJ (including with respect to guarantees and security), other than with respect to the borrower thereof and/or (ii) an additional facility accession agreement (the “**New Finco Accession Agreement AK-B**” and, together with New Finco Accession Agreement AJ-B, the “**New Finco Accession Agreements**”) pursuant to which the Belgian Issuer will agree to provide an additional facility under the Senior Credit Facility to the Belgian Borrower (the “**New Finco Loan AK-B**” and together with the New Finco Loan AJ-B, the “**New Finco Loans**”) in a principal amount equal to the aggregate principal amount of Finco Loan AK then outstanding and upon terms that are substantially identical to the terms of Finco Loan AK (including with respect to guarantees and security), other than with respect to the borrower thereof;
- (2) the Belgian Borrower will execute and deliver a borrowing request under each New Finco Accession Agreement;
- (3) the Belgian Issuer will settle or otherwise satisfy its obligation to fund each New Finco Loan by (i) transferring all of its rights, title and obligations under each Finco Loan to the Belgian Borrower pursuant to a transfer certificate that will be executed and delivered by each of the Belgian Issuer, the Belgian Borrower and the Telenet Facility Agent in accordance with clause 29.4 of the Senior Credit Facility, (ii) cash settling with the proceeds received by the Belgian Issuer from the repayment and cancellation of the relevant 2017 Finco Loan, or (iii) any other means that may be permitted under the Finance Documents (as defined under the Senior Credit Facility) and applicable law; *provided that*, the Belgian Issuer, as Telenet Lender, shall cease to have any rights or obligations under the 2017 Finco Loans following the entry into the New Finco Loans;
- (4) the Belgian Borrower and the Belgian Issuer will execute and deliver a service agreement (the “**New Telenet Service Agreement**” and, collectively with the New Finco Accession Agreements and the Collateral Sharing Agreement (as amended by the CSA Accession), the “**New Transaction Documents**”) in substantially the same form as the Telenet Service Agreement (and following the Finco Loans Borrower Exchange, all references to the Telenet Service Agreement and the Transaction Documents in the Notes and the Indenture will be to the New Telenet Service Agreement and the New Transaction Documents, as applicable) and the Telenet Service Agreement will terminate automatically in accordance with its terms; and
- (5) if not already granted, the Belgian Issuer will grant, or procure the grant of, security in favor of holders of the Notes of substantially the same type, scope and priority as the Initial Note Collateral (with the exception of the Initial Telenet Fee Letters Collateral) existing immediately prior to the Finco Loans Borrower Exchange.

Notice of the Finco Loans Borrower Exchange (if any) will be provided in writing by the Initial Telenet Borrower to the Issuer and the Trustee, with a copy to the Telenet Facility Agent, no less than 8 Business Days prior to the date of the Finco Loans Borrower Exchange.

Upon the consummation of the Finco Loans Borrower Exchange, the Initial Telenet Borrower will have no further obligations to the Initial Issuer or the Belgian Issuer under or with respect to the 2017 Finco Accession Agreements the New Finco Accession Agreements, the Indenture, the Notes, the Senior Credit Facility, the Transaction Documents or the New Transaction Documents, except in its capacity as “obligor” under the Senior Credit Facility and all references to the Initial Telenet Borrower will be to the Belgian Borrower, except in its capacity as “obligor” under the Senior Credit Facility.

The forms of the New Finco Accession Agreements are attached as Schedule 11 of each of Annex B and Annex C to these Listing Particulars. Following the Finco Loans Borrower Exchange, if any, all references to the 2017 Finco Loans, the 2017 Finco Accession Agreements and the Telenet Service Agreement in the Notes and the Indenture will be to the New Finco Loans, the New Finco Accession Agreements and the New Telenet Service Agreement, respectively.

The Belgian Issuer Accession and the Finco Loans Borrower Exchange may be completed at the option of the Initial Telenet Borrower without any further consent from the Initial Issuer or the Belgian Issuer, as applicable, or the holders of the Notes, and the Initial Issuer or the Belgian Issuer, as applicable, and holders of the Notes shall upon receipt of the Belgian Issuer Accession Notice and the notice of the Finco Loans Borrower Exchange, as the case may be, be deemed to have consented to any transfer of rights and obligations pursuant to the Belgian Issuer Accession and the Finco Loans Borrower Exchange. For the avoidance of doubt, the Initial Telenet Borrower may elect to complete the Belgian Issuer Accession without completing the Finco Loans Borrower Exchange.

Brief Description of the Notes

The Notes:

- are general senior obligations of the Issuer;
- are secured by the Note Collateral as described under “—*Notes Collateral*”;
- rank *pari passu* in right of payment to all Additional Debt of the Issuer that is not subordinated to the Notes (including any Additional Notes);
- are effectively be subordinated to all liabilities of each Subsidiary of the Issuer (if any); and
- are be subject to the Limited Recourse Restrictions (as defined below).

The Issuer is not entitled to incur any additional Financial Indebtedness (other than Additional Notes (as defined below) and any other Additional Debt permitted to be incurred or issued under the Indenture). See “—*Certain Covenants—Limitations with Respect to Business Activities of the Issuer*”.

The Initial Issuer and the Belgian Issuer

The Initial Issuer has been formed as a financing company for the purposes of issuing the Notes (including any Additional Notes) and any other Additional Debt permitted to be incurred or issued under the Indenture. The Initial Issuer has no material business operations and upon completion of this offering will have no material assets other than the 2017 Finco Loans advanced in connection with the offering of the Notes as described below under “—*2017 Finco Accession Agreements and the Senior Credit Facility*” and its rights under the Transaction Documents. The Initial Issuer is primarily dependent on payments by the Initial Telenet Borrower under the Finco Loans in order to service its obligations under the Notes.

The Belgian Issuer will be a financing company or a designated notes issuer incorporated under the laws of Belgium for the purpose of assuming the Initial Issuer’s rights and obligations under the Notes, the Indenture and the Transaction Documents. The Belgian Issuer will have no material business operations and upon completion of the Belgian Issuer Accession will have no material assets other than the 2017 Finco Loans (and, following the Finco Loans Borrower Exchange, if any, the New Finco Loans), its rights under the New Transaction Documents, any other Finco Loans and its rights under the transaction documents governing such Finco Loans or related thereto.

2017 Finco Accession Agreements and the Senior Credit Facility

The net proceeds of the offering of the Dollar Notes, together with the fees payable (if any) to the Issuer from the Initial Telenet Borrower under the Telenet USD Fee Letter, were used by the Issuer to fund Finco Loan AJ, denominated in U.S. dollars, under the Finco Facility AJ. The net proceeds of the offering of the Euro Notes, together with the fees payable (if any) to the Issuer from the Initial Telenet Borrower under the Telenet EUR Fee Letter, were used by the Issuer to fund Finco Loan AK, denominated in euros, under the Finco Facility AK.

Under the terms of the Senior Credit Facility, the 2017 Finco Accession Agreements and the related arrangements described below, the Initial Issuer benefits and (following the Belgian Issuer Accession, if it occurs) the Belgian Issuer (but prior to the Finco Loans Borrower Exchange, if any), will benefit from:

- (1) all the rights of a Telenet Lender under the Senior Credit Facility and the 2017 Finco Accession Agreements, including the indirect benefit of the Senior Facility Collateral and the guarantees of the Senior Facility Guarantors;

- (2) rights under the 2017 Telenet Fee Letters relating to certain fees payable to the Initial Issuer or the Belgian Issuer, as applicable, in connection with the entering into of the 2017 Finco Accession Agreements and the advancing of the 2017 Finco Loans;
- (3) rights under the Telenet Service Agreement relating to the payment of (i) the fees and expenses of the Initial Issuer or the Belgian Issuer, as applicable, incurred from time to time in connection with or related to the performance of its obligations under the Indenture and the maintenance of its existence, (ii) certain tax liabilities of the Initial Issuer or the Belgian Issuer, as applicable, (iii) any Additional Amounts, if any, payable under the Indenture and (iv) any additional interest required to be paid under the Notes on overdue principal and interest; and
- (4) rights under the Telenet Service Agreement relating to the obligations of the Initial Telenet Borrower to ensure compliance by the Initial Issuer or the Belgian Issuer, as applicable, with the covenants described below under “—Redemption and Repurchase—Redemption with Disposal Proceeds”, “—Redemption and Repurchase—Open Market Purchases of Telenet Loans”, “—Certain Covenants—Minimum Period for Consents under Loan Documents”, “—Certain Covenants—Payments for Consent”, “—Certain Covenants—Amendments to Loan Documents to be Applied Equally to all Telenet Lenders”.

In the event the Dollar Notes are issued at a price less than par, the Finco Loan AJ will be advanced at its face amount. The difference between the cash proceeds received by the Issuer in respect of the issue of the Dollar Notes and the face amount of the Finco Loan AJ to the Initial Telenet Borrower will be accounted for as an upfront fee under the Telenet USD Fee Letter. In the event the Euro Notes are issued at a price less than par, the Finco Loan AK will be advanced at its face amount. The difference between the cash proceeds received by the Issuer in respect of the issue of the Euro Notes and the face amount of the Finco Loan AK to the Initial Telenet Borrower will be accounted for as an upfront fee under the Telenet EUR Fee Letter.

Following the Finco Loans Borrower Exchange, if any, under the terms of the Senior Credit Facility, the New Finco Accession Agreement and the related arrangements described below, the Belgian Issuer will benefit from:

- (1) all the rights of a Telenet Lender under the Senior Credit Facility and the New Finco Accession Agreements, including the indirect benefit of the Senior Facility Collateral and the guarantees of the Senior Facility Guarantors;
- (2) rights under the New Telenet Service Agreement relating to the payment of (i) the fees and expenses of the Belgian Issuer incurred from time to time in connection with or related to the Belgian Issuer’s performance of its obligations under the Indenture and the maintenance of the Belgian Issuer’s existence, (ii) certain tax liabilities of the Belgian Issuer, (iii) any Additional Amounts, if any, payable under the Indenture and (iv) any additional interest required to be paid under the Notes on overdue principal and interest; and
- (3) rights under the New Telenet Service Agreement relating to the obligations of the Belgian Borrower to ensure compliance by the Belgian Issuer with the covenants described below under “—Redemption and Repurchase—Redemption with Disposal Proceeds”, “—Redemption and Repurchase—Open Market Purchases of Telenet Loans”, “—Certain Covenants—Minimum Period for Consents under Loan Documents”, “—Certain Covenants—Payments for Consent”, “—Certain Covenants—Amendments to Loan Documents to be Applied Equally to all Telenet Lenders”.

Under the Senior Credit Facility, Telenet Lenders are not allowed to split or divide their votes with respect to matters arising thereunder requiring the vote (or other consent) of Telenet Lenders. For a description of procedures under the Indenture regarding voting rights of holders of the Notes with respect to decisions under the Senior Credit Facility, see below under “—Amendment, Supplement and Waiver—To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements”.

The Initial Issuer has and the Belgian Issuer will have the same voting rights as the other Telenet Lenders under the Senior Credit Facility. In the event that the Issuer, as a Telenet Lender, is eligible or required to vote (or otherwise consent) (including with respect to any enforcement decision) with respect to any matter arising from time to time under the Senior Credit Facility or under the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, in which all Telenet Lenders are eligible or required to vote (or otherwise consent), the Issuer will solicit votes (or other consents) from the holders of Notes and any other applicable series of Additional Debt with respect to such Senior Credit Facility Decision (as defined below) in accordance with the

provisions of the Indenture described below under “—*Amendment, Supplement and Waiver—To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements*” and “—*Certain Covenants—Minimum Period for Consents under Loan Documents*”. The holders of the Notes under (and effective as of the date of) the Indenture provided their consent to any and all of the amendments set forth in Schedules 4, 5, 6, 7, 8, 9 and 10 to the 2017 Finco Accession Agreements and Schedules 4, 5, 6, 7, 8, 9 and 10 of the New Finco Accession Agreements, as applicable (the “**Senior Credit Facility Amendments**”). The Issuer will therefore apply Noteholder Consent (as defined below) equal to the aggregate principal amount of the Notes outstanding in respect of any of the Senior Credit Facility Amendments for the purposes of the provisions of the Indenture described below under “—*Amendment, Supplement and Waiver—To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements*”. As a result, the Initial Issuer and the Belgian Issuer, as applicable, will not solicit votes (or other consents) from the holders of the Notes with respect to the Senior Credit Facility Amendments. In addition, the Initial Issuer and the Belgian Issuer, as applicable, will not be entitled to receive, and will expressly waive under the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, any right it may have to, any consent, waiver, amendment or other similar fee that may be paid to other Telenet Lenders in connection with their approval of the Senior Credit Facility Amendments (including the Initial Issuer or the Belgian Issuer as a Telenet Lender in respect of any additional accession agreement to the Senior Credit Facility, or similar instrument or agreement, pursuant to which the Issuer advances the proceeds of the Notes (including any Additional Notes) or Additional Debt into the Telenet Bank Group).

The Senior Credit Facility Amendments include material modifications to certain affirmative and negative covenants, financial maintenance covenants and related definitions, representations and warranties, events of default, mandatory prepayment provisions, administrative provisions and provisions relating to the security package. The Senior Credit Facility Amendments are generally less restrictive and provide greater flexibility to the Telenet Bank Group than the provisions currently included in the Senior Credit Facility. Specifically, the Senior Credit Facility Amendments include, but are not limited to, the following (capitalized terms used in the following description have the meanings currently provided in the Senior Credit Facility, without giving effect to the Senior Credit Facility Amendments):

- amend the definition of “80% Security Test” to provide that where a Guarantor generates negative earnings before interest, tax, depreciation and amortization, such Guarantor shall be deemed for the purpose of calculating the 80% Security Test numerator to have zero earnings before interest, tax, depreciation and amortization;
- amend the definition of “Affiliate” to include a proviso that any provision which uses such term, an Affiliate of the Company that issues notes, bonds or other securities for the purpose of on-lending proceeds of such issuance under a Facility and to a Borrower shall not be an Affiliate of the Company and such entity shall not be deemed to be managed by, or under control of, the Company or any of its Affiliates and any payments made to such entity in connection with any fees, costs, indemnity claims or expenses payable to it in connection with transactions related to the issuance of any notes, bonds or other securities will be a “Permitted Payment”;
- amend the definition of “Consolidated EBITDA” to include the amount of loss on transfer of assets in connection with an asset securitization programme, receivables factoring transaction or other receivables transaction;
- amend the definition of “Consolidated EBITDA” to add equity based compensation expenses and to remove the option for fees or other amounts charged or credited to the Company and the Guarantors related to Intra-Group Services to the extent that they are not included in the Company’s externally reported operating case flow or are deemed to be exceptional or unusual items;
- amend the definition of “Finance Document” to provide that an Increase Confirmation will be, and a Transfer Certificate won’t be, a Finance Document;
- amend the definition of “Finance Document” to provide that a Hedging Agreement is only a Finance Document, and to amend the definition of “Finance Party” to provide that a Hedge Counterparty is only a Finance Party, for the purpose of the guarantee provisions;

- amend the definition of “Financial Indebtedness” to remove any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or other instrument issued by a bank or financial institution;
- amend the definition of “Impaired Agent” to include any Facility Agent which is also a Defaulting Lender as a result of the Facility Agent being an L/C Bank which has failed to issue a Documentary Credit or failed to pay a claim;
- amend the definition of “Majority Lenders” to provide that the definition is subject to the snooze lose provision;
- amend the definition of “Measurement Period” to refer to each period of approximately six months covering two quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under the Senior Credit Facility are prepared, provided that the Company may make an election to establish that “Measurement Period” means each period of approximately 12 months covering four quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (and if such an election has been made, the Company may not elect to change the test period back);
- amend the definition of “Permitted Acquisition” to add a new limb to permit the acquisition by a member of the Group for the purposes of a solvent reorganisation of the Group where the acquisition is of share capital of a person which has not traded and does not own any assets or is a dormant subsidiary of the Ultimate Parent and which has no liabilities;
- amend the definition of “Permitted Acquisition” to add a new limb to permit the acquisition by any member of the Group of any Senior Unsecured Notes provided that an amount equal to the purchase price paid for the acquisition of any such Senior Unsecured Notes could have been used by such member of the Group to fund a Permitted Payment and provided further that to the extent any such acquisition is made in reliance on any basket amount provided for under the definition of “Permitted Payments”, such amount shall be reduced by an amount equal to the consideration paid for such acquisition;
- amend the definition of “Permitted Acquisition”, in particular limb (e), to remove the requirement to meet the ratio of Net Total Debt to Consolidated Annualised EBITDA being less than 6.00:1;
- amend the definition of “Permitted Acquisition”, in particular limb (j), to extend the time period for making the issued shares subject to Security to 60 days;
- amend the definition of “Permitted Disposal”, in particular limb (hh) of such definition, to mean disposals of real property where the aggregate fair market value does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year (with unused amounts being carried over);
- amend the definition of “Permitted Disposal”, in particular limb (ii) of such definition, to mean disposals of assets pursuant to sale and leaseback transactions where the aggregate fair market value does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year;
- amend the definition of “Permitted Disposal”, in particular limb (t) of such definition, to mean disposals of assets where the aggregate fair market value does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year (with unused amounts being carried over);
- amend the definition of “Permitted Disposal”, in particular limb (ww) of such definition, to remove the requirement for the Company to provide a certificate certifying the re-calculated financial ratio for the purposes of a disposal under such limb;
- amend the definition of “Permitted Disposal” to add a new limb to permit the disposal of undertakings, assets, rights or revenues comprising interests in the share capital of persons not holding or engaged in the distribution business (i.e. the business of upgrading, constructing, developing, acquiring etc. cable television network for the transmission, reception and/or delivery of multi-channel television and radio programming, telephony and internet and/or data services to the residual markets) of the Group or other undertakings, assets, rights or revenues not constituting part of such distribution business of the Group;

- amend the definition of “Permitted Disposal” to add a new limb to permit new disposals which constitute the concurrent purchase and sale or exchange of related business assets or a combination of such assets, cash and Cash Equivalent Investments between any member of the Group and another person provided that the member of the Group receives consideration at least equal to fair market value for the assets;
- amend the definition of “Permitted Disposal” to permit disposals by one member of the Group to another member of the Group provided that, if such assets subject to the disposal are subject to existing security, the Borrower within 15 Business Days of such disposal ensures that the assets remain subject to security;
- amend the definition of “Permitted Disposal” to permit disposals of shares or other interests in project companies, entities excluded from the Group which are subsidiaries of the Company or joint venture companies (each as defined in recent Liberty precedent) or the assignment of any Financial Indebtedness owed to a member of the Group by any project companies, entities excluded from the Group which are subsidiaries of the Company or a joint venture company;
- amend the definition of “Permitted Financial Indebtedness” to add a new limb to permit Financial Indebtedness incurred in connection with the Hedging Agreements and other hedging arrangements permitted by the Senior Credit Facility;
- amend the definition of “Permitted Financial Indebtedness” to add a new limb to permit Financial Indebtedness of any member of the Group, in respect of which the person to whom such Financial Indebtedness is owed has no recourse to any member of the Group for any payment or repayment in respect thereof other than recourse to such member of the Group for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness in an enforcement of any Security Interest given by a member of the Group over Non-Distribution Assets;
- amend the definition of “Permitted Financial Indebtedness, in particular limb (r) of that definition, to provide that a Default would not be a drawstop to Financial Indebtedness arising in respect of any guarantee given by a member of the Group in respect of any issuer of Holdco Debt’s obligations under any Holdco Debt;
- amend the definition of “Permitted Joint Venture”, in particular limb (b), to remove the requirement to meet the ratio of Net Total Debt to Consolidated Annualised EBITDA being less than 6.00:1;
- amend the definition of “Permitted Joint Venture” to remove the requirement that an acquisition would not fall within such definition if an Event of Default had occurred and was continuing at the time of such acquisition;
- amend the definition of “Permitted Joint Venture” to permit Telenet BVBA to contribute freely pledged loan and guarantee receivables to the Permitted Joint Venture’s share capital without requiring a release from the Security Agent (subject to confirmation or re-taking of security over such pledged loan and guarantee receivables);
- amend clause 21.11 (*Restricted Payments*) to add an additional limb to permit payment by any member of the Group of Management Fees during such period as the applicable ratio for the purposes of clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) is 3.50:1 (or less);
- amend the definition of “Permitted Payment” to add an additional limb to permit any payment by way of transfer to any Restricted Person of any Non-Distribution Business Assets (to the extent they are permitted under the definition of Permitted Disposal);
- amend the definition of “Permitted Payment”, in particular limb (cc) of such definition, to mean payments in connection with a start-up financing or seed funding where the aggregate value of the payment does not exceed the greater of €50,000,000 and 1% of Total Assets;
- amend the definition of “Permitted Payment”, in particular limb (kk) of such definition, to mean payments in relation to tax losses received by a member of the Group from any member of the Wider Group that is not a member of the Group where the amount of tax losses does not exceed the greater of €200,000,000 and 3% of Total Assets in any financial year;

- amend the definition of “Permitted Payment”, in particular limb (II) of such definition, to mean payments not covered by other parts of the definition where the amount of the payment does not exceed the greater of €150,000,000 and 3% of Total Assets in any financial year (with unused amounts being carried over);
- add a new limb to the definition of “Permitted Payment” to permit a payment in relation to any “Permitted Business Division Transaction” or any “Acceptable Joint Venture” (each as referred to above);
- add a new limb to the definition of “Permitted Security Interest” to permit any Security Interests attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business;
- add a new limb to the definition of “Permitted Security Interest” to permit any Security Interests over Non-Distribution Business Assets, securing Financial Indebtedness in respect of such Non-Distribution Business Assets;
- amend the definition of “Permitted Security Interest” to permit the Company to secure Financial Indebtedness on a *pari passu* or junior ranking basis provided that (other than in the case of a refinancing of other secured Financial Indebtedness in the same or a lesser principal amount) the Net Total Debt to Consolidated Annualised EBITDA ratio on a pro forma basis would not be greater than 5.50:1.00 and provided that such Financial Indebtedness is subject to an intercreditor agreement on terms which are satisfactory to the Security Agent (acting on the instructions of the Majority Lenders) and where (in the case of such Financial Indebtedness being secured on a junior ranking basis) the rights of the holders of such Financial Indebtedness in respect of any payment will be contractually subordinated to the rights of the Lenders on terms comparable to the Loan Market Association’s form of intercreditor agreement at such time for mezzanine debt;
- replace the definition of “Spin Off” under the Senior Credit Facility with a new definition which refers to a transaction by which all outstanding ordinary and or equity shares of the Common Holding Company and or any Holding Company of the Common Holding Company directly or indirectly owned by the Ultimate Parent are distributed to (a) all of the Ultimate Parent’s shareholders, or (b) all of the shareholders comprising one or more group of the Ultimate Parent’s shareholders as provided by the Ultimate Parent’s articles of association, in each case, either directly or indirectly through the distribution of shares in a company holding the Common Holding Company’s shares or such Holding Company’s shares;
- add a new definition of “Sub-participation” referring to any sub-participation or sub-contract (whether written or oral) or any other agreement or arrangement having an economically substantially similar effect, including any credit default or total return swap or derivative (whether disclosed undisclosed, risk or funded) by a Lender of or in relation to any of its rights or obligations under, or its legal, beneficial or economic interest in relation to, the Facilities and/or Finance Documents to a counterparty and “sub-participate” shall be construed accordingly;
- amend the definition of “Majority Lenders” to reduce the fractions specified, from two thirds or more (for any or all purposes under the Credit Agreement or any other Finance Document (including for the purposes of any Telenet Additional Facility)) to more than 50.00% and to exclude the available commitments of defaulting lenders for the purposes of amendments or waivers;
- amend the definition of “Super Majority Lenders” so that amendments and waivers in respect of the release of any guarantee or security only requires the consent of Lenders representing 90.00% of Commitments;
- amend clause 29.3 (*Transfers by Lenders*) of the Senior Credit Facility to include a restriction on sub-participations of rights and obligations and is subject to the same consent regime as for assignments and transfers;
- add a new provision to provide that there will be no restrictions on sub-participations provided that certain conditions, which include, the Lender retaining exclusive control over all rights and obligations in relation to the participations, the relationship between the Lender and the proposed sub-participant being that of a contractual debtor and creditor and the proposed sub-participant having no proprietary

interest in the benefit of the Senior Credit Facility or any of the Finance Documents or in any monies received by the relevant Lender;

- add a new provision to require any person granting a sub-participation to maintain a register on which it enters the name and address of each sub-participant in which each sub-participant has an interest or obligation;
- add a new provision which provides that no transfer of an interest in an Advance or Commitment under the Senior Credit Facility is effective unless and until it is recorded in the register referred to in the Senior Credit Facility;
- amend the additional facilities clause that each Lender under a Telenet Additional Facility shall be required to become such a party to the Senior Credit Facility and be entitled to share in the Security in accordance with the terms of the Intercreditor Agreement and the Security Documents *pari passu* with the Lenders under the other Facilities provided that the Company and the relevant Telenet Additional Facility Lenders may agree that a Telenet Additional Facility shares in the Security on a junior basis to the other Facilities or shall not be entitled to share in the Security either in accordance with the terms of the Intercreditor Agreement or pursuant to ancillary intercreditor arrangements;
- amend the Additional Facilities Cap such that (A) it includes an additional limb for the aggregate amount of any voluntary prepayments of Term Facility Advances under Revolving Facilities to the extent the relevant prepayment or cancellation is not funded or effected with any long term Financial Indebtedness and (B) the Company shall have the ability to classify such amounts of Financial Indebtedness on the date of their incurrence and shall only be required to include the amount and type of such Financial Indebtedness in more than one of the types of Financial Indebtedness described in such paragraphs, and, from time to time, may reclassify all or a portion of such Financial Indebtedness, in any manner;
- amend the definition of Consolidated EBITDA under the Senior Credit Facility to provide that any adjustments to reduce the impact of the cumulative effect of a change in accounting principles or policies and changes as a result of a the adoption or modification of accounting principles or policies can be added (at the Company's option) to the operating income of the Group for that measurement period;
- amend the Senior Credit Facility to provide that any Affiliate of the Company may accede to the Senior Credit Facility as a Guarantor in accordance with the terms of the Senior Credit Facility (provided that Security has been granted in form and substance satisfactory to the Facility Agent (acting reasonably) in favour of the Security Agent over 100% of its shares and all rights in relations to loans from members of the Wider Group to it) and that such Affiliate shall be a member of the Group and an Additional Guarantor;
- add a new definition of "Affiliate Subsidiary" such that it means any Affiliate of the Company that accedes to the Senior Credit Facility as a Guarantor pursuant to the amendments described in the paragraph above and provided that it has not resigned as a Guarantor in accordance with the terms of the Credit Agreement;
- amend the definition of "ERISA Affiliate" to mean any person treated as a single employer with any Obligor under section 414 of the Code;
- amend the definition of "Plan" to mean an "employee benefit plan" as defined in section 3(3) of ERISA, which is subject to Title IV of ERISA (A) maintained by any Obligor or any ERISA Affiliate, or (B) to which any Obligor or any ERISA Affiliate is required to make any payment or contribution;
- amend the definition of "Reportable Event" to mean (A) an event specified as such in section 4043 of ERISA or any regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation, or (B) a failure to meet the minimum funding standard under section 412 or 430 of the Code or section 302 of ERISA, whether or not waived;
- amend the Senior Credit Facility so that the ERISA representation only applies to an Obligor and not all members of the Group and there is no Event of Default triggered in respect of ERISA;

- amend the Senior Credit Facility to amend the undertaking relating to ERISA such that each Obligor and its ERISA Affiliates must (A) be, and remain, in compliance in all material respects with all laws and regulations relating to each of its Plans and (B) must ensure that no event or condition exists at any time in relation to a Plan which is reasonably likely to result in the imposition of a lien or other encumbrance on any of its assets or which is reasonably likely to have a Material Adverse Effect;
- amend the definition of “Limited Condition Transaction” to include any Restricted Payment;
- amend the representation at clause 18.17 (*United States Regulations*) so that the representation to be given is that no Obligor is required to be registered as an “investment company” under the United States Investment Company Act of 1940;
- amend the representation at clause 18.19 (*Margin stock*) so that the representation to be given is that no Obligor is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System of the United States), or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any borrowings will be used for any purpose that violates Regulation U;
- add a new provision to clause 21.13 (*Loans and Guarantees*) to permit any guarantee of any Financial Indebtedness of any Parent that is given by an Affiliate Subsidiary provided that (i) on the date of incurrence of such guarantee the ratio of Net Total Debt (including any Holdco Debt) to Consolidated Annualised EBITDA on a pro forma basis would not exceed 6.00:1 (provided that outstanding Net Total Debt (including Holdco Debt) for the purpose of calculating such ratio under this paragraph shall include any Financial Indebtedness represented by guarantees by any member of the Group of Financial Indebtedness of any Parent), (ii) such guarantee is expressed to be subordinated to the liabilities of such Affiliate Subsidiary under the Finance Documents and (iii) no Event of Default is continuing or occurs as a result of such Financial Indebtedness of that Parent being raised or issued;
- amend clause 21.13 (*Loans and Guarantees*), in particular limb (bb) of such clause, to mean loans made, credit granted or guarantees given by any member of the Group where the aggregate amount does not exceed the greater of €150,000,000 and 3% of Total Assets;
- amend Clause 21.13 (*Loans and Guarantees*), in particular limb (g) of such clause, to permit guarantees by an Obligor in respect of the liabilities of any other member of the Group which is not an Obligor provided that that other member of the Group must become an Additional Guarantor in accordance with the terms of the Senior Credit Facility within 30 days of the granting of the guarantee;
- amend clause 21.13 (*Loans and Guarantees*), in particular limb (z) of such clause, to mean loans made in connection with any start-up financing or seed funding where the aggregate value does not exceed the greater of €25,000,000 and 1% of Total Assets;
- add a new provision to clause 21.13 (*Loans and Guarantees*) to permit any loans or guarantees relating to Excess Capacity Network Services provided that the price payable to any member of the Group in relation to such Excess Capacity Network Services is no less than the Cost incurred by the relevant member of the Group in providing such Excess Capacity Network Services;
- add a new provision to clause 21.13 (*Loans and Guarantees*) to permit any guarantees or similar undertakings granted by any member of the Group in favour of any tax authority in respect of any obligations of a member of the Group in respect of tax in order to facilitate the winding up of any member of the Group provided that the Facility Agent shall have first received confirmation from the Company that based on discussions with such tax authority and the Company’s reasonable assumptions, the Company does not believe that the liability under such guarantee will exceed €15,000,000 (such confirmation to be supported by a letter from the Company’s auditors for the time being, confirming that based on the Company’s calculations of such tax liability the Company’s confirmation is a reasonable assessment of such tax liability);
- amend clause 10.2(b) (*Mandatory Prepayment—Change of Control*) to provide that upon consummation of (i) the Post-Closing Reorganisation, the “Controlling Company” will mean the relevant New Intermediate Holdco and its successors or (ii) a Spin-Off in which the Common Holding Company and

its successors is no longer a Parent of the Company and any Permitted Affiliate Parent, the “Controlling Company” will mean a common Parent of the Company and any Permitted Affiliate Parent designated by the Company and any successors of such Parent;

- amend the definition of “GAAP” to provide that at any date after the date of preparation of the original financial statements, the Company may make an election to establish “GAAP” to mean GAAP as in effect on a date that is on or prior to the date of such election but provided that for the purposes of clause 19.1 (*Financial Statements*) GAAP means generally accepted accounting principles in the United States as in effect from time to time;
- amend the definition of “IFRS” to provide that at any date after the date of preparation of the original financial statements, the Company may make an election to establish “IFRS” to mean IFRS as in effect on a date that is on or prior to the date of such election but provided that for the purposes of clause 19.1 (*Financial Statements*) IFRS means generally accepted accounting principles in the United States as in effect from time to time;
- amendments to the Change in Accounting Principles clause to provided that all ratios and calculations based on IFRS shall be computed in conformity with IFRS and that the audited consolidated financial statements and unaudited quarterly consolidated management accounts shall be prepared in accordance with IFRS;
- amendments to the Change in Accounting Principles clause to provide that at the time of an election from the Company to apply or all purposes of the Senior Credit Facility, in lieu of IFRS, GAAP and, upon such election, references to IFRS in the Senior Credit Facility will be construed to mean GAAP, provided that all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of GAAP as in effect from time to time (including that, upon first reporting its financial year results under GAAP, the financial statements of the Reporting Entity shall be restated on the basis of GAAP for the year ending immediately prior to the first financial year for which financial statements have been prepared on the basis of GAAP) and from and after such election, all ratios, computations and other determinations based on GAAP contained in this Agreement shall, at the Company’s option (A) continue to be computed in conformity with GAAP (*provided that*, following such election, the annual and quarterly information required to be delivered under the Senior Credit Facility shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such GAAP presentation to the corresponding GAAP presentation of such financial information) or (B) be computed in conformity with GAAP with retroactive effect being given thereto assuming that such election had been made on the OFS Date, subject to any further election in accordance with the definition of GAAP. After such election, the Company may, at its option, elect to apply IFRS or GAAP and compute all ratios, computations and other determinations based on IFRS or GAAP;
- amend the definition of “Business Division Transaction” to remove the requirement for the approval of the Majority Lenders to such transactions;
- add a new definition of “Permitted Business Division Transaction” to mean a Business Division Transaction provided that after giving pro forma effect thereto, an Obligor could incur at least €1.00 of additional Financial Indebtedness pursuant to limb (v) of the definition of Permitted Financial Indebtedness;
- add a new definition of “Acceptable Joint Venture” to mean a joint venture, partnership or similar arrangement formed by a member of the Group (a) by the contribution of some or all of the assets of the Group pursuant to a Business Division Transaction to such joint venture, partnership or similar arrangement with one or more persons and/or (b) for the purposes of network and/or infrastructure sharing with one or more Joint Ventures;
- amend the construction clause of the Senior Credit Facility to provide that the Senior Credit Facility is subject to the terms of the Intercreditor Agreement and the terms of the Intercreditor Agreement will prevail if there is a conflict between the terms of the Senior Credit Facility and the Intercreditor Agreement;
- amend the increase provisions so that, with the prior consent of a Lender, the Commitments of any Increase Lender can be increased without the drawstop of an Event of Default;

- amend the increase provisions to provide that at the election of the Company (in its sole discretion) it shall be a condition to an increase (A) that the aggregate principal amount of any proposed increase in the Commitments shall not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date that such increase in the Commitments becomes effective (giving pro forma effect to the intended use of proceeds of such increased Commitment and assuming that the entire amount of that increased Commitment is drawn on such date or (B) to any Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to clause 6.2 (*Renewal of Documentary Credits*)) of that increased Commitment that the aggregate principal amount of that increased Commitment to be drawn would not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date of that Utilisation;
- amend the provisions relating to compliance certificates to provide that the Company is only required to provide a Compliance Certificate with its financial statements to the Facility Agent if, as at the last day of the Measurement Period ending on the date of such financial statements, the Financial Ratio Test Condition is met;
- amendments to the financial covenant provisions so that (a) should any net indebtedness under each Ancillary Facility exceed an amount equal to 40 per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment, the ratio of Net Total Debt to Consolidated Annualised EBITDA shall not exceed 6.00:1 and (b) if the financial covenant set out in paragraph (a) has been breached for a Measurement Period but is complied with when tested for the next Measurement Period, then, the prior breach of such financial covenant or any Event of Default arising therefrom shall not constitute a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or Event of Default;
- amend the equity cure provisions to provide that the Company may cure a breach of the financial ratio by procuring that additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or greater than the amount which if it had been (A) deducted from Net Total Debt or (B) added to Consolidated Annualised EBITDA for the Measurement Period in respect of which the breach arose, would have avoided the breach provided that such cure would not be effective unless an amount equal to or greater than the required amount of additional equity or the proceeds of any Subordinated Shareholder Loans is received by one or more members of the Group within 30 Business Days of delivery of the financial statements which show the breach of the financial ratio and provided further that if the Company makes such election for re-calculation it shall be under no obligation to apply the amount of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group in prepayment of the Facilities or for any other specific purpose and such amount will be deemed to be deducted from Net Total Debt or added to Consolidated Annualised EBITDA for the purposes of the financial ratio as at the last day of the relevant Measurement Period;
- amend the equity cure provisions to provide that the Company may cure a breach of the financial ratio by procuring that any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility are prepaid (from any source selected by the Company in its sole discretion) in an amount which if such prepayment had occurred immediately prior to the calculation on the last day of the Measurement Period in respect of which the breach arose, the Financial Ratio Test Condition as at the last day of that Measurement Period would not have been met and therefore the financial ratio would not have been required to be tested provided that such cure would not be effective unless the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are required to be prepaid are so prepaid within 30 Business Days of delivery of the financial statements which show the breach of the financial ratio and provided further that if the Company makes such election for re-calculation the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are prepaid shall be deemed to be deducted in the calculation of the Financial Ratio Test Condition as at the last day of the relevant Measurement Period;
- amend the representation provision in the Senior Credit Facility to (A) delete the representation that the Senior Credit Facility does not result in the creation of any Security Interest, (B) delete the representation that a member of the Group is not in default under any law, regulation or agreement, (C) to carve Licenses out of the scope of licenses in the authorisations representation and (D) to provide that the insolvency proceeding representation only extends to Obligor or Material Subsidiaries;

- amend the increased costs provisions to include an exception for any cost attributable to a change in the Tax Liability on the overall net income of the Finance Party, attributable to any penalty having been imposed by the relevant central bank or monetary or fiscal authority upon the Finance Party or attributable to a breach of a Finance Document by the Finance Party;
- amend the stamp taxes indemnity to carve out any Tax Liabilities payable in connection with the assignment or transfer by any Lender of any of its rights and/or obligations under the Finance Documents and any registration duties relating to a registration submission or filing which is not required to maintain or preserve the rights of that Finance Party;
- amend the tax indemnity provision to carve out any loss, liability or cost which has been compensated under the stamp taxes indemnity provisions;
- amend the undertaking relating to share capital to include an additional carve out for members of the Group in order to permit a solvent liquidation and the reduction of capital or purchase or redemption of shares to the extent it relates to the cancellation of the share capital of any member of the Group or any Obligor;
- amend the further assurance provision to provide that there will not be a breach of the 80% Security Test if the members of the Group become Obligors within 60 days of the delivery of the relevant Compliance Certificate by the Company demonstrating that the 80% Security Test has not been satisfied;
- amend the breach of other obligations event of default to provide that the breach of the undertakings relating to pari passu ranking, negative pledge, disposals, acquisitions and mergers, restricted payments, loans and guarantees and share security will not trigger an event of default if such non-compliance is capable of remedy and is remedied within 30 days of the earlier of the Facility Agent giving notice of the breach to the Company or any Obligor become aware of the non-compliance;
- amend the cross-default event of default to delete the provision which states that it will be an Event of Default to the extent that Financial Indebtedness is placed on demand and include the additional requirement that it will not be an Event of Default if the relevant Financial Indebtedness is covered by a Documentary Credit or a letter of credit, bank guarantee, indemnity or other documentary credit under an Ancillary Facility;
- amend the information undertakings to remove the requirement for the Obligors to provide copies of material reports or other notice delivered by a member of the Group whose shares are subject to a pledge to their shareholders;
- amend the change of business undertaking to provide that it will not be breached by an Obligor or any member of the Group to the extent that it is as a result of a Permitted Disposal, Permitted Acquisition or Permitted Joint Venture;
- amend the insurance undertaking to provide that the Obligors are only required to procure compliance of Material Subsidiaries;
- amend the shareholder loan undertaking to provide that the Obligor has 60 days from the date of the shareholder loan to put in place the relevant security over such shareholder loan;
- amend the share security undertaking to include carve outs to the issuance of shares where (A) the shares are to a non-member of the Group if they are made subject to security in favour of the Senior Secured Creditors (as defined in the Intercreditor Agreement) and it does not result in a Change of Control, (B) to a member of the Group or to Telenet Group BVBA if they are made subject to the security in favour of the Senior Secured Creditors (as defined in the Intercreditor Agreement), (C) the shares are issued pursuant to the exercise of Approved Stock Options, (D) the shares are part of an Acquisition or merger and do not result in a Change of Control, (E) the shares are issued by a member of the Group to all the holders of their shares pro rata and if relevant, are made subject to security in favour of the Senior Secured Creditors (as defined in the Intercreditor Agreement), and (F) shares issued pursuant to any agreement existing before the Signing Date and it does not result in a Change of Control;

- amend the group redesignation provision to provide that the Company may deliver a notice to the Facility Agent designating any Holding Company of the Company and/or any Holding Company of any Permitted Affiliate Parent as a “New Group Topco” for the purposes of this Agreement provided that taking into account any actions to be taken by the Company for the benefit of the Lenders, it would not be materially prejudicial to the interests of the Lenders in the opinion of the Facility Agent (acting reasonably);
- amend the merger provision to permit a merger of Telenet Group Holding NV, Telenet BVBA or Telenet Vlaanderen NV or any of their intermediate holding companies;
- amend the Clean Up Period to 180 days;
- amend the acceleration provision to remove the discretion of the Facility Agent once it has been instructed to do so by the Majority Lenders;
- amend the currency indemnity and break costs provisions to provide that the relevant Finance Party must be indemnified within 10 Business Days of demand;
- amend the amendment provisions to permit the Facility Agent (without the consent of the Lenders) to make modifications to a Finance Document if such modification is not materially prejudicial to the position of any Lender, is minor or operational, relates to an increase in the principal amount of a Commitment of a Lender and such increased Commitment has been requested by the Company to fund any original issue discount required to be paid to that Lender or relates to the implementation of any alternative basis for the calculation of interest that is binding on all Parties in accordance with the terms of the Senior Credit Facility;
- amend the amendment provisions to include an additional exception for a waiver of issuance or the release of any Guarantor from any of its obligations under the guarantee provisions of the Senior Credit Facility or a release of any Security under the Security Documents, in each case, other than in accordance with the terms of any Finance Document shall require the prior written consent of affected Lenders whose share in the outstanding Utilisations and whose undrawn Commitments amount in aggregate to more than 75 per cent. of all of the outstanding Utilisations and undrawn Commitments;
- amend the non-consenting lender provisions to remove the requirement for a 21 day time period to have elapsed from the date of the request for consent;
- amend the governing law clause to include non-contractual obligations arising out of or in connection with the Senior Credit Facility;
- amend the ancillary facilities provisions to provide that (i) a date specified in a conversion notice as the effective date for an ancillary facility commitment may be a date not less than 3 Business Days after the date such conversion notice is received by the Facility Agent, (ii) any proposed increase or reduction or extension of the ancillary facility commitment shall only take effect from a date not less than 3 Business Days after the date the Facility Agent has received notice of the relevant modification or variation or extension and (iii) an ancillary facility lender may demand repayment or prepayment of any amounts under its ancillary facility if the ancillary facility outstandings under that ancillary facility can be repaid by a revolving facility advance (and not less than 7 Business Days notice (or such shorter period as agreed to by the Company) is given to the relevant Borrower before payment becomes due);
- amend the defaulting lender provisions to include the right to replace a Lender (in whole and at par) if that Lender becomes a Defaulting Lender;
- amend the assignment of the Lender provisions to provide that the consent of the Company is not required for any assignment or transfer by a Lender if a non-payment, insolvency, insolvency proceedings, creditors’ process and similar proceedings Event of Default is outstanding;
- amend the assignment of the Lender provisions to clarify that the Company should have the right to withhold consent in respect of an assignment/transfer of the Revolving Facility to an entity which is not a lender under a revolving facility to the wider Liberty group (subject to no consent being required in the case of transfers to other Lenders or affiliates of Lenders or following an event of default which is

continuing). There should be no unreasonableness qualifier on this right (in respect of the Revolving Facility only). Remove requirement of deemed consent within 10 Business Days in respect of each Revolving Facility;

- amend the amendments and waivers provisions to provide that amendments and waivers of clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) to 20.4 (*Cure provisions*) shall only be made with the consent of the Company and the Composite Revolving Facility Instructing Group and shall not require the consent of any other Finance Party;
- amend the amendment and waivers provisions to introduce a class exception, whereby any amendment or waiver that relates only to the rights or obligations of a particular Utilisation or Facility and does not materially and adversely affect the rights or interests of Lenders in respect of other Utilisations or Facilities only requires the consent of the relevant proportion of Lenders participating in such Utilisation or Facility;
- amend the amendment and waivers provisions to require the consent of affected Lenders only and not all Lenders (and make any consequential changes by amending for example, all references to matters requiring all Lender consent to only requiring affected Lender consent);
- amend the amendments and waivers provision to provide that where a request for a waiver of, or an amendment to, any provision of any Finance Document has been sent by the Facility Agent to the Lenders at the request of an Obligor, each Lender that does not respond to such request for waiver or amendment within 10 Business Days after receipt by it of such request (or within such other period as the Facility Agent and the Company shall specify), shall be excluded from the calculation in determining whether the requisite level of consent to such waiver or amendment was granted, and delete the proviso to the definition of Majority Lenders;
- amend the non-consenting lender provisions to remove the timing window of 90 days during which the Company may exercise its rights under such non-consenting lender provision at any time;
- amend the provisions in the Senior Credit Facility to provide that, subject to certain thresholds being met no Obligor nor any other member of the Group is required to provide any Security or guarantee other than Security over the shares that it holds in any Obligor, Security required under the terms of the Credit Agreement in respect of Subordinated Shareholder Loans and a guarantee from the Obligors under the terms of the Credit Agreement and include a provision to authorise the Security Agent to release any other Security or guarantees other than the aforementioned and to release Security in respect of Permitted Disposals and to permit relevant Security to be released if a Guarantor resigns in accordance with the terms of the Senior Credit Facility) provided that the guarantor coverage test would still be met notwithstanding such release;
- amend the assignment of the Obligors provisions to provide that any Benelux Borrower may assign or transfer any of its rights and obligations under the Revolving Facility or the Term Loans to another Benelux Borrower and so that any US Borrower may do the same to another US Borrower, in each case, without the prior consent of the Lenders provided that a solvency opinion and legal opinion are provided, if requested, in accordance with recent Liberty precedents in respect of an equivalent provision;
- amend the additional borrower provisions to provide that, in addition to the existing ability for an Additional Borrower incorporated in Benelux and the US to accede (without requiring any Lender consent), to provide an ability to accede Additional Borrowers incorporated in any other jurisdictions with the consent of the Majority Lenders; and
- amend the additional borrower provisions to permit Additional Borrowers to be incorporated in the Kingdom of Belgium, Netherlands, Luxembourg or, in relation to any new Additional Facilities, in the United Kingdom.

The above description is intended to summarize certain material amendments included in the Senior Credit Facility Amendments but is not a complete and exhaustive list of such amendments and does not set out the proposed amendments listed in Schedules 4, 5, 6, 7, 8, 9 and 10 to the 2017 Finco Accession Agreements and Schedules 4, 5, 6, 7, 8, 9 and 10 of the New Finco Accession Agreements, as applicable, in their entirety. Given the significant nature of these amendments, you should read the full list of amendments set out in Schedules 4, 5, 6, 7, 8, 9 and

10 to the 2017 Finco Accession Agreements, attached as Annex B and Annex C to these Listing Particulars, and Schedules 4, 5, 6, 7, 8, 9 and 10 of the New Finco Accession Agreements, attached as Schedule 11 of each of Annex B and Annex C to these Listing Particulars, in their entirety before investing in the Notes. See *“Risk Factors—By investing in the Notes you will have provided advanced consent to the Senior Credit Facility Amendments which will automatically become effective without any further consent from holders of the Notes upon the Telenet Bank Group obtaining the consent of either the Majority Lenders (as defined in the Senior Credit Facility) or, with respect to certain amendments, all Telenet Lenders”*.

The Senior Credit Facility Amendments will generally become effective upon the approval by lenders constituting the “Majority Lenders” (as currently defined, without giving effect to the Senior Credit Facility Amendments); however, certain of the Senior Credit Facility Amendments, including those related to amending the Senior Credit Facility, extending the date of any payment and releasing guarantors and collateral, will become effective only upon the approval of all lenders under the Senior Credit Facility. Upon the issuance of the Notes, consent has already been obtained from the requisite lenders to bring into effect the Seventh Senior Credit Facility Amendments that require Majority Lenders’ consent, and each of the 2017 Finco Accession Agreements and the New Finco Accession Agreements also contain the consent of the Issuer to bring into effect such Seventh Senior Credit Facility Amendments as set out in Schedule 10 of the 2017 Finco Accession Agreements or Schedule 10 of the New Finco Accession Agreements, as applicable, that require the consent of the Majority Lenders.

As a result, the Issuer will not solicit votes (or other consents) from the holders of the Notes with respect to the Senior Credit Facility Amendments. In addition, the Issuer will not be entitled to receive, and will expressly waive under the 2017 Finco Accession Agreements any right it may have to, any consent, waiver, amendment or other similar fee that may be paid to other Telenet Lenders in connection with their approval of the Senior Credit Facility Amendments.

References in this Description of the Notes and the Indenture to numbered clauses or sections in the Senior Credit Facility refer to such clauses or sections as numbered as of the date of the Indenture and, in the event the Senior Credit Facility is amended or supplemented after the date of the Indenture, to any substantially similar clause or section after such amendment or supplement whether numbered the same or differently after such amendment or supplement.

For a further description of the Senior Credit Facility, see *“Description of the Senior Credit Facility”*.

Senior Facility Collateral

The 2017 Finco Loan is and each New Finco Loan, as applicable, will be secured by the security interests on substantially all assets of the Telenet Bank Group granted to the Telenet Security Agent to secure the Telenet Loans. The Telenet Loans are secured on a first-ranking basis by substantially all of the properties and assets of the borrowers and Senior Facility Guarantors, and certain other security providers, under the Senior Credit Facility (collectively, the **“Senior Facility Collateral”**), including:

- (1) share pledges over all the shares of Telenet Group BVBA, Telenet BVBA (and following the Finco Loans Borrower Exchange, the Belgian Borrower), Telenet Vlaanderen NV and the Initial Telenet Borrower;
- (2) mortgages over all real property and the network assets of Telenet BVBA (and following the Finco Loans Borrower Exchange, the Belgian Borrower) and Telenet Vlaanderen NV;
- (3) floating charges over all moveable property of Telenet Group BVBA, Telenet BVBA (and following the Finco Loans Borrower Exchange, the Belgian Borrower) and Telenet Vlaanderen NV;
- (4) pledges on bank accounts and of all present and future receivables of Telenet Group Holding, Telenet Group BVBA, Telenet BVBA (and following the Finco Loans Borrower Exchange, the Belgian Borrower) and Telenet Vlaanderen NV; and
- (5) pledges on bank accounts and of all present and future intercompany receivables granted by the Initial Telenet Borrower.

For a further description of the security with respect to the Telenet Loans and the Senior Credit Facility, see *“Description of the Senior Credit Facility and the Related Agreements—Guarantees and Security”*.

The Senior Credit Facility allows for the release of the Senior Facility Collateral provided that a Lender Asset Security Release Confirmation (as defined in the Senior Credit Facility) has been delivered by the Telenet Facility Agent to the Lenders and the remaining security consists of share pledges over the shares in, and pledges in respect of certain subordinated shareholder loans to, members of the Telenet Bank Group generating in aggregate not less than 80% of Consolidated EBITDA (as defined in the Senior Credit Facility) of the Telenet Bank Group. The Lender Asset Security Release Confirmation shall be delivered promptly following the date on which the requisite consent levels in respect of corresponding Senior Credit Facility Amendments have been achieved.

Note Collateral

Prior to the Belgian Issuer Accession, subject to limitations under English or Luxembourg law described elsewhere in these Listing Particulars, the holders of the Notes benefit directly from first-ranking security interests to be granted to the Security Trustee on behalf of itself, the Trustee and the holders of the Notes in the following rights, property and assets of the Initial Loan (collectively, the **“Initial Note Collateral”**):

- (1) the Initial Issuer’s rights to and benefit in the Finco Loans (including all rights of the Initial Issuer as a Telenet Lender under the Finance Documents (as defined in the Senior Credit Facility) (including the 2017 Finco Accession Agreements and any other Finco Accession Agreements) in respect of which the Initial Issuer has any right, title, benefit and/or interest and the Intercreditor Agreement) (the **“Initial Telenet Loan Collateral”**);
- (2) the Initial Issuer’s rights under the Telenet Fee Letters (the **“Initial Telenet Fee Letters Collateral”**);
- (3) the Initial Issuer’s rights under the Telenet Service Agreement (excluding the Initial Issuer’s rights to be indemnified in respect of fees, costs, expenses and any other amounts payable to parties that do not benefit from the security interests in the Initial Note Collateral) (the **“Initial Telenet Service Agreement Collateral”**); and
- (4) sums of money held from time to time in all bank accounts of the Initial Issuer (the **“Initial Bank Account Collateral”**),

in each case, on a *pari passu* basis with any Additional Notes and any other future Additional Debt of the Initial Issuer incurred or issued after the Issue Date that is not subordinated to the Notes, in accordance with the terms of the Collateral Sharing Agreement.

Following the Belgian Issuer Accession, subject to limitations under Belgian law described above, the holders of the Notes will benefit directly from first-ranking security interests to be granted to the Security

Trustee on behalf of itself, the Trustee and the holders of the Notes in the following rights, property and assets of the Belgian Issuer (collectively, the **“New Note Collateral”**):

- (1) The Belgian Issuer’s rights to and benefit in the 2017 Finco Loans or the New Finco Loans, as applicable, and any other Finco Loans (including all rights of the Belgian Issuer as a Telenet Lender under the Finance Documents (as defined in the Senior Credit Facility) (including the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, and any other Finco Accession Agreements) in respect of which the Initial Issuer has any right, title, benefit and/or interest and the Intercreditor Agreement) (the **“New Telenet Loan Collateral”**);
- (2) the Belgian Issuer’s rights under the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, (excluding the Belgian Issuer’s rights to be indemnified in respect of fees, costs, expenses and any other amounts payable to parties that do not benefit from the security interests in the New Note Collateral) (the **“New Telenet Service Agreement Collateral”**); and
- (3) sums of money held from time to time in all bank accounts of the Belgian Issuer (the **“New Bank Account Collateral”**),

in each case, on a *pari passu* basis with any Additional Notes and any other future Additional Debt of the Belgian Issuer incurred or issued after the Belgian Issuer Accession Date that is not subordinated to the Notes, in accordance with the terms of the Collateral Sharing Agreement.

In this description:

- (1) the term “**Note Collateral**” refers to (i) the Initial Note Collateral prior to the Belgian Issuer Accession and (ii) the New Note Collateral after the Belgian Issuer Accession, as the case may be;
- (2) the term “**Telenet Loan Collateral**” refers to (i) the Initial Telenet Loan Collateral prior to the Belgian Issuer Accession and (ii) the New Telenet Loan Collateral after the Belgian Issuer Accession, as the case may be;
- (3) the term “**Telenet Service Agreement Collateral**” refers to (i) the Initial Telenet Service Agreement Collateral prior to the Belgian Issuer Accession and (ii) the New Telenet Service Agreement Collateral after the Belgian Issuer Accession, as the case may be; and
- (4) the term “**Bank Account Collateral**” refers to (i) the Initial Bank Account Collateral prior to the Belgian Issuer Accession and (ii) the New Bank Account Collateral after the Belgian Issuer Accession, as the case may be.

The Security Trustee entered into the Notes Security Documents relating to the Note Collateral described above with the other relevant parties thereto. The first-ranking security interests in the Note Collateral secure the performance of the obligations of the Issuer under the Indenture and the Notes as provided in the relevant Notes Security Document and to the extent specified therein, subject to the provisions, among others, described below under “—*Events of Default and Remedies*” and “—*Amendment, Supplement and Waiver*”. Subject to certain conditions, including the compliance with the covenant described under “—*Impairment of Liens*,” the Issuer is permitted to pledge the Note Collateral in connection with future issuances of Additional Debt, including any Additional Notes, in each case permitted under the Indenture and on terms consistent with the relative priority of such Financial Indebtedness, and the creditors (or representative thereof) of any such Additional Debt of the Issuer that will benefit from the shared Note Collateral on a *pari passu* basis will become party to the Collateral Sharing Agreement. The Collateral Sharing Agreement provides that the Liens in the Note Collateral may be enforced only upon an acceleration of the amounts due under the Notes following an Event of Default, subject to and in accordance with the terms of the Collateral Sharing Agreement. Neither the Trustee nor the holders of the Notes may, individually or collectively, take any direct action to enforce any rights in their favor under the Notes Security Documents. The Trustee and the holders of the Notes may only take action to enforce the Notes Security Documents through the Security Trustee and the Collateral Sharing Agreement. In addition, pursuant to the Collateral Sharing Agreement, the ability of the Security Trustee to enforce the Liens in the Note Collateral will be restricted and will be at the discretion of the relevant creditors. The Notes Security Documents provide for the Security Trustee to release the security created thereby (i) upon discharge of the Indenture, in accordance with its terms, as described below under “—*Release of the Note Collateral*” and (ii) in connection with or to consummate the Belgian Issuer Accession and/or the Finco Loans Borrower Exchange as set forth herein.

Neither the Security Trustee nor any of its respective officers, directors, employees, attorneys or agents are responsible or liable for the existence, genuineness, value or protection of any property securing the Notes, for the legality, enforceability, effectiveness or sufficiency of the Notes Security Documents, for the creation, perfection, priority, sufficiency or protection of any security interest under any Notes Security Document, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Notes Security Documents or any delay in doing so.

Release of the Note Collateral

The Liens on the Note Collateral will be automatically and unconditionally released:

- (1) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes;
- (2) to release and/or re-take a lien on the Note Collateral to the extent otherwise permitted by the terms of the Indenture (including, without limitation, as may be permitted by the covenants described under “—*Certain Covenants—Impairment of Liens*”);
- (3) with the consent of holders of at least seventy-five percent (75%) in aggregate principal amount of the Notes (including without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes);

- (4) following an Event of Default under the Indenture or a default under other Financial Indebtedness secured by the Note Collateral, pursuant to an enforcement in accordance with the Collateral Sharing Agreement;
- (5) upon satisfaction and discharge of the Notes as provided below under the caption “— *“Satisfaction and Discharge”*”; and
- (6) with respect to Liens on the Initial Note Collateral, in connection with or to consummate the Belgian Issuer Accession and/or the Finco Loans Borrower Exchange; *provided that* upon release of Liens on the Initial Note Collateral, Liens on the New Note Collateral are substantially concurrently granted to the Security Trustee on behalf of itself, the Trustee and the holders of the Notes.

Upon certification by the Issuer, the Trustee and the Security Trustee shall take all necessary actions, including the granting of releases or waivers under the Collateral Sharing Agreement, to effectuate any release in accordance with these provisions, subject to customary protections and indemnifications to the satisfaction of the Trustee and the Security Trustee. The Security Trustee and/or Trustee (as applicable) will agree to any release of the security interests created by the Notes Security Documents that is in accordance with the Indenture, the Notes Security Documents and the Collateral Sharing Agreement without requiring any consent of the holders.

Limited Recourse Obligations

The obligations of the Issuer under the Indenture, the Notes and the Notes Security Documents to which it is a party is limited as set forth in the Indenture. All payments to be made by the Issuer under the Indenture (including any Additional Amounts), the Notes and the Notes Security Documents to which it is a party will be made only from and to the extent of such sums received or recovered by or on behalf of the Issuer, the Trustee or the Security Trustee under the Note Collateral, including the Issuer’s right under the Senior Credit Facility and the Transaction Documents and none of the Trustee, the Security Trustee, the Paying and Domiciliary Agent, the Registrar, any Paying Agent or the holders of Notes will have any further recourse to the Issuer in respect thereof in the event that the amount due and payable by the Issuer under the Indenture, the Notes and the Notes Security Documents exceeds the amounts so received or recovered under the Note Collateral, including the Issuer’s right under the Senior Credit Facility and the Transaction Documents (the “**Limited Recourse Restrictions**”).

In addition, holders of the Notes do not have a direct claim on the cash flow or assets of any member of the Telenet Bank Group and no member of the Telenet Bank Group has any obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments, other than the obligations of the Initial Telenet Borrower or the Belgian Borrower, as applicable, and the Senior Facility Guarantors to make payments to Telenet Lenders under the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, the 2017 Telenet Fee Letters and/or the Telenet Service Agreement or New Telenet Service Agreement, as applicable.

Because the holders of Notes will benefit from the assignment of rights under certain agreements between the Issuer and members of the Telenet Bank Group, in certain circumstances described below under “—*Events of Default and Remedies*”, the Security Trustee, on behalf of the holders of the Notes, will be able to assert the contractual rights of the Issuer against members of the Telenet Bank Group, subject to any limitations set forth in the Senior Credit Facility (and in an enforcement action in accordance with the Collateral Sharing Agreement, holders of Notes may instruct the Security Trustee to demand such performance); however, these rights are limited to the Issuer’s contractual rights against any member of the Telenet Bank Group and provide for no direct claims into the Telenet Bank Group.

No member of the Telenet Bank Group guarantees the Issuer’s obligations under the Notes.

Principal, Maturity and Interest

The Issuer issued in this offering \$1,000 million in aggregate principal amount of Dollar Notes and €600.0 million in aggregate principal amount of Euro Notes. The Issuer may issue additional Dollar Notes (the “**Additional Dollar Notes**”) and/or additional Euro Notes (the “**Additional Euro Notes**” and together with the Additional Dollar Notes, the “**Additional Notes**”) under the Indenture from time to time after this offering. Any issuance of Additional Notes will be subject to all of the covenants in the Indenture. The Dollar Notes and any Additional Dollar Notes subsequently issued under the Indenture are treated as part of the same issue as the Dollar Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, consents, other determinations, redemptions and offers to purchase, except as otherwise provided in the Indenture; *provided that*

if Additional Dollar Notes and the Dollar Notes issued in this offering are not part of the same “issue” within the meaning of the United States Treasury Regulations, the Additional Dollar Notes will have a separate ISIN and common code. The Euro Notes and any Additional Euro Notes subsequently issued under the Indenture will be treated as part of the same issue as the Euro Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, consents, other determinations, redemptions and offers to purchase, except as otherwise provided in the Indenture; *provided* that if Additional Euro Notes and the Euro Notes issued in this offering are not part of the same “issue” within the meaning of the United State Treasury Regulations, the Additional Euro Notes will have a separate ISIN and common code. Any reference to (i) Notes in this Description of the Notes shall be deemed to include any Additional Notes, (ii) Dollar Notes in this Description of the Notes shall be deemed to include any Additional Dollar Notes, and (iii) Euro Notes in this Description of the Notes shall be deemed to include any Additional Euro Notes. In connection with the issuance of Additional Dollar Notes, the Initial Telenet Borrower or the Belgian Borrower, as applicable, will upsize Finco Loan AJ pursuant to an accession agreement (the “**Finco Loan AJ Accession Agreement**”) or will enter into one or more accession agreements under the Senior Credit Facility, each of which will constitute a Finco Accession Agreement for purposes of the Indenture and related documents. In connection with the issuance of Additional Euro Notes, the Initial Telenet Borrower or the Belgian Borrower, as applicable, will upsize Finco Loan AK pursuant to an accession agreement (the “**Finco Loan AK Accession Agreement**”) or will enter into one or more accession agreements under the Senior Credit Facility, each of which will constitute a Finco Accession Agreement for purposes of the Indenture and related documents (collectively with any other Finco Accession Agreement, the “**Finco Accession Agreements**”). The proceeds of any such Additional Dollar Notes or Additional Euro Notes, as applicable, will be loaned to the Initial Telenet Borrower or the Belgian Borrower, as applicable, pursuant to a loan under such Finco Accession Agreement, and each such loan will constitute a “**Finco Loan**” for purposes of the Indenture and related documents. Consideration for any Additional Notes may be paid in cash or otherwise.

The Issuer issued Dollar Notes in minimum denominations of \$200,000 and integral multiples of \$200,000 in excess thereof and Euro Notes in minimum denominations of €100,000 and integral multiples of €100,000 excess thereof. The Notes were only issued in registered form represented by one or more global notes and in minimum denominations of \$200,000 principal amount (in the case of Dollar Notes) and €100,000 principal amount (in the case of Euro Notes). The Dollar Notes will mature on March 1, 2028 and the Euro Notes will mature on March 1, 2028.

Interest on the Dollar Notes accrues at a rate of 5.500% per annum. Interest on the Dollar Notes is payable semi-annually in arrears on each January 15 and July 15, commencing January 15, 2018. Interest on the Euro Notes accrues at a rate of 3.500% per annum. Interest on the Euro Notes is payable semi-annually in arrears on each January 15 and July 15, commencing on January 15, 2018.

Interest on overdue principal and interest then due will accrue at a rate that is 1.0% higher than the then applicable interest rate on the relevant series of the Notes. Pursuant to the terms of the Telenet Service Agreement and the New Telenet Service Agreement described above, the Initial Telenet Borrower or the Belgian Borrower, as applicable, will make payments to the Issuer to enable it to pay the additional interest required to be paid under the Notes on overdue principal and interest. The Issuer will make, or cause to be made, each interest payment for so long as the Notes are Global Notes (as defined below) (i) in respect of the Dollar Notes, to holders of Book-Entry Interests in the Dollar Notes through direct Participants (as defined below) in the X/N Clearing System (as defined below) (including Euroclear and Clearstream) and (ii) in respect of the Euro Notes, to the Paying and Domiciliary Agent who will in turn make payments to holders of Book-Entry Interests in the Euro Notes through the X/N Clearing System, in each case of (i) and (ii) on the due date for such payment to those holders who are the holders of record of the Notes at the close of business (in the relevant clearing system) on the Clearing System Business Day immediately before the due date for such payment, where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Note is being held is open for business or to the extent Definitive Registered Notes (as defined below) have been issued, to the holders of record of the Notes on the immediately preceding January 1 and July 1. Interest will be computed on the basis of (i) in the case of Dollar Notes, a 360-day year comprised of twelve 30-day months and (ii) in the case of Euro Notes, a 365-day or 366-day year (as applicable) and payable for the actual number of days elapsed.

Principal, premium, if any, interest, and Additional Amounts, if any, on the Notes issued in certificated non-global form (“**Definitive Registered Notes**”) will be made by check mailed to the address of the holders of Definitive Registered Notes as such address appears in the register for Definitive Registered Notes or, at the option of the Issuer, at the office of one or more paying agents for the Notes (a “**Paying Agent**”). Such holders must surrender their Definitive Registered Notes to the Issuer or a Paying Agent, as applicable, to collect principal payments.

If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the holders thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Paying and Domiciliary Agent and Registrar for the Notes

The Issuer will maintain, as long as the Notes are deposited with the Securities Settlement System operated by the National Bank of Belgium (or any successor thereto) (the “**X/N Clearing System**”) a paying and domiciliary agent (the “**Paying and Domiciliary Agent**”) that is a Participant. The initial Paying and Domiciliary Agent is ING Belgium SA/NV in Brussels. As long as the Notes are deposited with the X/N Clearing System, (i)(A) payments in respect of the Dollar Notes will be made through direct Participants in the X/N Clearing System (including Euroclear and Clearstream) which will in turn distribute such payments in accordance with their relevant procedures and (B) payments in respect of the Euro Notes will be made through the X/N Clearing System in accordance with the rules and regulations applicable to the X/N Clearing System; and (ii)(A) the Issuer makes payments due on the Dollar Notes to any direct Participants in the X/N Clearing System (including Euroclear and Clearstream) which will in turn distribute such payments in accordance with their relevant procedures and (B) the Issuer will make payments due on the Euro Notes to the Paying and Domiciliary Agent for further credit to Euroclear, Clearstream or any other direct Participant in the X/N Clearing System (as applicable) which will in turn distribute such payments in accordance with their relevant procedures.

The Issuer will also maintain one or more registrars (each, a “**Registrar**”) for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require. The Issuer will also maintain one or more transfer agents. The initial Registrar for the Notes is The Bank of New York Mellon SA/NV, Luxembourg Branch. The initial transfer agents with respect to the Notes are The Bank of New York Mellon, London Branch and The Bank of New York Mellon SA/NV, Luxembourg Branch. Owners of interests in the Notes deposited with the X/N Clearing System and held through Euroclear and/or Clearstream, as direct Participants in the X/N Clearing System may, under certain conditions as set forth in the Indenture, request definitive notes in registered form (“**Definitive Registered Notes**”). The Registrar will maintain a register on behalf of the Issuer for so long as the Notes remain outstanding reflecting ownership of Definitive Registered Notes outstanding from time to time. Following the issuance of Definitive Registered Notes, the Issuer may, in its sole discretion, make payments on the Definitive Registered Notes or appoint a Paying Agent to make payments on the Definitive Registered Notes on behalf of the Issuer. The transfer agents will, on behalf of the Issuer, facilitate transfer of, Definitive Registered Notes. In the event that the Notes are no longer listed, the Issuer or its agent will maintain a register reflecting ownership of the Notes. The Issuer may change a Paying and Domiciliary Agent, a Paying Agent, the Registrar or transfer agent for the Notes without prior notice to the holders of Notes, and the Issuer may act as Paying Agent, Registrar or transfer agent for the Notes.

Luxembourg provisions relating to Registered Notes

Upon written request from the Issuer, the Registrar shall provide the Issuer with a copy of the Register for information purposes.

Transfer and Exchange

The Notes have been issued in the form of several registered notes in global form, without interest coupons, as follows:

- Notes sold within the United States to qualified institutional buyers (“QIBs”) that are also “qualified purchasers” within the meaning of section 2(a)(51) of the 1940 Act and the rules and regulations thereunder (each, a “**Qualified Purchaser**”) pursuant to Rule 144A under the U.S. Securities Act are initially represented by one or more global notes in registered form without interest coupons attached (the “**144A Global Notes**”).
- The 144A Global Notes, on the Issue Date, were deposited by the Paying and Domiciliary Agent on behalf of the Issuer with the NBB as operator of the X/N Clearing System pursuant to an agreement between the Issuer, the Paying and Domiciliary Agent and the NBB.

- Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act are represented by one or more global notes in registered form without interest coupons attached (the “**Regulation S Global Notes**”, and together with the 144A Global Notes, the “**Global Notes**”).
- The Regulation S Global Notes, on the Issue Date, were deposited by the Paying and Domiciliary Agent on behalf of the Issuer with the NBB as operator of the X/N Clearing System pursuant to an agreement between the Issuer, the Paying and Domiciliary Agent and the NBB.

All interests in the Notes are subject to the procedures and requirements of the X/N Clearing System. Ownership of interests in the Global Notes (“**Book-Entry Interests**”) is limited to persons that will hold such Notes in an exempt securities account (an “**X Account**”) with the X/N Clearing System (either directly or indirectly through a participant in the X/N Clearing System (including Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream**”)) (and for a full list of participating central securities depositories as of the date of these Listing Particulars, see <https://www.nbb.be/en/list-nbb-investor-icsds>) (a “**Participant**”). Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “*Book-Entry, Delivery and Form*”. In addition, transfers of Book-Entry Interests between Participants will be effected by such Participants pursuant to customary procedures and subject to the applicable rules and procedures established by the X/N Clearing System and its respective Participants.

Book-Entry Interests in the 144A Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act.

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A that is also a Qualified Purchaser in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Transfer Restrictions*” and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred.

Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only (i) in the case of Dollar Notes, in minimum denominations of \$200,000 principal amount and integral multiples of \$200,000 in excess thereof and (ii) in the case of Euro Notes, in minimum denominations of €100,000 principal amount and integral multiples of €100,000 in excess thereof, in each case of (i) and (ii) above, upon receipt by the applicable Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Participants, from the Participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer to be in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under “*Transfer Restrictions*”.

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, (i) in the case of Dollar Notes, in minimum denominations of \$200,000 principal amount and integral multiples of \$200,000 in excess thereof and (ii) in the case of Euro Notes, in minimum denominations of €100,000 principal amount and integral multiples of €100,000 in excess thereof. In connection with any such transfer or exchange, the Indenture requires the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at the X/N Clearing System (including that such transferee will hold the Notes in an X Account) to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to register the transfer or exchange of any Definitive Registered Note in registered form:

- (1) for a period of 15 calendar days prior to any date fixed for the redemption of the Notes;
- (2) for a period of 15 calendar days immediately prior to the date fixed for selection of Notes to be redeemed in part;
- (3) for a payment period of 15 calendar days prior to any interest payment date; or
- (4) that the registered holder of Notes has validly tendered (and not withdrawn) for repurchase in connection with an Asset Sale Offer.

The Issuer, the Trustee, the Paying and Domiciliary Agent, any Paying Agent and Registrar will be entitled to treat the registered holder as the owner of it for all purposes.

Security Trustee

The Bank of New York Mellon, London Branch, acts as Security Trustee under the Notes Security Documents until such time, if any, that a new Security Trustee is appointed under the relevant provisions of the Indenture.

Neither the Security Trustee nor the Trustee, any of their respective officers, directors, employees, attorneys or agents are responsible or liable for the existence, genuineness, value or protection of any property securing the Notes, for the legality, enforceability, effectiveness or sufficiency of the Notes Security Documents, for the creation, perfection, priority, sufficiency or protection of any security interest under any Notes Security Document, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Notes Security Documents or any delay in doing so.

Redemption and Repurchase

Disposal Proceeds

Under the Senior Credit Facility, Telenet BVBA, Telenet Group BVBA and/or the Initial Telenet Borrower or the Belgian Borrower, as applicable, are required to prepay, or to procure the prepayment (in either case, unless otherwise waived in accordance with the provisions of the Senior Credit Facility), the Facilities under the Senior Credit Facility with certain proceeds of asset disposals (“**Disposal Proceeds**”), subject to certain exceptions. See paragraph (14) under “*Description of the Senior Credit Facility and the Related Agreements—Senior Credit Facility—Mandatory Prepayment*”. Telenet BVBA may elect which Facility or Facilities are to be prepaid in connection with any mandatory prepayment with Disposal Proceeds. Under the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, Telenet Group BVBA and the Initial Telenet Borrower or the Belgian Borrower, as applicable, will agree that with respect to each 2017 Finco Loan or each New Finco Loan, as applicable, and any Disposal Proceeds that are required to be applied to prepay any Facilities pursuant to Clause 10.3 (*Mandatory prepayment from disposal proceeds*) of the Senior Credit Facility, an amount of such Disposal Proceeds that bears the same proportion to the total Disposal Proceeds as the aggregate principal amount that such 2017 Finco Loan or such New Finco Loan, as applicable, bears to the aggregate principal amount of all outstanding Telenet Loans (the “**Available Disposal Proceeds**”) will be available for prepayment of such 2017 Finco Loan or such New Finco Loan, as applicable.

In respect of the Available Disposal Proceeds, Telenet Group BVBA and/or the Initial Telenet Borrower or the Belgian Borrower, as applicable, may elect, at their option:

- (1) to offer to prepay (i) a principal amount of Finco Loan AJ or New Finco Loan AJ-B, as applicable, equal to the lesser of (a) the amount of the relevant Available Disposal Proceeds and (b) the aggregate principal amount of the Dollar Notes tendered in an Asset Sale Offer (as defined below) and (ii) a principal amount of Finco Loan AK or New Finco Loan AK-B, as applicable, equal to the lesser of (a) the amount of the relevant Available Disposal Proceeds and (b) the aggregate principal amount of the Euro Notes tendered in an Asset Sale Offer, in each case of (i) and (ii), to be made by the Issuer following receipt of notice from Telenet Group BVBA as set forth below; or

- (2) to prepay the 2017 Finco Loans or the New Finco Loans, as applicable, in each case pro rata, in an amount equal to the relevant Available Disposal Proceeds, in which case the Issuer will redeem (i) an aggregate principal amount of the Dollar Notes equal to the amount of Finco Loan AJ or the New Finco Loan AJ-B, as applicable, prepaid and (ii) an aggregate principal amount of Euro Notes equal to the amount of Finco Loan AK or New Finco Loan AK-B, as applicable, prepaid,

in each case, as described below.

Asset Sale Offer

Following receipt of notice of an asset disposal from Telenet Group BVBA delivered pursuant to Clause 6.1(a) of the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, the Issuer will, within five Business Days of receipt of such notice, make an offer to all holders of Notes (an “**Asset Sale Offer**”) to purchase the maximum principal amount of Notes that may be purchased out of the Available Disposal Proceeds stated in such notice at an offer price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, which offer price will be payable in cash.

Under the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, Telenet Group BVBA and the Initial Telenet Borrower or the Belgian Borrower, as applicable, will be obligated to pay (or procure the payment of) a principal amount of the 2017 Finco Loans or the New Finco Loans, as applicable, pro rata based on the aggregate principal amount of the relevant series of Notes tendered in such Asset Sale Offer equal to the lesser of (i) the relevant Available Disposal Proceeds and (ii) of the aggregate principal amount of Notes tendered in such Asset Sale Offer, and the Issuer will accept for purchase an equal aggregate principal amount of such Notes in such Asset Sale Offer. The Issuer will apply any such prepayment of the 2017 Finco Loans or the New Finco Loans, as applicable, together with all accrued and unpaid interest on the relevant 2017 Finco Loans or the relevant New Finco Loans, as applicable, thereon to the date of prepayment, to pay the purchase price of all Notes accepted for purchase in such Asset Sale Offer.

The Issuer will promptly notify the Trustee, Telenet Group BVBA and the Initial Telenet Borrower or the Belgian Borrower, as applicable, of the aggregate principal amount of the relevant series of Notes tendered in such Asset Sale Offer. If the aggregate principal amount of Notes tendered in such Asset Sale Offer exceeds the amount of the Available Disposal Proceeds, the Trustee or, if the Notes are held in global form within the X/N Clearing System, the Paying and Domiciliary Agent will select the Notes to be purchased on a pro rata basis (or, in the case of Notes issued in global form, based on a method that most nearly approximates a pro rata selection in accordance with the rules of the X/N Clearing System, Euroclear and Clearstream, as applicable), based on the amounts of the each series of Notes tendered.

The Issuer will comply with the requirements of Rule 14e-1 under the U.S. Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of the relevant series of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale Offer provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale Offer provisions of the Indenture by virtue of such compliance.

Redemption with Disposal Proceeds

Under the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, if Telenet Group BVBA and the Initial Telenet Borrower or the Belgian Borrower, as applicable, elect not to offer to prepay the relevant 2017 Finco Loans or the relevant New Finco Loans, as applicable, in an amount equal to the lesser of the relevant Available Disposal Proceeds and the aggregate principal amount of the relevant series of Notes tendered in a related Asset Sale Offer, they are required to prepay (or procure the payment of) the relevant 2017 Finco Loans or the relevant New Finco Loans, as applicable, in an amount equal to the relevant Available Disposal Proceeds, plus accrued and unpaid interest on the relevant 2017 Finco Loans or the relevant New Finco Loans, as applicable, at the applicable price for any voluntary prepayment to the date of prepayment. Telenet Group BVBA and the Initial Telenet Borrower or the Belgian Borrower, as applicable, are required to give not less than ten Business Days’ notice of any such prepayment. Any prepayment pursuant to this provision shall be pro rata across the 2017 Finco Loans or the New Finco Loans, as applicable.

Following receipt of prepayment of the 2017 Finco Loans or the New Finco Loans, as applicable, described in the preceding paragraph, the Issuer will promptly redeem an aggregate principal amount of the relevant series of Notes equal to the redemption price that would be payable if such Notes were redeemed on such date pursuant to the provisions described below under “—*Optional Redemption*”, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.

Redemption upon a Change of Control

Upon the occurrence of any mandatory prepayment of any or all of the 2017 Finco Loans or the New Finco Loans, as applicable, following a Change of Control (as defined under Clause 10.2 (*Mandatory prepayment—change of control*) of the Senior Credit Facility), the Issuer will redeem the corresponding aggregate principal amount of the Dollar Notes and the Euro Notes, as the case may be, subject to and in accordance with the notice provisions of the Senior Credit Facility, at a redemption price equal to 101% of the principal amount of such Notes redeemed plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date.

Under the terms of the Senior Credit Facility, upon the occurrence of a Change of Control, the Telenet Loans (including each 2017 Finco Loan or each New Finco Loan, as applicable) will only become due and payable if the Majority Lenders so require. The Issuer, as a Telenet Lender, will be entitled to vote the 2017 Finco Loans or the New Finco Loans, as applicable, in accordance with the provisions described below under “—*Amendment, Supplement and Waiver—To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements*”. Depending on how the other Telenet Lenders vote in the determination of whether to require prepayment, holders of Notes may have no right to demand redemption of the Notes by the Issuer following the occurrence of a Change of Control.

Optional Redemption

In the event that all or any portion of either 2017 Finco Loan or either New Finco Loan, as applicable, is voluntarily prepaid by Telenet BVBA, Telenet Group BVBA, and/or the Initial Telenet Borrower or the Belgian Borrower, as applicable, pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Senior Credit Facility (an “**Early Redemption Event**”), subject to and in accordance with the terms of the Senior Credit Facility and the relevant 2017 Finco Accession Agreement or the relevant New Finco Accession Agreement, as applicable, the relevant 2017 Finco Accession Agreement or the relevant New Finco Accession Agreement, as applicable, provides for the payment of certain additional payments to be made to the Issuer that correspond to the premiums payable to holders of the relevant series of Notes upon early redemption, as described below.

In each case below, any such redemption and notice may, in the Issuer’s discretion, be subject to satisfaction of one or more conditions precedent, including that the Issuer, the Trustee, the Paying and Domiciliary Agent or any Paying Agent has received sufficient funds from Telenet Group BVBA and/or the Initial Telenet Borrower to pay the full redemption price payable to holders of the relevant series of Notes on or before the relevant redemption date. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer’s discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer’s obligations with respect to such redemption may be performed by another Person.

If a redemption date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such redemption date if it were a Business Day for the intervening period. If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to holders whose Notes will be subject to redemption by the Issuer.

Dollar Notes

Redemption prior to December 1, 2022

Except as described below under “—*Redemption for Changes in Withholding Taxes*,” and “—*Optional Redemption—Redemption prior to December 1, 2022 with Excess Early Redemption Proceeds*”, at any time prior

to December 1, 2022, upon the occurrence of any Early Redemption Event, the Issuer will redeem an aggregate principal amount of the Dollar Notes equal to the principal amount of Finco Loan AJ or New Finco Loan AJ-B, as applicable, prepaid in such Early Redemption Event (not to exceed an amount equal to 10% of the original aggregate principal amount of the Dollar Notes (including Additional Notes, if any) during each twelve-month period commencing on the Issue Date), upon not less than 10 days nor more than 60 days' notice, at a redemption price equal to 103% of the principal amount of Dollar Notes redeemed plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of such Dollar Notes on the relevant record date to receive interest due on the relevant interest payment date. Prior to December 1, 2022, to the extent that during any twelve-month period commencing on the Issue Date, the principal amount of Finco Loan AJ or New Finco Loan AJ-B, as applicable, prepaid in any one or more Early Redemption Events is greater than an amount equal to 10% of the original aggregate principal amount of the Dollar Notes (any such amount, the **"Dollar Excess Early Redemption Proceeds"**), the Issuer will apply the Dollar Excess Early Redemption Proceeds to redemption of the Dollar Notes as described below under **"—Optional Redemption—Redemption prior to December 1, 2022, with Dollar Excess Early Redemption Proceeds"**.

Redemption prior to December 1, 2022 with Dollar Excess Early Redemption Proceeds

Except as described above under **"—Optional Redemption—Redemption prior to December 1, 2022"** and below under **"—Redemption for Changes in Withholding Taxes,"** at any time prior to December 1, 2022, upon the occurrence of an Early Redemption Event, the Issuer will redeem an aggregate principal amount of the Dollar Notes equal to the principal amount of Finco Loan AJ or New Finco Loan AJ-B, as applicable, prepaid with any Dollar Excess Early Redemption Proceeds in such Early Redemption Event, upon not less than 10 days nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Dollar Notes redeemed plus the Applicable Premium (calculated as of a date no more than three Business Days prior to the date of the relevant redemption notice) as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of such Dollar Notes on the relevant record date to receive interest due on the relevant interest payment date.

Redemption on or after December 1, 2022

On or after December 1, 2022, upon the occurrence of an Early Redemption Event in respect of Finco Loan AJ or New Finco Loan AJ-B, as applicable, the Issuer will redeem an aggregate principal amount of the Dollar Notes equal to the principal amount of Finco Loan AJ or New Finco Loan AJ-B, as applicable, prepaid in such Early Redemption Event, upon not less than 10 days nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date (subject to the rights of holders of the Dollar Notes on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period commencing on December 1 of the years set out below:

	Redemption Price
2022.....	102.750%
2023.....	101.375%
2024.....	100.688%
2025 and thereafter.....	100.000%

Unless the Issuer defaults in the payment of the redemption price, subject to the third paragraph of **"—Optional Redemption"** above, interest will cease to accrue on the Dollar Notes or portions thereof called for redemption on the applicable redemption date.

Euro Notes

Redemption prior to December 1, 2022

Except as described below under **"—Redemption for Changes in Withholding Taxes,"** and **"—Optional Redemption—Redemption prior to December 1, 2022 with Excess Early Redemption Proceeds"**, at any time prior to December 1, 2022, upon the occurrence of any Early Redemption Event, the Issuer will redeem an aggregate principal amount of the Euro Notes equal to the principal amount of Finco Loan AK or New Finco Loan AK-B, as applicable, prepaid in such Early Redemption Event (not to exceed an amount equal to 10% of the original aggregate principal amount of the Euro Notes (including Additional Notes, if any) during each twelve-month

period commencing on the Issue Date), upon not less than 10 days nor more than 60 days' notice, at a redemption price equal to 103% of the principal amount of Euro Notes redeemed plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of such Euro Notes on the relevant record date to receive interest due on the relevant interest payment date. Prior to December 1, 2022, to the extent that during any twelve-month period commencing on the Issue Date, the principal amount of Finco Loan AK or New Finco Loan AK-B, as applicable, prepaid in any one or more Early Redemption Events is greater than an amount equal to 10% of the original aggregate principal amount of the Euro Notes (any such amount, the **"Euro Excess Early Redemption Proceeds"**, and together with the Dollar Excess Early Redemption Proceeds, the **"Excess Early Redemption Proceeds"**), the Issuer will apply the Euro Excess Early Redemption Proceeds to redemption of the Euro Notes as described below under **"—Optional Redemption—Redemption prior to December 1, 2022 with Euro Excess Early Redemption Proceeds"**.

Redemption prior to December 1, 2022 with Euro Excess Early Redemption Proceeds

Except as described above under **"—Optional Redemption—Redemption prior to December 1, 2022"** and below under **"—Redemption for Changes in Withholding Taxes,"** at any time prior to December 1, 2022, upon the occurrence of an Early Redemption Event, the Issuer will redeem an aggregate principal amount of the Euro Notes equal to the principal amount of Finco Loan AK or New Finco Loan AK-B, as applicable, prepaid with any Euro Excess Early Redemption Proceeds in such Early Redemption Event, upon not less than 10 days nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Euro Notes redeemed plus the Applicable Premium (calculated as of a date no more than three Business Days prior to the date of the relevant redemption notice) as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of such Euro Notes on the relevant record date to receive interest due on the relevant interest payment date.

Redemption on or after December 1, 2022

On or after December 1, 2022, upon the occurrence of an Early Redemption Event in respect of the Finco Loan or the New Finco Loan, as applicable, the Issuer will redeem an aggregate principal amount of the Euro Notes equal to the principal amount of Finco Loan AK or New Finco Loan AK-B, as applicable, prepaid in such Early Redemption Event, upon not less than 10 days nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date (subject to the rights of holders of the Euro Notes on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period commencing on December 1 of the years set out below:

	Redemption Price
2022.....	101.750%
2023.....	100.875%
2024.....	100.438%
2025 and thereafter.....	100.000%

Unless the Issuer defaults in the payment of the redemption price, subject to the third paragraph of **"—Optional Redemption"** above, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Redemption prior to December 1, 2022 with Equity Offering Early Redemption Proceeds

At any time prior to December 1, 2022, upon the occurrence of an Early Redemption Event with the Net Cash Proceeds of one or more Equity Offerings (the **"Equity Offering Early Redemption Proceeds"**), the Issuer will redeem (i) up to 40% of the aggregate principal amount of the Dollar Notes equal to the principal amount of Finco Loan AJ or New Finco Loan AJ-B, as applicable, prepaid with any Equity Offering Early Redemption Proceeds in such Early Redemption Event, upon not less than 10 days nor more than 60 days' notice, at a redemption price of 105.500% of the principal amount of the Dollar Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the rights of holders of such Dollar Notes on the relevant record date to receive interest due on the relevant interest payment date) and/or (ii) up to 40% of the aggregate principal amount of the Euro Notes equal to the principal amount of Finco Loan AK or New Finco Loan AK-B, as applicable, prepaid with any Equity Offering Early Redemption Proceeds in such Early Redemption Event, upon not less than 10 days nor more than 60 days' notice, at a redemption price of 103.500% of the principal

amount of the Euro Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the rights of holders of such Euro Notes on the relevant record date to receive interest due on the relevant interest payment date), *provided that*:

- (1) at least 50% of the principal amount of each of the Euro Notes and the Dollar Notes, as applicable (which includes Additional Notes, if any) issued under the Indenture remains outstanding immediately after any such redemption; and
- (2) such redemption is made not more than 180 days after the consummation of any such Equity Offering.

In each case above, the redemption and notice may, in the Issuer's discretion, be subject to satisfaction of one or more conditions precedent, including that the Issuer, the Trustee, the Paying and Domiciliary Agent or any Paying Agent has received sufficient funds from Telenet Group BVBA or the Initial Telenet Borrower to pay the full redemption price payable to holders of the relevant series of Notes on or before the relevant redemption date. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

If a redemption date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such redemption date if it were a Business Day for the intervening period. If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to holders whose Notes will be subject to redemption by the Issuer.

Optional Redemption upon Certain Tender Offers

In addition, in connection with any tender offer or other offer to purchase for the Notes or any series of Notes (a "**Tender Offer**"), if holders of not less than 90% of the aggregate principal amount of the then outstanding Notes or series of Notes, as applicable, validly tender and do not validly withdraw such Notes in such Tender Offer and the Issuer, or any third party making such Tender Offer in lieu of the Issuer, purchases all of the Notes or such series of Notes, as applicable, validly tendered and not validly withdrawn by such holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' notice following such purchase date, to redeem all Notes or all Notes of such series, as applicable, that remain outstanding following such purchase at a price equal to the price paid to each other holder in such Tender Offer, plus, to the extent not included in the Tender Offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the date of the delivery of the notice for such redemption.

Under the Finco Loan AJ or the New Finco Loan AJ-B, as applicable, Telenet Group BVBA and the Initial Telenet Borrower or the Belgian Borrower, as applicable, will be obligated to pay (or procure the payment of) a principal amount of the Finco Loan AJ or the New Finco Loan AJ-B, as applicable, in an amount equal to the aggregate principal amount of the Dollar Notes tendered in such Tender Offer, and the Issuer will accept for purchase an equal aggregate principal amount of the Dollar Notes in such Tender Offer. The Issuer will apply any such prepayment of the Finco Loan AJ or the New Finco Loan AJ-B, as applicable, together with all accrued and unpaid interest on the Finco Loan AJ or the New Finco Loan AJ-B, as applicable, to the date of prepayment and/or redemption, to pay the purchase price of all Dollar Notes accepted for purchase in such Tender Offer or the redemption price following such Tender Offer. The Issuer will promptly notify the Trustee, Telenet Group BVBA and the Initial Telenet Borrower or the Belgian Borrower, as applicable, of the aggregate principal amount of Dollar Notes tendered in such Tender Offer.

Under the Finco Loan AK or the New Finco Loan AK-B, as applicable, Telenet Group BVBA and the Initial Telenet Borrower or the Belgian Borrower, as applicable, will be obligated to pay (or procure the payment of) a principal amount of the Finco Loan AK or the New Finco Loan AK-B, as applicable, in an amount equal to the aggregate principal amount of the Euro Notes tendered in such Tender Offer, and the Issuer will accept for purchase an equal aggregate principal amount of the Euro Notes in such Tender Offer. The Issuer will apply any such prepayment of the Finco Loan AK or the New Finco Loan AK-B, as applicable, together with all accrued and unpaid interest on the Finco Loan AK or the New Finco Loan AK-B, as applicable, to the date of prepayment

and/or redemption, to pay the purchase price of all Euro Notes accepted for purchase in such Tender Offer or the redemption price following such Tender Offer. The Issuer will promptly notify the Trustee, Telenet Group BVBA and the Initial Telenet Borrower or the Belgian Borrower, as applicable, of the aggregate principal amount of Euro Notes tendered in such Tender Offer.

Redemption for Changes in Withholding Taxes

Upon the occurrence of (i) an Early Redemption Event effected at any time following the occurrence of an Issuer Tax Event (as defined below) under “—*Withholding Taxes*” or (ii) an optional prepayment of a 2017 Finco Loan or a New Finco Loan, as applicable, pursuant to Clause 10.8(a)(i) (*Right of repayment and cancellation of a single Lender*) of the Senior Credit Facility, the Issuer may redeem the relevant series of Notes, in whole but not in part, at its discretion at any time, upon not less than 10 days nor more than 60 days’ notice to the holders of the Notes (which notice will be irrevocable and given in accordance with the procedures described in “—*Selection and Notice*”), at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts (if any) then due on the Notes redeemed to the applicable redemption date (a “**Tax Redemption Date**”) (subject to the rights of holders of the relevant series of Notes on the relevant record date to receive interest due and Additional Amounts (if any) in respect thereof on the relevant interest payment dates), if, in the case of an Issuer Tax Event only, on the next date on which any amount would be payable in respect of the Notes, the Issuer determines it is or would be required to pay Additional Amounts as a result of:

- (1) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Tax Jurisdiction (as defined below under “—*Withholding Taxes*”) affecting taxation; or
- (2) any change in official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

and the Issuer cannot avoid any such payment obligation by taking reasonable measures available. For this purpose, reasonable measures shall not include the Issuer changing or moving jurisdictions.

In the case of an Issuer Tax Event, the Issuer will not give any such notice of redemption earlier than 90 days prior to the earliest date on which the Issuer would be obligated to make such payment or withholding if a payment in respect of the relevant series of Notes were then due. Notwithstanding the foregoing, the Issuer may not redeem the Notes under this provision if the Relevant Tax Jurisdiction changes under the Indenture and the Issuer is obligated to pay any Additional Amounts as a result of any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder), or any change in official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings, of the then current Relevant Tax Jurisdiction which, at the time such Relevant Tax Jurisdiction became the applicable Relevant Tax Jurisdiction under the Indenture, was publicly announced or formally proposed. Additionally, in the case of a prepayment of a 2017 Finco Loan or a New Finco Loan under Clause 10.8(a)(i) (*Rights of Repayment and Cancellation of a Single Lender*) of the Senior Credit Facility following either the Belgian Issuer Accession or the Finco Loans Borrower Exchange, the Issuer may not redeem the Notes under this provision unless the Tax Payment (as defined in the Senior Credit Facility) required to be made with respect to such 2017 Finco Loan or such New Finco Loan, as applicable, are in respect of taxes imposed on payments thereunder at a rate that is in excess of the rate applicable to such payments as of the date of the Belgian Issuer Accession or the Finco Loans Borrower Exchange, as applicable. Prior to the publication or, where relevant, mailing of any notice of redemption of the relevant series of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an opinion of counsel to the effect that there has been such change or amendment. In addition, before the Issuer publishes or mails notice of redemption of such Notes as described above, it will deliver to the Trustee an Officer’s Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by the Issuer taking reasonable measures (for this purpose, reasonable measures shall not include the Issuer changing or moving jurisdictions) available to it.

The Trustee will accept such Officer’s Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the relevant series of Notes.

The foregoing provisions regarding redemption for changes in withholding taxes will apply *mutatis mutandis* to any successor to the Issuer after such successor person becomes a party to the Indenture.

Open Market Purchases of Telenet Loans

In the event that any member of the Telenet Bank Group makes any offer to purchase or otherwise acquire any Telenet Loans (whether through a tender offer process or other process) at a price below the relevant prevailing market price for such Telenet Loans, and such offer includes all or a portion of the 2017 Finco Loans or the New Finco Loans, as applicable, held by the Issuer, the Issuer shall make a contemporaneous offer to purchase the relevant series of Notes on substantially similar terms as the offer to purchase Telenet Loans; *provided*, that (1) in no event will holders of such Notes be required to participate in any such offer, (2) the consideration offered to holders of such Notes will not be less than the consideration they would have received as Telenet Lenders in connection with such offer to purchase Telenet Loans and (3) the Initial Telenet Borrower or the Belgian Borrower, as applicable, and/or the Issuer shall have confirmed to the Trustee that such purchases will not result in taxable income for the Issuer, including upon the extinguishment of Financial Indebtedness in connection therewith, or that Telenet Group BVBA or the Initial Telenet Borrower or the Belgian Borrower, as applicable, will have agreed to pay such income tax payable. Prior to undertaking any such repurchases, one or more members of the Telenet Bank Group will enter into arrangements providing for the payment of any fees and expenses incurred in connection with any such offer.

Selection and Notice

If less than all of the Notes or any series of Notes are to be redeemed or purchased in an offer to purchase at any time, the Paying and Domiciliary Agent, if the Notes are deposited with the X/N Clearing System, or if not so deposited, the Trustee will select Notes for redemption or purchase on a *pro rata* basis (or, in the case of Notes issued in global form, based on a method that most nearly approximates a *pro rata* selection as the Paying and Domiciliary Agent deems fair and appropriate and in accordance with the rules of the X/N Clearing System, Euroclear and Clearstream, if applicable) unless otherwise required by law or applicable stock exchange requirements. The Trustee and the Paying and Domiciliary Agent will not be liable for selections made by it in accordance with this paragraph.

No Dollar Notes of \$200,000 or Euro Notes of €100,000 can be redeemed in part. Notices of redemption will be delivered to holders through the applicable clearing systems in accordance with the procedures specified above. Notices of redemption may be conditional. The Trustee and the Paying and Domiciliary Agent will not be liable for selections made by it in accordance with this or the preceding paragraph.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note, in principal amount equal to the unredeemed portion of the Note, will be issued in the name of the holder of the Note upon cancellation of the original Note, as applicable. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes which have been redeemed on such redemption date.

As long as the Notes are deposited with the X/N Clearing System, notices may be given by delivery of the relevant notices to the Paying and Domiciliary Agent for delivery to the X/N Clearing System for communication thereof to Euroclear, Clearstream or any relevant direct Participant, or may be given to such direct Participants directly, for communication by such direct Participants to entitled account holders in substitution for the aforementioned mailing. So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer (or a member of the Telenet Bank Group on behalf of the Issuer) will publish notice of the consummation of the Belgian Issuer Accession in a newspaper having a general circulation in Luxembourg or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange.

Withholding Taxes

All payments made by or on behalf of the Issuer or any successor thereto (a “**Payor**”) on or with respect to the Notes will be made without withholding or deduction for, or on account of, any present or future taxes (including interest or penalties to the extent resulting from a failure by the Issuer to timely pay amounts due), duties, assessments or governmental charges of whatever nature (“**Taxes**”) unless the withholding or deduction of such Taxes is then required by law or by the official interpretation or administration thereof. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

- (1) Luxembourg or any political subdivision or governmental authority thereof or therein having power to tax;
- (2) Belgium or any political subdivision or governmental authority thereof or therein having power to tax, in the event of the Belgian Issuer Accession;
- (3) any jurisdiction from or through which payment on the Notes is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or
- (4) any other jurisdiction in which a Payor is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1), (2), (3) and (4), a “**Relevant Tax Jurisdiction**”),

will at any time be required from any payments made with respect to the Notes (an “**Issuer Tax Event**”), including payments of principal, redemption price, interest or premium, the Payor will make such deduction or withholding, make payment of the amount so deducted or withheld to the Relevant Tax Jurisdiction and pay such additional amounts (the “**Additional Amounts**”) as may be necessary in order that the net amounts received in respect of such payments by each holder of the Notes, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts) equals the amounts which would have been received in respect of such payments in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable with respect to:

- (a) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant holder or beneficial owner and the Relevant Tax Jurisdiction imposing such Taxes (other than the mere ownership or holding of such Note or enforcement of rights thereunder or under the Indenture or the receipt of payments in respect thereof);
- (b) any Taxes that would not have been so imposed but for the failure of the holder or beneficial owner of such Note to make a declaration of non-residence or any other claim or filing for exemption to which it is entitled, *provided* that (x) such declaration of non-residence or other claim or filing for exemption is required by the applicable law of the Relevant Tax Jurisdiction as a precondition to exemption from the requirement to deduct or withhold all or a part of any such Taxes and (y) at least 30 days prior to the first payment date with respect to which such declaration of non-residence or other claim or filing for exemption is required under the applicable law of the Relevant Tax Jurisdiction, the relevant holder at that time has been notified (in accordance with the procedures set forth in the Indenture) by the Payor or any other person through whom payment may be made that a declaration of non-residence or other claim or filing for exemption is required to be made;
- (c) any Note presented for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented during such 30-day period);
- (d) any Taxes that are payable otherwise than by withholding from a payment of the principal of, premium, if any, or interest on the Notes;
- (e) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
- (f) [Reserved]
- (g) all United States backup withholding taxes;
- (h) any withholding or deduction imposed pursuant to (a) Sections 1471 through 1474 of the United States Internal Revenue Code of 1986 (as amended), as of the date of the Indenture (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of (a) above or (c) any agreement pursuant to the implementation of (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction;

- (i) [Reserved]
- (j) to a holder of Notes, who at the time of acquisition of the Notes, was not an X/N Eligible Investor or to a holder of Notes who was an X/N Eligible Investor at the time of acquisition of the Notes but, for reasons within the holder's control, either ceased to be an X/N Eligible Investor or, at any relevant time on or after the acquisition of the Notes, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities, or is an X/N Eligible Investor but is not holding the Note in the X/N Clearing System;
- (k) to a holder of Notes who is liable to such Taxes because the Notes were upon its request converted into Definitive Registered Notes and could no longer be cleared through the X/N Clearing System; or
- (l) any combination of items (a) through (k) above.

Such Additional Amounts will also not be payable where, had the beneficial owner of the Note been the holder of the Note, it would not have been entitled to payment of Additional Amounts by reason of any of clauses (a) to (l) inclusive above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Tax Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Tax Jurisdiction imposing such Taxes and will provide such certified copies (or, if certified copies are not available despite reasonable efforts of the Payor, other evidence of payment reasonably satisfactory to the Trustee) to each holder. The Payor will attach to each certified copy (or other evidence) a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per \$1,000 principal amount of Dollar Notes or €1,000 principal amount of Euro Notes. Copies of such documentation will be available for inspection during ordinary business hours at the office of the Trustee by the holders of the Notes upon request and will be made available at the offices of the Issuer or a Paying Agent if the Notes are then listed on the Luxembourg Stock Exchange.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable (unless such obligation to pay Additional Amounts arises shortly before or after the 30th day prior to such date, in which case it shall be promptly thereafter), if the Payor will be obligated to pay Additional Amounts with respect to such payment, the Payor will deliver to the Trustee, any Paying Agent and the Paying and Domiciliary Agent an Officer's Certificate stating the fact that such Additional Amounts will be payable, the amounts so payable and will set forth such other information necessary to enable the Paying and Domiciliary Agent or the Paying Agent, as the case may be, to pay such Additional Amounts to holders on the payment date. Each such Officer's Certificate shall be relied upon until receipt of a further Officer's Certificate addressing such matters. The Trustee shall be entitled to rely solely on each such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever mentioned in the Indenture, the Notes or this Description of the Notes, in any context: (1) the payment of principal, (2) purchase prices in connection with a purchase of Notes, (3) interest, or (4) any other amount payable on or with respect to the Notes, such reference will be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

In the event the Payor is required to pay Additional Amounts, pursuant to the terms of the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, the Initial Telenet Borrower or the Belgian Borrower, as applicable, will pay to the Payor an amount in cash equal to such Additional Amounts to enable the Payor to make such payment.

The Payor will pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies (including interest and penalties to the extent resulting from a failure by the Issuer to timely pay amounts due) which arise in any jurisdiction from the execution, delivery or registration of any Notes or any other document or instrument referred to therein (other than a transfer of the Notes), or the receipt of any payments with respect to the Notes, excluding (i) any Luxembourg registration duties (*droits d'enregistrement*) due in case the Notes (and/or any documents in connection therewith) which are registered with the Registration and Estates Department (*Administration de l'Enregistrement et des Domaines*) by the holder of the Notes on a

voluntary basis and (ii) any such taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction or any jurisdiction in which a Paying and Domiciliary Agent or a Paying Agent is located, other than those resulting from, or required to be paid in connection with, the enforcement of the Notes, the relevant Finco Loan or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes.

The foregoing obligations regarding withholding taxes will survive any termination, defeasance or discharge of the Indenture.

Certain Covenants

Limitations with Respect to Business Activities of the Issuer

Notwithstanding anything contained in the Indenture to the contrary:

- (1) the Issuer will not engage in any business activity or undertake any other activity, except any activity: (a) relating to the offering, sale, or issuance of the Notes (including any Additional Notes) and any Additional Debt permitted to be incurred under the Indenture, and the lending or otherwise advancing of the proceeds thereof to the Telenet Bank Group and any other activities in connection therewith (including any Escrowed Proceeds), (b) undertaken with the purpose of, and directly related to, fulfilling any other obligations or enforcing any rights under the Indenture, the Finco Loans and the Finco Accession Agreements (including, without limitation, the 2017 Finco Loans and the 2017 Finco Accession Agreements or the New Finco Loans and the New Finco Accession Agreements, and any other Finco Loans or Finco Accession Agreements (including those entered into in connection with the issuance of Additional Notes or other Additional Debt)), the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, the Telenet Fee Letters, the Collateral Sharing Agreement, any Notes Security Document to which it is a party, the Paying and Domiciliary Agency Agreement or any other document relating to the Notes, (c) undertaken as investments in any Additional Debt, any Finco Loans (including, without limitation, the 2017 Finco Loans or the New Finco Loans, as applicable), any similar agreements or instruments advancing the proceeds of any Additional Debt to the Telenet Bank Group, or cash and Cash Equivalents, (d) directly related or reasonably incidental to the establishment and/or maintenance of the Issuer's corporate existence; or (e) to consummate the Belgian Issuer Accession and/or the Finco Loan Borrower Accession as set forth under the heading "*—Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*";
- (2) the Issuer will not take any action which would cause it to no longer satisfy the requirements of an available exemption from the provisions of the 1940 Act;
- (3) the Issuer will not (a) incur any Financial Indebtedness other than as expressly permitted by clause (1) above, (b) guarantee any obligations of any other Person, (c) issue any shares (other than shares issued to the Issuer's Parent, (d) incur any Liens (other than Permitted Issuer Liens), (e) directly or indirectly, (i) declare or pay any dividend or make any distributions on or in respect of its Capital Stock, or (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer, in each case, other than Permitted Issuer Maintenance Payments, or (f) deposit additional amounts in its Share Capital Account (other than amounts deposited in connection with the issuance of Additional Notes);
- (4) for so long as any Notes are outstanding, the Issuer will not commence or take any action or facilitate a winding-up, liquidation, dissolution or other analogous proceeding;
- (5) the Issuer will not amend its constitutive documents in any manner which would adversely affect the rights of holders of the Notes in any material respect;
- (6) except as otherwise provided herein, the Issuer will take all actions necessary and within its power to prohibit the transfer of the issued shares in the Issuer by the Issuer's Parent, except to the extent set forth below under "*—Events of Default and Remedies*";
- (7) the Issuer will not merge, consolidate, amalgamate or otherwise combine with or into any Person or sell, transfer, lease or otherwise dispose of any material property or assets to any Person (other than any sale or other disposal of property or assets in connection with the incurrence of a Permitted Issuer Lien, in connection with the Belgian Issuer Accession and/or the Finco Loans Borrower Exchange as set forth

under the heading “—*Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”, following any enforcement action in accordance with the Collateral Sharing Agreement or as otherwise expressly permitted by the Indenture);

- (8) the Issuer will use all reasonable efforts to: (a) maintain books and records separate from any other person or entity; (b) maintain its accounts separate from those of any other person or entity; (c) not commingle its assets with those of any other person or entity; (d) conduct its own business in its own name; (e) observe all corporate formalities; (f) maintain an arms'-length relationship with any affiliates; (g) maintain separate statutory financial statements; (h) pay its own liabilities out of its own funds (other than those contemplated under the Finco Loans (including, without limitation, the 2017 Finco Loans and the New Finco Loans, as applicable), the Transaction Documents or the New Transaction Documents, as applicable, and any related or similar agreement); (i) use separate stationery; (j) hold itself out as a separate entity; and (k) correct any known misunderstanding regarding its separate identity;
- (9) the Issuer (a) will not take any action that would impair any security interests over the Note Collateral benefiting the Notes in any material respect (other than Permitted Issuer Liens in connection with the Belgian Issuer Accession and/or the Finco Loans Borrower Exchange as set forth under the heading “—*Post-Closing Belgian Issuer Accession and Finco Loans Borrower Exchange*”) and (b) will take all actions (including making all filings and registrations) that may be necessary for the purpose of the creation, perfection, protection or maintenance of any Note Collateral subject to any Notes Security Document;
- (10) the Issuer will use all amounts received (other than amounts not corresponding to required payments under the Notes or any Additional Debt) under the relevant Finco Loans for application towards amounts payable under the Notes or such Additional Debt; and
- (11) the Issuer will not grant any waiver or agree to any amendment or waive any rights under any of the Transaction Documents or the New Transaction Documents, as applicable, except with respect to the Senior Credit Facility Amendments or in compliance with the provisions of “—*Amendment, Supplement and Waiver*”.

Subject to the Collateral Sharing Agreement, whenever the Issuer receives a payment or prepayment under the 2017 Finco Loans or the New Finco Loans, as applicable, it shall use the funds received solely to satisfy its obligations (to the extent of the amount owing in respect of such obligations) under the Indenture (including any premium payable to holders of the Notes).

Maintenance of the Existence of the Issuer

The Issuer shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, in accordance with its constitutional documents (as the same may be amended from time to time) and the rights (contractual and statutory), licenses and franchises of the Issuer.

In addition, the Issuer has agreed that, except as described below under “—*Events of Default and Remedies*”, it will not register any transfer of its issued shares by the Issuer's Parent.

Listing

The Issuer will apply to list the Notes on the Official List of the Luxembourg Stock Exchange and will use all reasonable efforts to have the Notes admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange within a reasonable period after the Issue Date and will maintain such listing as long as the Notes are outstanding; *provided, however*, that if the Issuer can no longer maintain such listing or it becomes unduly burdensome to make or maintain such listing (for the avoidance of doubt, preparation of financial statements in accordance with IFRS (except pursuant to the definition of GAAP) or any accounting standard other than GAAP and any other standard pursuant to which the Issuer then prepares its financial statements in compliance with the provisions of “—*Information*” shall be deemed unduly burdensome), the Issuer may cease to make or maintain such listing on the Luxembourg Stock Exchange *provided that* the Issuer will use its reasonable best efforts to obtain and maintain the listing of the Notes on another recognized listing exchange for high yield issuers (which may be a stock exchange that is not regulated by the European Union).

There can be no assurance that the application to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes on the Euro MTF Market will be approved and settlement of the Notes is not conditioned on obtaining this listing.

Notwithstanding the foregoing, the Issuer may at its sole option at any time, without the consent of the holders of the Notes or the Trustee, de-list the Notes from any stock exchange for the purposes of moving the listing of the Notes to the International Stock Exchange (the “**International Stock Exchange**”). Furthermore, notwithstanding anything herein to the contrary, the Issuer may cease to make or maintain a listing (whether on the Luxembourg Stock Exchange, the International Stock Exchange or on another recognized listing exchange for high yield issuers) if such listing is not required for the Issuer to benefit from an exemption on withholding tax on interest payments on the Notes or to otherwise prevent tax from being withheld from interest payments on the Notes.

Minimum Period for Consents under Loan Documents

In the event that the Issuer, as a Telenet Lender under each 2017 Finco Loan or each New Finco Loan, as applicable, is eligible or required to vote (or otherwise consent) with respect to any request by any member of the Telenet Group for any waiver, amendment or supplement to any Telenet Loan Document or any other determination to be made by the Telenet Lenders (other than with respect to the Senior Credit Facility Amendments), the Issuer will procure the agreement from the applicable member of the Telenet Group that the period during which the Issuer, as a Telenet Lender, will be eligible to validly vote (or otherwise consent) with respect to any such waiver, amendment, supplement or determination will not be less than 15 Business Days from the date when written request for such waiver, amendment or supplement is first made to the Telenet Lenders. The Issuer will distribute, or cause to be distributed, to holders of the relevant series of Notes and all holders of Book-Entry Interests in a Global Note or otherwise make available (including through the facilities of Participants of the X/N Clearing System) all documents related to any such waiver, amendment, supplement or other determination distributed to the Issuer as a Telenet Lender, including all documentation necessary to enable the holders of the relevant series of Notes to vote in the manner set forth under “—*Amendment, Supplement and Waiver*”, within three Business Days after the date when written request for such waiver, amendment or supplement is first made to the Telenet Lenders.

Payments for Consent

Senior Credit Facility

Other than in respect of the Senior Credit Facility Amendments, the Issuer will not, and will procure that no member of the Telenet Bank Group will, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Telenet Lender for or as an inducement to any consent, waiver or amendment under any Telenet Loan Document which is subject to the consent of Majority Lenders or all Telenet Lenders, unless (i) such consideration is also offered to be paid to the Issuer (as a Telenet Lender) and (ii) if the Issuer consents, waives or agrees to such consent, waiver or amendment in accordance with the provisions of the Indenture described below under “—*Amendment, Supplement and Waiver—To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements*” in the time frame set forth in the solicitation documents relating thereto (including any amendment or supplement thereto), the Issuer is paid such consideration. The Issuer will promptly pay any such consideration received by it to all consenting holders of the relevant series of Notes on a *pro rata* basis.

Indenture

The Issuer will not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Notes (of the relevant series of Notes) for or as an inducement to any consent, waiver, amendment or supplement of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes (or the relevant series of Notes) that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver, amendment or supplement.

Amendments to Loan Documents to be applied equally to all Telenet Lenders

The Issuer will procure that no member of the Telenet Bank Group will amend, waive or supplement any Telenet Loan Document requiring the consent of Majority Lenders or all Telenet Lenders to amend, waive or supplement, unless such amendment, waiver or supplement applies to all Telenet Lenders; *provided*, this covenant will not

apply to the Senior Credit Facility Amendments or to (a) any such amendment, waiver or supplement that does not adversely affect the rights of the Issuer or the holders of the relevant series of Notes in any material respect, (b) any amendment, waiver or supplement consented to by holders of a majority in aggregate principal amount of the then outstanding Dollar Notes and/or Euro Notes, as the case may be, in compliance with the provisions of the Indenture described below under “—Amendment, Supplement and Waiver—To the Indenture and the Notes” as if such amendment, waiver or supplement were subject to the majority consent provisions described thereunder or (c) such amendment, waiver or supplement that has been consented to by the requisite Telenet Lenders (as determined in accordance with the Senior Credit Facility), including the Issuer, but irrespective of whether the Issuer, acting on the instructions of the holders of the relevant series of Notes in accordance with the terms of the Indenture, has voted in favor of the amendment, waiver, or supplement.

Information

For so long as any Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information satisfying the requirements of Rule 144A(d)(4) under the U.S. Securities Act.

Upon receipt from Telenet Group BVBA or the Telenet Facility Agent of any report or other information pursuant to the terms of or in respect of the Senior Credit Facility, the Issuer will promptly (and in any event, within three Business Days of receipt) deliver any such report or other information to the holders of Notes (*provided*, however, that to the extent any reports are filed on the SEC’s, Telenet Group Holding NV’s, Liberty Global’s or the Ultimate Parent’s website, such reports shall be deemed to be furnished to the Trustee and the holders of the Notes). In the event such reports or other information are furnished by or at the direction of Telenet Group BVBA or the Telenet Facility Agent to “public” Telenet Lenders via an Internet website or an electronic information provider, the Issuer shall procure that the Trustee, the holders of the Notes and Book-Entry Interests are granted access to such website or electronic information supplier in order to receive such reports or other information at the same time as other “public” Telenet Lenders.

The Issuer, Telenet Group BVBA or the Initial Telenet Borrower will provide to the Trustee (*provided*, however, that to the extent any reports are filed on the SEC’s, Telenet Group Holding NV’s website, Liberty Global’s or the Ultimate Parent’s website, such reports shall be deemed to be furnished to the Trustee and the holders of the Notes), within 150 days after the end of each fiscal year ending subsequent to the Issue Date, the audited consolidated statements of financial positions of the Issuer as of the end of the two most recent fiscal years (or such shorter period as the Issuer has been in existence) and audited consolidated income statements and statements of cash flow of Issuer for the two most recent fiscal years (or such shorter period as the Issuer has been in existence), in each case prepared in accordance with IFRS, U.S. GAAP or Local GAAP (such reporting standard, the “**Initial Reporting Standard**”), including appropriate footnotes to such financial statements and a report of the independent auditors on the financial statements. At any time after the Issue Date, the Issuer may elect to apply for all purposes of the Indenture, in lieu of the Initial Reporting Standard, any of IFRS, U.S. GAAP or Local GAAP (the “**New Reporting Standard**”) and, upon such election, all financial statements and reports to be provided, after such election, pursuant to the Indenture shall be prepared on the basis of the New Reporting Standard as in effect from time to time (including that, upon first reporting its fiscal year results under the New Reporting Standard, the Issuer shall restate its financial statements on the basis of the New Reporting Standard for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of the New Reporting Standard).

The Issuer, Telenet Group BVBA or the Initial Telenet Borrower is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Issuer, Telenet Group BVBA or the Initial Telenet Borrower is required to deliver to the Trustee a statement specifying such Default or Event of Default and the action that is being taken in respect of such Default or Event of Default. The Issuer, Telenet Group BVBA and the relevant Telenet Borrower or the Belgian Borrower, as applicable, will promptly notify the Issuer, the Trustee, the holders of Notes and the holders of Book-Entry Interests in the Notes upon becoming aware of any breach (or other event that would constitute or would be reasonably likely to result in a default) under the Senior Credit Facility or the Transaction Documents or the New Transaction Documents, as applicable.

Impairment of Liens

The Issuer shall not take or omit to take any action that would have the result of materially impairing any Lien in the Note Collateral granted under the Notes Security Documents (it being understood, subject to the proviso below, that the incurrence of Permitted Issuer Liens shall under no circumstances be deemed to materially impair any Lien in the Note Collateral granted under the Notes Security Documents) for the benefit of the Trustee, the Security Trustee and the holders of the Notes, and the Issuer shall not grant to any Person other than the Security Trustee, for the benefit of the Trustee, the Security Trustee and the holders of the Notes and the other beneficiaries described in the Notes Security Documents and the Collateral Sharing Agreement, any interest in any of the Note Collateral, except that (1) the Issuer may incur Permitted Issuer Liens and (2) the Note Collateral may be discharged and released in accordance with the Indenture, the Notes Security Documents and the Collateral Sharing Agreement; *provided* however, that, except with respect to any discharge or release of Note Collateral in accordance with the Indenture, the Notes Security Documents or the Collateral Sharing Agreement, in connection with the incurrence of Liens for the benefit of the Trustee, the Security Trustee and holders of Notes, or the release or replacement of any Note Collateral in compliance with the terms of the Indenture as described under “—*Note Collateral*”, no Notes Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, except that, at the direction of the Issuer and without the consent of the holders of the Notes, the Trustee and the Security Trustee may from time to time (subject to customary protections and indemnifications from the Issuer) enter into one or more amendments to the Notes Security Documents to: (a) cure any ambiguity, omission, manifest error, defect or inconsistency therein; (b) provide for Permitted Issuer Liens; (c) provide for the release of any Lien on any properties and assets constituting Note Collateral from the Lien of the Notes Security Documents, provided that such release is followed by the substantially concurrent re-taking of a Lien of at least equivalent priority over the same properties and assets securing the Notes; and (d) make any other change that does not adversely affect the holders of the Notes in any material respect. For any amendments, modifications or replacement of any Notes Security Documents not contemplated in clauses (a) to (d) above, the Issuer shall contemporaneously with any such action deliver to the Trustee and Security Trustee, either (i) a solvency opinion, in form and substance reasonably satisfactory to the Trustee and Security Trustee, from an Independent Financial Advisor confirming the solvency of the Issuer after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, or (ii) a certificate from the responsible financial or accounting officer of the relevant grantor (acting in good faith) which confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or (iii) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee and Security Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens created under the Notes Security Documents, as applicable, so amended, extended, renewed, restated, supplemented, modified or replaced are valid and perfected (if such concept is applicable under the jurisdiction where such Lien is granted) Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement. In the event that the Issuer complies with the requirements of this covenant, the Trustee and Security Trustee shall (subject to customary protections and indemnifications) consent to any such amendment, extension, renewal, restatement, supplement, modification or replacement without the need for instructions from holders of the Notes.

Additional Collateral Sharing Agreement

The Trustee and Security Trustee will become party to the Collateral Sharing Agreement on the Issue Date, and each holder of a Note, by accepting such Note, will be deemed to have (i) authorized the Trustee and Security Trustee to enter into the Collateral Sharing Agreement, (ii) agreed to be bound by all the terms and provisions of the Collateral Sharing Agreement applicable to such holder and (iii) irrevocably appointed each of the Trustee and the Security Trustee to act on its behalf and to perform the duties and exercise the rights, powers and discretions that are specifically given to them under the Collateral Sharing Agreement.

The Indenture provides that, at the request of the Issuer, in connection with the incurrence by the Issuer of any Financial Indebtedness that is permitted to share the Note Collateral pursuant to the definition of Permitted Issuer Liens, the Issuer, the Trustee and the Security Trustee shall enter into with the holders of such Financial Indebtedness (or their duly authorized representatives) a collateral sharing agreement, including a restatement, accession, amendment or other modification of an existing collateral sharing agreement (an “**Additional Collateral Sharing Agreement**”), on substantially the same terms as the Collateral Sharing Agreement (or terms not materially less favorable to the holders of the Notes); *provided that* such Additional Collateral Sharing

Agreement will not impose any personal obligations on the Trustee or the Security Trustee or adversely affect the personal rights, duties, liabilities or immunities of the Trustee under the Indenture or the Additional Collateral Sharing Agreement.

At the direction of the Issuer and without the consent of the holders of the Notes, the Trustee and the Security Trustee will from time to time enter into one or more amendments to the Collateral Sharing Agreement or any Additional Collateral Sharing Agreement to: (i) cure any ambiguity, omission, manifest error, defect or inconsistency therein; (ii) add other parties (such as representatives of new issuances of Financial Indebtedness) thereto; (iii) further secure the Notes (including Additional Notes); (iv) make provision for equal and ratable grants of Liens on the Note Collateral to secure Additional Notes or to implement any Permitted Issuer Liens; (v) make any other change to the Collateral Sharing Agreement or such Additional Collateral Sharing Agreement to provide for additional Financial Indebtedness or other obligations that are permitted by the terms of the Indenture to be incurred and secured by a Lien on the Note Collateral on a *pari passu* basis with the Liens securing the Notes; (vi) amend the Collateral Sharing Agreement or any Additional Collateral Sharing Agreement in accordance with the terms thereof or; (vii) implement any transaction in connection with the renewal, extension, refinancing, replacement or increase of any Financial Indebtedness that is secured by the Note Collateral and that is not prohibited by the Indenture; or (viii) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect; *provided* that no such changes shall be permitted to the extent they affect the ranking of any Note, enforcement of Liens over the Note Collateral, the application of proceeds from the enforcement of the Note Collateral or the release of any Liens over the Note Collateral in a manner than would adversely affect the rights of the holders of the Notes in any material respect except as otherwise permitted by the Indenture, the Collateral Sharing Agreement or any Additional Collateral Sharing Agreement immediately prior to such change. The Issuer will not otherwise direct the Trustee or the Security Trustee to enter into any amendment to the Collateral Sharing Agreement or, if applicable, any Additional Collateral sharing Agreement, without the consent of the holders of a majority in principal amount of the then outstanding Notes, except as described above or otherwise permitted below under “—*Amendment, Supplement and Waiver—To the Indenture and the Notes*,” and the Issuer may only direct the Trustee and the Security Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Trustee or, in the opinion of the Trustee or Security Trustee, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or the Collateral Sharing Agreement or any Additional Collateral Sharing Agreement.

Each holder of a Note, by accepting such Note, will be deemed to have:

- (a) appointed and authorized the Trustee and the Security Trustee from time to time to give effect to such provisions;
- (b) authorized each of the Trustee and the Security Trustee from time to time to become a party to any Additional Collateral Sharing Agreement;
- (c) agreed to be bound by such provisions and the provisions of any Additional Collateral Sharing Agreement; and
- (d) irrevocably appointed the Trustee and the Security Trustee to act on its behalf from time to time to enter into and comply with such provisions and the provisions of any Additional Collateral Sharing Agreement,

in each case, without the need for the consent of the holders of the Notes.

The Indenture will also provide that, in relation to the Collateral Sharing Agreement or an Additional Collateral Sharing Agreement, the Trustee shall consent on behalf of the holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however*, that such transaction would comply with the Indenture.

Events of Default and Remedies

Events of Default

Each of the following is an “Event of Default”:

- (1) default in any payment of interest or Additional Amounts on any Note when due, which has continued for 30 days;
- (2) default for one Business Day in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on the Notes;
- (3) failure by the Issuer to comply with Clauses (4), (5), (7) or (11) under the captions “—*Certain Covenants—Limitations with Respect to Business Activities of the Issuer*” or the provisions of “—*Certain Covenants—Maintenance of the Existence of the Issuer*” or “—*Certain Covenants— Minimum Period for Consents under Loan Documents*”;
- (4) failure by the Issuer for 60 days after notice to the Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of Notes then outstanding to comply with any of the agreements in the Indenture (other than those described in clauses (1), (2) and (3) above) or the Notes;
- (5) breach by the Issuer of any material representation or warranty in any Notes Security Document to which it is a party, the repudiation by the Issuer of any of its obligations under any Notes Security Document to which it is a party or the unenforceability for any reason against the Issuer of any Notes Security Document to which it is a party;
- (6) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer;
- (7) (a) failure by any party thereto for 60 days to comply with any of the agreements in the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, or any Telenet Fee Letter in any material respect or (b) the repudiation by any party thereto of any of its obligations under any of the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, or any Telenet Fee Letter, the unenforceability for any reason against any party thereto of the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, or such Telenet Fee Letter or any breach by any party thereto of any material representation or warranty in the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, or such Telenet Fee Letter; or
- (8) (a) the occurrence of a Telenet Event of Default that is continuing or (b) any breach by Telenet Group BVBA or the Initial Telenet Borrower or the Belgian Borrower, as applicable, of any material representation or warranty or any material agreement in the Finco Accession Agreements or the New Finco Accession Agreements, as applicable.

For purposes of clause (8) above, “**Telenet Event of Default**” means an “**Event of Default**” as defined in the Senior Credit Facility (including the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable) as then in effect.

Remedies

In the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Issuer, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the holders of at least 25% in aggregate principal amount of the then outstanding Notes may, by notice to the Issuer and the Trustee, and the Trustee at the request of such holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, and Additional Amounts, if any, on the Notes to be due and payable immediately. Upon such a declaration, such principal, premium and accrued and unpaid interest and Additional Amounts, if any, will be due and payable immediately.

Following an acceleration of the Notes pursuant to the provisions of the immediately preceding paragraph, the Lien over the Note Collateral will become enforceable subject to and in accordance with the terms of the Collateral Sharing Agreement (a “**CSA Enforcement Event**”). Following a CSA Enforcement Event under the Collateral Sharing Agreement, pursuant to each Finco Accession Agreement or each New Finco Accession Agreement, as

applicable, Telenet Group BVBA, Telenet International Finance and/or Telenet Financing USD, as applicable, will consent to any assignment, transfer or novation of rights and/or obligations (in whole or in part) of each 2017 Finco Loan or each New Finco Loan, as applicable, including any subsequent assignment, transfer or novation of each 2017 Finco Loan or each New Finco Loan, as applicable, subject to minimum transfer amount of \$200,000 (in the case of Finco Loan AJ or New Finco Loan AJ-B) or €100,000 (in the case of Finco Loan AK or New Finco Loan AK-B), as applicable, and other requirements of a Telenet Lender under the Senior Credit Facility.

The holders of a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may, on behalf of the holders of all of the Notes, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or premium on, Additional Amounts with respect to, or the principal of, the Notes. The holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee and/or the Security Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest, premium or Additional Amounts (if any).

Subject to the provisions of the Indenture relating to the duties of the Trustee and/or the Security Trustee, in case an Event of Default occurs and is continuing, the Trustee and/or the Security Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes unless such holders have offered to the Trustee and/or the Security Trustee indemnity or security satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts (if any) when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

- (1) such holder has previously given the Trustee written notice that an Event of Default is continuing;
- (2) holders of at least 50 % in aggregate principal amount of the then outstanding Notes have requested the Trustee and/or the Security Trustee to pursue the remedy;
- (3) such holders have offered the Trustee and/or Security Trustee reasonable security or indemnity satisfactory to it against any loss, liability or expense;
- (4) the Trustee and/or Security Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and
- (5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee and/or the Security Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture provides that in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use under the circumstances in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law, the Indenture or the Collateral Sharing Agreement or any Additional Collateral Sharing Agreement or that the Trustee determines is unduly prejudicial to the rights of any other holder of Notes or that would involve the

Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to security or indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

Notwithstanding anything to the contrary herein, (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an “**Initial Default**”) then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled “—*Information*”, or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

Notwithstanding any provision in the Indenture, the Notes, the Notes Security Documents, the Collateral Sharing Agreement or otherwise to the contrary, the obligations of the Issuer to the Trustee, the Security Trustee, any Paying and Domiciliary Agent, any Registrar and the holders of the Notes under the Indenture, the Notes and the Notes Security Documents shall be limited to the proceeds of the realization of the Note Collateral once the proceeds have been applied in accordance with the terms of the Indenture, the Notes, the Notes Security Documents and the Collateral Sharing Agreement. Having realized all the Note Collateral in accordance with the Notes Security Documents and the Collateral Sharing Agreement and distributed the net proceeds thereof in accordance with the Indenture and the Collateral Sharing Agreement, none of the Trustee, the Security Trustee, any Paying and Domiciliary Agent, any Registrar and the holders of the Notes may take any further steps to recover any sum still unpaid in respect of the Notes, the Indenture or any of the Notes Security Documents or otherwise and all claims against the Issuer in respect of any such sum due but still unpaid shall be extinguished.

Non Petition

Each of the Trustee, the Security Trustee, any Paying and Domiciliary Agent and any Registrar and each holder of Notes has agreed that its rights against the Issuer under the Indenture and the Notes are limited to the extent that it will not take any action or proceedings against the Issuer to recover any amounts due and payable by the Issuer to it under the Indenture, the Notes or the Notes Security Documents except as expressly permitted by the provisions of the Indenture, the Notes, the Notes Security Documents and the Collateral Sharing Agreement. Each of the Trustee, the Security Trustee, any Paying and Domiciliary Agent and any Registrar and each holder of Notes has further agreed that it will not, and in the case of a holder of Notes will not request that the Trustee or the Security Trustee on its behalf, petition a court for, or take any other action or commence any proceedings for, the liquidation or winding-up of the Issuer or any other bankruptcy or insolvency proceedings with respect to the Issuer.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Issuer will have any liability for any obligations of the Issuer under the Notes, the Indenture and the Notes Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Amendment, Supplement and Waiver

To the Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements

In the event that the Issuer, as a Telenet Lender, is eligible or required to vote (or otherwise consent) (including with respect to any enforcement decision) with respect to any matter arising from time to time under the Senior Credit Facility or under the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, in which all Telenet Lenders are eligible or required to vote (or otherwise consent) (a “**Senior Credit Facility Decision**”), the Issuer will solicit votes (or other consents) from the holders of Notes (each, a “**Noteholder Consent**”) with respect to such Senior Credit Facility Decision in accordance with the provisions of the Indenture described above under “—*Certain Covenants— Minimum Period for Consents under Loan Documents*”. Upon the expiration of the applicable consent period, the Issuer will inform the Telenet Facility Agent promptly in writing (and in no event more than one Business Day following such expiration) of the results of the Noteholder Consent.

Under the terms of the Senior Credit Facility, Telenet Lenders are not entitled to split their votes when voting on a proposed consent, waiver, amendment or other determination. The following voting mechanic is designed to achieve the same practical effect as allowing a Telenet Lender to split its vote (subject to the provisions set forth below) under the Senior Credit Facility.

Under the terms of each 2017 Finco Accession Agreement or each New Finco Accession Agreement, as applicable, the Telenet Facility Agent will be authorized to apply the Noteholder Consent to the Senior Credit Facility Decision, at the direction of the Issuer, as follows:

$$\frac{(\text{OLC} + \text{BC} + \text{ABC} + \text{OBC})}{\text{OL}} = \text{Threshold Amount}$$

Where:

“**OLC**” = aggregate Commitments consenting (other than any Commitments of the Issuer and any other DN Issuer) to such Senior Credit Facility Decision;

“**BC**” = aggregate principal amount of Notes consenting; *provided* where at least a majority in aggregate principal amount of Notes that respond to such solicitation provide consent, BC will be deemed to equal the aggregate principal amount of the Notes outstanding (for purposes of the calculation of BC, the principal amount of the Dollar Notes will be converted into euro at the Agent’s Spot Rate of Exchange (as defined in the Senior Credit Facility) as of the Issue Date); *provided further* that with respect to any Senior Credit Facility Decision on any Senior Credit Facility Amendments BC will be deemed to equal the aggregate principal amount of the Notes outstanding (for purposes of the calculation of BC, the principal amount of the Dollar Notes will be converted into euro at the Agent’s Spot Rate of Exchange (as defined in the Senior Credit Facility) as of the Issue Date);

“**ABC**” = aggregate principal amount of the Issuer’s Other Notes; *provided* where at least a majority in the aggregate principal amount of each series of the Issuer’s Other Notes that respond to such solicitation provide consent, ABC will be deemed equal to the aggregate principal amount of the relevant Issuer’s Other Notes outstanding; *provided further that* where two or more series of the Issuer’s Other Notes vote on a single class under an indenture, they will constitute a single series for purposes of this definition;

“**OBC**” = aggregate principal amount of DNI Notes issued by all DN Issuers (other than any DNI Notes issued by the Issuer) consenting; *provided*, with respect to each DN Issuer (other than the Issuer), where at least a majority in aggregate principal of any series (*provided that* where two or more series or tranches of DNI Notes vote as a single class under an indenture, they will constitute a single series for purposes of this definition) of DNI Notes issued by such DN Issuer that respond to such solicitation provide consent, OBC with respect to such series of DN Notes of such DN Issuer will be deemed to equal the aggregate principal amount of such series of DN Notes outstanding and issued by such DN Issuer;

“**OL**” = the aggregate Commitments under the Senior Credit Facility; and

“**Commitments**” means the aggregate undrawn Commitments (as defined in the Senior Credit Facility) and participations in outstanding Loans (as defined in the Senior Credit Facility) under the Senior Credit Facility, *provided* that, solely for the purposes of determining whether any amendment or waiver of any term of the Senior Credit Facility has been approved by the Majority Lenders (as defined in the Senior Credit Facility), the amount of the Loans and undrawn Commitments shall be reduced by the amount of the Loans and undrawn Commitments of any Telenet Lender that has not, on or before the day ten Business Days after the date such request has been notified to the relevant Telenet Lenders by the Telenet Facility Agent, notified the Telenet Facility Agent of its decision or requested further information to enable it to make such decision, or notified the Telenet Facility Agent that it is actively reviewing such request with a view to making such decision.

In connection with any vote or consent, the Issuer will, on or prior to the tenth Business Day after the date such request has been notified to the relevant Telenet Lenders by the Telenet Facility Agent, instruct the Telenet Facility Agent to vote or consent in accordance with the voting mechanic described above, request further information from the Telenet Facility Agent or notify the Telenet Facility Agent that it is actively reviewing such request with a view to making such decision.

To the extent the Threshold Amount (expressed as a percentage) is greater than or equal to the required percentage of Telenet Lender consents with respect to any Senior Credit Facility Decision, the entire amount of each 2017 Finco Loan or each New Finco Loan, as applicable, will be voted in favor of the matter that is the subject of such Senior Credit Facility Decision. To the extent the Threshold Amount is less than the required percentage of Telenet Lender consents with respect to any Senior Credit Facility Decision, the entire amount of each 2017 Finco Loan or each New Finco Loan, as applicable, will be voted against the matter that is the subject of such Senior Credit Facility Decision.

Except as provided in the next succeeding paragraph, any provision or term of the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, and the Senior Credit Facility applicable only to the 2017 Finco Loans or the New Finco Loans, as applicable, or to a several right of the Issuer, as a Telenet Lender, may be amended or supplemented with the consent of the holders of at least a majority in aggregate

principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default in respect of, or compliance with, any such provision or term may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided, however*, that any provision or term of a 2017 Finco Accession Agreement or New Finco Accession Agreement, as applicable, and the Senior Credit Facility applicable only to Finco Loan AJ or Finco Loan AK (or New Finco Loan AJ-B or New Finco Loan AK-B, as applicable) may be amended or supplemented with the consent of holders of at least a majority in the aggregate principal amount of the Dollar Notes or the Euro Notes (and not the consent of at least a majority in the principal amount of all Notes outstanding), as the case may be.

Unless consented to by the holders of at least 90% of the aggregate principal amount of then outstanding Dollar Notes (in respect of the Finco Accession Agreement AJ or the New Finco Accession Agreement AJ-B, as applicable) or the Euro Notes (in respect of the Finco Accession Agreement AK or the New Finco Accession Agreement AK-B, as applicable) (in each case, including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the relevant series of Notes), an amendment, supplement or waiver of the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, may not (with respect to any Notes held by a non-consenting holder):

- (1) reduce the stated rate of or extend the stated time for payment of interest under the relevant 2017 Finco Loan or the relevant New Finco Loan, as applicable;
- (2) reduce any amounts payable in respect of any prepayment of the relevant 2017 Finco Loan or the relevant New Finco Loan, as applicable;
- (3) reduce the principal of or extend the Stated Maturity of the relevant 2017 Finco Loan or the relevant New Finco Loan, as applicable;
- (4) make the relevant 2017 Finco Loan or the relevant New Finco Loan, as applicable, payable in currency other than that stated in the relevant 2017 Finco Accession Agreement or the relevant New Finco Accession Agreement, as applicable (except to the extent that the currency stated in such 2017 Finco Accession Agreement or such New Finco Accession Agreement, as applicable, has been succeeded or replaced pursuant to applicable law); or
- (5) modify the payment terms of the relevant 2017 Finco Accession Agreement or the relevant New Finco Accession Agreement, as applicable.

To the Indenture and the Notes

Except as provided in the next succeeding paragraphs, the Indenture, the Notes, any Notes Security Document, the Collateral Sharing Agreement, any Additional Collateral Sharing Agreement, any 2017 Telenet Fee Letter and the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, any Notes Security Document, the Collateral Sharing Agreement, any Additional Collateral Sharing Agreement, any 2017 Telenet Fee Letter and the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided, however*, that if any amendment, waiver or other modification will only affect the Dollar Notes or the Euro Notes, only the consent of the holders of at least a majority in principal amount of the then outstanding Dollar Notes or Euro Notes, as applicable (and not the consent of at least a majority of all Notes then outstanding), shall be required.

Unless consented to by the holders of at least 90% of the aggregate principal amount of then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) (provided, however that if any amendment, waiver or other modification will only affect the Dollar Notes or the Euro Notes, the consent of the holders of at least 90% of the aggregate principal amount of the then outstanding Dollar Notes or Euro Notes, as applicable (and not the consent of at least 90% of the aggregate principal amount of all Notes then outstanding), shall be required), an amendment, supplement or waiver of the

Indenture, the Notes, any Notes Security Document, the Collateral Sharing Agreement, any Additional Collateral Sharing Agreement, any 2017 Telenet Fee Letter and the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, may not (with respect to any Notes held by a non-consenting holder):

- (1) reduce the principal amount of Notes whose holders must consent to an amendment waiver or other determination;
- (2) reduce the stated rate of or extend the stated time for payment of interest or Additional Amounts on any Note;
- (3) reduce the principal of or extend the Stated Maturity of any Note or alter the provisions with respect to the redemption of the Notes;
- (4) make any Note payable in a currency other than that stated in the Note (except to the extent that the currency stated in the Notes has been succeeded or replaced pursuant to applicable law);
- (5) impair the right of any holder of Notes to institute suit for the enforcement of any payment on or with respect to such holder's Notes; or
- (6) make any change in these amendment or waiver provisions.

In addition, without the consent of at least 75% in aggregate principal amount of Notes then outstanding, no amendment or supplement may modify any Notes Security Document or the provisions in the Indenture dealing with the Notes Security Documents or application of trust moneys in any manner, taken as a whole, materially adverse to the holders of the Notes or otherwise release all or substantially all of the Note Collateral other than pursuant to the terms of the Notes Security Documents, the Collateral Sharing Agreement, any Additional Collateral Sharing Agreement or as otherwise permitted by the Indenture.

Following the Belgian Issuer Accession, no amendment, supplement or waiver of the Indenture, the Notes, any Notes Security Document, the Collateral Sharing Agreement or any Additional Collateral Sharing Agreement which in the opinion of the Belgian Issuer relates to any of the matters listed in Article 568 of the Belgian Company Code (or identical provisions of the Belgian Company Code applying to legal forms other than the *naamloze vennootschap/société anonyme* or the *commanditaire vennootschap op aandelen/ société en commandite par actions*) shall be effective unless approved at a meeting of holders of Notes complying in all respects with the requirements of Belgian law or, where the corresponding requirements of the Indenture include lower quorum and/or voting thresholds, with the requirements of the Indenture. The matters listed in Article 568 of the Belgian Company Code include the acceptance, modification or release of security; the postponement, reduction or other modification of interest payments; the postponement, suspension or other modification of principal payments; the exchange of Notes for shares; the adoption of precautionary measures of common interest; and the appointment of a common representative of the holders of Notes. For the avoidance of doubt, any amendment, supplement or waiver of the Indenture, the Notes, any Notes Security Document, the Collateral Sharing Agreement or any Additional Collateral Sharing Agreement which does not relate to any of the matters listed in Article 568 of the Belgian Company Code shall remain covered by the preceding paragraphs. Such a meeting of holders of Notes may be convened by the Belgian Issuer or the statutory auditor of the Belgian Issuer or the Trustee and shall be convened by the Belgian Issuer if requested in writing by holders of Notes holding not less than 20% in principal amount of the then outstanding Notes. Convening notices will be published in the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur Belge*) and in daily newspapers in accordance with the rules set out in the Belgian Companies Code and, in addition, will be delivered by the Belgian Issuer to the Paying and Domiciliary Agent (who shall deliver such notices to the holders of the Notes) and/or X/N Clearing System for communication by it to the Participants, with a copy to the Trustee. The quorum for any meeting convened to consider a resolution will be one or more persons holding or representing at least 50% in principal amount of the then outstanding Notes, or at any adjourned meeting one or more persons being or representing holders of Notes whatever the principal amount of the Notes so held or represented. All resolutions require the approval of holders of Notes holding or representing at least 75% in principal amount of the Notes which are taking part in the vote. Under Article 574 of the Belgian Company Code, if a resolution is approved by holders of Notes holding or representing less than one-third of the principal amount of the Notes for the time being outstanding (whether their holders are present or represented at the meeting or not), such resolution is not enforceable unless approved by the Belgian Court of Appeal in the district where the Belgian Issuer's registered office is located. The Trustee may not have standing to make such a request to the Belgian Court of Appeal on behalf of the holders of Notes. The Trustee may, without the consent of the holders of Notes, prescribe such other or further regulations regarding the holding of meetings

of holders of Notes and attendance and voting there at as are necessary to comply with Belgian law. Any resolution duly passed shall be binding on all holders of Notes (whether or not they were present at the meeting at which such resolution was passed and whether or not they vote in favor). The above quorum and special majority requirements do not apply to resolutions aiming at the adoption of precautionary measures of common interest or the appointment of a common representative of the holders of Notes.

Notwithstanding the preceding paragraphs, without the consent of any holder of Notes, the Issuer, the Trustee and/or the Security Trustee may amend or supplement the Indenture, the Notes, any Notes Security Document, the Collateral Sharing Agreement, any Additional Collateral Sharing Agreement, any 2017 Telenet Fee Letter and the Telenet Service Agreement or the New Telenet Service Agreement, as applicable:

- (1) to cure any ambiguity, omission, manifest error, defect or inconsistency;
- (2) to provide for uncertificated Notes in addition to or in place of certificated Notes (provided, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the U.S. Internal Revenue Code of 1986 (as amended));
- (3) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the rights of any such holder in any material respect under the Indenture, the Notes, any Note Security Document, the Collateral Sharing Agreement, any Additional Collateral Sharing Agreement or any Transaction Document;
- (4) to conform the text of the Indenture, the Notes, the Collateral Sharing Agreement or any Notes Security Document to any provision of this “Description of the Notes” to the extent that such provision in this “Description of the Notes” was intended to be a verbatim recitation of a provision of the Indenture, the Notes, the Collateral Sharing Agreement or any Notes Security Document;
- (5) to provide for the issuance of Additional Notes permitted to be incurred in accordance with the terms of the Indenture;
- (6) to the extent necessary to allow the Issuer to participate on the same terms as other Telenet Lenders in an offer to purchase or otherwise acquire Telenet Loans by any member of the Telenet Bank Group made in compliance with the requirements set out under “*Redemption—Open Market Purchases of Telenet Loans*”;
- (7) give effect to Permitted Issuer Liens;
- (8) to release any Lien on the Note Collateral in accordance with the terms of the Indenture, the Notes Security Documents and the Collateral Sharing Agreement;
- (9) to evidence and provide for the acceptance and appointment under the Indenture, the Notes Security Documents, the Collateral Sharing Agreement and/or any Additional Collateral Sharing Agreement of a successor Trustee or Security Trustee, as applicable, pursuant to the requirements thereunder;
- (10) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation to facilitate the issuance and administration of the Notes; *provided*, however, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of holders to transfer Notes;
- (11) provide for a reduction in the minimum denomination of any series of Notes; *provided that* such reduction would not result in a breach of applicable securities laws or in a requirement to produce a prospectus or otherwise register the Notes with any regulatory authority in connection with any investment therein or resale thereof;
- (12) comply with the rules of any applicable securities depository; or
- (13) to effect the Belgian Issuer Accession and/or the Finco Loans Borrower Exchange in a manner that does not adversely affect the legal rights under the Indenture or the Notes of any such holder in any material respect.

In determining whether the holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer or Telenet Group BVBA, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or Telenet Group BVBA will be considered as though not outstanding.

The Trustee will be entitled to require and rely conclusively on such evidence as is reasonably appropriate in light of the nature of such amendment or supplement, including an Opinion of Counsel and an Officer's Certificate in connection with any request of the Issuer to amend the Indenture, the Notes, the Collateral Sharing Agreement or any Notes Security Document without the consent of any holder of Notes. In addition, the Issuer shall deliver to the Trustee, and the Trustee shall be entitled to rely conclusively on, an Officer's Certificate and/or an Opinion of Counsel, in each case, reasonably satisfactory to the Trustee stating that all conditions precedent to such amendment or supplement have been satisfied.

The consent of the holders of the Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any holder of Notes given in connection with a tender of such holder's Notes will not be rendered invalid by such tender. For so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will notify the Luxembourg Stock Exchange of any such amendment, supplement and waiver.

Satisfaction and Discharge

The Indenture, the Notes Security Documents, the Collateral Sharing Agreement, any Additional Collateral Sharing Agreement, the 2017 Telenet Fee Letters and the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, will be discharged and will cease to be of further effect as to all Notes issued thereunder, or as to the Dollar Notes or Euro Notes, as applicable, when:

- (1) either:
 - (a) all Notes (or all Euro Notes or Dollar Notes, as applicable) that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee or relevant Paying and Domiciliary Agent or Paying Agent or Registrar for cancellation; or
 - (b) (i) all Notes (or all Euro Notes or Dollar Notes, as applicable) that have not been delivered to the Trustee or relevant Paying and Domiciliary Agent or Paying Agent or Registrar for cancellation (A) have become due and payable by reason of the mailing or delivery of a notice of redemption or otherwise or (B) will become due and payable within one year and (ii) the Issuer or a third party acting on behalf of the Issuer has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders with respect to the Dollar Notes, cash, Cash Equivalents, U.S. Government Obligations or a combination thereof, in each case, denominated in U.S. dollars and with respect to the Euro Notes, cash, Cash Equivalents, European Government Obligations or a combination thereof, in each case, denominated in euro, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Financial Indebtedness on the Notes not delivered to the Trustee or relevant Paying and Domiciliary Agent or Paying Agent or Registrar for cancellation for principal, premium and Additional Amounts (if any) and accrued interest to the date of maturity or redemption;
- (2) the Issuer or a third party acting on behalf of the Issuer has paid or caused to be paid all other amounts payable by it under the Indenture with respect to the Notes; and
- (3) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes (or all Dollar Notes or all Euro Notes, as applicable) at maturity or on the redemption date, as the case may be.

In addition, if:

- (1) part of the Dollar Notes (the “Dollar Called Notes”) and/or the Euro Notes (the “Euro Called Notes”, and together with the Dollar Called Notes, the “Called Notes”) have become irrevocably due and payable by reason of the mailing or delivery of an unconditional notice of redemption or otherwise;
- (2) the Issuer has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders of the Notes, with respect to the Dollar Called Notes, cash, Cash Equivalents, U.S. Government Obligations or a combination thereof, in each case, denominated in U.S. dollars, and with respect to the Euro Called Notes, cash, Cash Equivalents, European Government Obligations or a combination thereof, in each case, denominated in euro, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Financial Indebtedness on such Called Notes for principal, premium and Additional Amounts (if any) and accrued interest to the date of redemption; and
- (3) the Issuer has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of such Called Notes on the redemption date, then such Called Notes will not constitute Financial Indebtedness under the Indenture. In addition, the Issuer must deliver to the Trustee an Officer’s Certificate and an opinion of counsel, in each case, stating that all conditions precedent to such Notes not constituting Financial Indebtedness have been satisfied.

Judgment Currency

Any payment on account of an amount that is payable in U.S. dollars (with respect to the Dollar Notes) and in euro (with respect to the Euro Notes) (the “**Required Currency**”), which is made to or for the account of any holder of the Notes or the Trustee in lawful currency of any other jurisdiction (the “**Judgment Currency**”), will constitute a discharge of the Issuer’s obligation under the Indenture and the Notes only to the extent of the amount of the Required Currency which such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Noteholder or the Trustee, as the case may be, the Issuer will indemnify and hold harmless the holder of the Notes or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity will constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder or the Trustee from time to time and will continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Concerning the Trustee

The Trustee is permitted to engage in other transactions; however, if it acquires any conflicting interest, as such term is used in the U.S. Trust Indenture Act of 1939, as amended, it must eliminate such conflict within 90 days.

The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. The Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense. It may not be possible for the Trustee to take certain actions in relation to the Notes and accordingly in such circumstances the Trustee will be unable to take action, notwithstanding the provision of security or an indemnity to it.

Additional Information

So long as the Notes are listed on the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange shall so require, copies of the Indenture, the Senior Credit Facility and the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, the Collateral Sharing Agreement, the 2017 Telenet Fee Letters and the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, and

the Paying and Domiciliary Agency Agreement may be obtained, free of charge, during normal business hours at the offices of the Paying and Domiciliary Agent or, to the extent and in the manner permitted by such rules at the offices of the Luxembourg Listing Agent.

Governing Law

The Indenture and the Notes (other than the provisions relating to the meeting of holders of Notes following the Belgian Issuer Accession) are each governed by, and construed in accordance with, the laws of the State of New York. Until the Belgian Issuer Accession, notwithstanding anything to the contrary, articles 84 to 94-8 of the Luxembourg law of August 10, 1915, as amended, on commercial companies shall not be applicable in respect of the Notes. The Senior Credit Facility, the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, the Telenet Service Agreement or the New Telenet Service Agreement, as applicable, the Collateral Sharing Agreement and the 2017 Telenet Fee Letters are governed by, and construed in accordance with, English law. Until the Belgian Issuer Accession, the Notes Security Documents are governed by, and construed in accordance with, Luxembourg or English law, as applicable. Following the Belgian Issuer Accession, the Notes Security Documents will be governed by, and construed in accordance with, Belgian or English law, as applicable.

Following the Belgian Issuer Accession, the provisions relating to meetings of holders of Notes will be governed by, and construed in accordance with, the laws of Belgium.

Consent to Jurisdiction and Service of Process

The Issuer will irrevocably submit to the jurisdiction of any New York state or U.S. federal court located in The Borough of Manhattan, City of New York, State of New York in relation to any legal action or proceeding (1) arising out of, related to or in connection with the Indenture or the Notes and (2) arising under any U.S. federal or state securities laws. The Issuer has appointed an agent for service of process in New York in any such action or proceeding.

Notwithstanding the foregoing, following the Belgian Issuer Accession, the Belgian courts have exclusive jurisdiction over matters concerning the validity of decisions of the general meeting of holders of Notes.

Enforceability of Judgments

Since the assets of the Issuer are outside the United States, any judgment obtained in the United States against the Issuer, including judgments with respect to the payment of principal, premium, interest, Additional Amounts and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Prescription

Claims against the Issuer for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

“**1940 Act**” refers to the United States Investment Company Act of 1940, as amended.

“**2017 Finco Accession Agreements**” refers, collectively, to Finco Accession Agreement AJ and Finco Accession Agreement AK.

“**Additional Debt**” means (i) Public Debt and (ii) other Financial Indebtedness incurred under Credit Facilities, in each case incurred by the Issuer.

“**Affiliate**” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Applicable Premium**” means, in case of the Dollar Notes, the Dollar Applicable Premium and, in case of the Euro Notes, the Euro Applicable Premium.

“**BITC**” means the Belgian Income Tax Code 1992.

“**Board of Directors**” means (1) with respect to any corporation, the board of directors or managers or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board of directors or duly authorized committee of such Person serving a similar function; *provided that* (i) if and for so long as the Issuer is a Subsidiary of the Ultimate Parent, any action required to be taken under the Indenture by the Board of Directors of the Issuer can be delegated by decisions of the Board of Directors of the Issuer to the Board of Directors of the Ultimate Parent and (ii) following consummation of a Spin-Off, any action required to be taken under the Indenture by the Board of Directors of the Issuer can be delegated by decisions of the Board of Directors of the Issuer to the Board of Directors of the Spin Parent.

“**Bund Rate**” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

- (1) “Comparable German Bund Issue” means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to December 1, 2022 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Euro Notes and of a maturity most nearly equal to December 1, 2022; provided, however, that, if the period from such redemption date to December 1, 2022 is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such redemption date to December 1, 2022, is less than one year, a fixed maturity of one year shall be used;
- (2) “Comparable German Bund Price” means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (3) “Reference German Bund Dealer” means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and
- (4) “Reference German Bund Dealer Quotations” means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Issuer in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany, time on a day no earlier than the third Business Day preceding the date of the delivery of the redemption notice in respect of such redemption date.

“**Business Day**” means (i) in respect of the Euro Notes, each day that the Securities Settlement System, or any successor thereto, is open for business; (ii) in respect of the Dollar Notes, each day that the Securities Settlement System, or any successor thereto, is open for business; *provided that* such day is not a Saturday, Sunday or other day on which banking institutions in New York, New York, London, England, Brussels, Belgium or Luxembourg are authorized or required by law to close; and (iii) a “Business Day”, as such term is defined in the Senior Credit Facility.

“Capital Stock” of any Person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, but excluding any debt securities convertible into such equity.

“Cash Equivalents” means:

- (1) securities or obligations, insured or unconditionally guaranteed by the United States government, the government of the United Kingdom, the relevant member state of the European Union as of January 1, 2004 (each a **“Qualified Country”**) or any agency or instrumentality thereof, in each case, having maturities of not more than 24 months from the date of acquisition thereof;
- (2) securities or obligations issued by any Qualified Country or any political subdivision of any such Qualified Country, or any public instrumentality thereof, having maturities of not more than 24 months from the date of acquisition thereof and, at the time of acquisition, having an investment grade rating generally obtainable from either S&P or Moody’s (or if at any time neither S&P nor Moody’s shall be rating such obligations, then from another nationally recognized rating service in any Qualified Country);
- (3) commercial paper issued by any lender party to a Credit Facility or any bank holding company owning any lender party to a Credit Facility;
- (4) commercial paper maturing no more than 12 months after the date of acquisition thereof and, at the time of acquisition, having a rating of at least A-2 or P-2 from either S&P or Moody’s (or, if at any time neither S&P nor Moody’s shall be rating such obligations, an equivalent rating from another nationally recognized rating service in any Qualified Country);
- (5) time deposits, eurodollar time deposits, bank deposits, certificates of deposit or bankers’ acceptances maturing no more than two years after the date of acquisition thereof issued by any lender party to a Credit Facility or any other bank or trust company (x) having combined capital and surplus of not less than \$250.0 million in the case of U.S. banks and \$100.0 million (or the U.S. Dollar equivalent thereof) in the case of non-U.S. banks or (y) the long-term debt of which is rated at the time of acquisition thereof at least “A-” or the equivalent thereof by S&P, or “A-” or the equivalent thereof by Moody’s (or if at the time neither is issuing comparable ratings, then a comparable rating of another nationally recognized rating agency in any Qualified Country);
- (6) auction rate securities rated at least Aa3 by Moody’s and AA- by S&P (or, if at any time either S&P or Moody’s shall not be rating such obligations, an equivalent rating from another nationally recognized rating service in any Qualified Country);
- (7) repurchase agreements or obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1), (2) and (5) above entered into with any bank meeting the qualifications specified in clause (5) above or securities dealers of recognized national standing;
- (8) marketable short-term money market and similar funds (x) either having assets in excess of \$250.0 million (or U.S. Dollar equivalent thereof) or (y) having a rating of at least A-2 or P-2 from either S&P or Moody’s (or, if at any time neither S&P nor Moody’s shall be rating such obligations, an equivalent rating from another nationally recognized rating service in any Qualified Country);
- (9) interests in investment companies or money market funds, 95% the investments of which are one or more of the types of assets or instruments described in clauses (1) through (8) above; and
- (10) in the case of investments by the Issuer or any of its Subsidiaries (if any) organized or located in a jurisdiction other than the United States or a member state of the European Union (or any political subdivision or territory thereof), or in the case of investments made in a country outside the United States, other customarily utilized high-quality investments in the country where such Subsidiary is organized or located or in which such Investment is made, all as conclusively determined in good faith by the Issuer.

“Clearstream” means Clearstream Banking, S.A.

“Collateral Sharing Agreement” means the collateral sharing agreement dated as of the Issue Date, between, among others, the Issuer, the Security Trustee and the Trustee, as amended, restated or otherwise modified or varied from time to time.

“continuing” means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

“Credit Facility” means, one or more debt facilities, arrangements, instruments, trust deeds, note purchase agreements, indentures or commercial paper facilities or overdraft facilities (including, without limitation, the facilities made available under the Senior Credit Facility) with banks or other institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, notes, bonds, debentures or other Financial Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions or investors and whether provided under the Senior Credit Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement or instrument (i) changing the maturity of any Financial Indebtedness incurred thereunder or contemplated thereby, (ii) adding additional borrowers or guarantors thereunder, (iii) increasing the amount of Financial Indebtedness incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

“Default” means any event which is, or after notice or passage of time or both would be, an Event of Default; *provided* that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default.

“Disqualified Stock” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Financial Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of Telenet Group BVBA, the Initial Telenet Borrower or a Subsidiary of Telenet Group BVBA); or
- (3) is redeemable at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of the date (a) of the Stated Maturity of the Notes or (b) on which there are no Notes outstanding, *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further* that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Telenet Group BVBA to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in the Senior Credit Facility) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that Telenet Group BVBA may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by Telenet Group BVBA with any provisions of the Senior Credit Facility.

“DN Issuer” means any lender under the Senior Credit Facility that is a financing company, a finance subsidiary or a designated notes issuer, and that has funded an Advance (under and as defined in the Senior Credit Facility) using the proceeds from the issuance of senior secured notes.

“DNI Notes” means any senior secured notes issued by any DN Issuer.

“Dollar Applicable Premium” means with respect to a Dollar Note at any redemption date prior to December 1, 2022, the excess of: (1) the present value at such redemption date of (i) the redemption price of the Dollar Note at December 1, 2022 (such redemption price being described under *“Optional Redemption—Redemption of Dollar Notes on or after December 1, 2022”*) plus (ii) all required remaining scheduled interest payments due on the Dollar Notes through to December 1, 2022 (excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate plus 50 basis points; over (2) the principal amount of the Dollar Note on such redemption date.

“Equity Offering” means (1) the distribution of Capital Stock of the Spin Parent in connection with any Spin-Off or (2) a sale of (a) Capital Stock of Telenet Group BVBA or the Initial Telenet Borrower (other than Disqualified Stock), (b) Capital Stock the proceeds of which are contributed as equity share capital to Telenet Group BVBA or the Initial Telenet Borrower or as Subordinated Shareholder Loans or (c) Subordinated Shareholder Loans.

“Escrowed Proceeds” means the proceeds from the offering of any debt securities or other Financial Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term “Escrowed Proceeds” shall include any interest earned on the amounts held in escrow.

“euro” or **“€”** means the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union.

“Euro Applicable Premium” means with respect to a Euro Note at any redemption date prior to December 1, 2022, the excess of: (1) the present value at such redemption date of (i) the redemption price of the Note at December 1, 2022 (such redemption price being described under *“Optional Redemption—Redemption of Euro Notes on or after December 1, 2022”*) plus (ii) all required remaining scheduled interest payments due on the Euro Notes through to December 1, 2022 (excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate plus 50 basis points; over (2) the principal amount of the Euro Note on such redemption date.

“Euroclear” means Euroclear Bank, S.A./N.V., as operator of the Euroclear system.

“European Government Obligations” means any security that is (1) a direct obligation of Ireland, Belgium, the Netherlands, France, The Federal Republic of Germany or any other country that is a member of the European Monetary Union on the Issue Date, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

“European Union” means the European Union, including member states as of May 1, 2004 but excluding any country which became or becomes a member state of the European Union after May 1, 2004.

“Financial Indebtedness” has the meaning ascribed thereto in the Senior Credit Facility as in effect on the Issue Date.

“Finco Accession Agreement AJ” means the \$1,000 million additional facility accession agreement to be dated on or about the Issue Date to be entered into between, among others, the Issuer and the Initial Telenet Borrower, substantially in the form of the agreement attached as Annex B to the Offering Memorandum.

“Finco Accession Agreement AK” means the €600.0 million additional facility accession agreement to be dated on or about the Issue Date to be entered into between, among others, the Issuer and the Initial Telenet Borrower, substantially in the form of the agreement attached as Annex C to the Offering Memorandum.

“Finco Accession Agreements” refers, collectively, to (i) the 2017 Finco Accession Agreements or the New Finco Accession Agreements, as applicable, and (ii) any additional accession agreement to the Senior Credit

Facility, or similar instrument or agreement, pursuant to which the Issuer advances the proceeds of the Notes (including any Additional Notes) or Additional Debt into the Telenet Bank Group.

“**Finco Loans**” refers, collectively, to (i) the 2017 Finco Loans or the New Finco Loans, as applicable, and (ii) any additional loans or advances made by the Issuer to a member of the Telenet Bank Group pursuant to a Finco Accession Agreement.

“**GAAP**” means generally accepted accounting principles in the United States (“**U.S. GAAP**”).

“**guarantee**” means a guarantee other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Financial Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

“**IFRS**” means the accounting standards issued by the International Accounting Standards Board as in effect as of the Issue Date or, with respect to the covenant “—*Information*”, as in effect from time to time; *provided* that at any date after the Issue Date, the Issuer may make an election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election. Except as otherwise expressly provided below or in the Indenture, all ratios and calculations based on IFRS contained in the Indenture shall be computed in conformity with IFRS. At any time after the Issue Date, the Issuer may elect to apply for all purposes of the Indenture, in lieu of IFRS, GAAP, and, upon such election, references to IFRS herein will be construed to mean GAAP as in effect at the Issue Date; *provided* that (1) all financial statements and reports to be provided, after such election, pursuant to the Indenture shall be prepared on the basis of GAAP as in effect from time to time (including that, upon first reporting its fiscal year results under GAAP, the Issuer shall restate its financial statements on the basis of GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of GAAP) and (2) from and after such election, all ratios, computations, and other determinations based on IFRS contained in the Indenture shall, at the option of the Issuer, (a) continue to be computed in conformity with IFRS (provided that, following such election, the annual information of the Issuer required by the third paragraph of the covenant “—*Information*” shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such IFRS presentation to the corresponding GAAP presentation of such financial information), or (b) be computed in conformity with GAAP with retroactive effect being given thereto assuming that such election had been made on the Issue Date (or as in effect on such later date as elected pursuant to this definition of IFRS). Thereafter, the Issuer may, at its option, elect to apply IFRS or GAAP and compute all ratios, computations and other determinations based on IFRS or GAAP, as applicable, all on the basis of the foregoing provisions of this definition of IFRS.

“**Independent Financial Advisor**” means an accounting, appraisal or investment banking firm of nationally recognized standing that is, in the good faith judgment of the Board of Directors or senior management of the Issuer, qualified to perform the task for which it has been engaged.

“**Issue Date**” means the date of first issuance of the Notes.

“**Issuer**” means (i) Telenet Finance Luxembourg Notes S.à r.l. (the “**Initial Issuer**”), a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg having its registered office at 2, rue Peternelchen, L-2370 Howlad, Luxembourg and registered with the Luxembourg Trade and Companies Register under number B219682 prior to the Belgian Issuer Accession Date and (ii) the Belgian Issuer after the Belgian Issuer Accession Date, as the case may be.

“**Issuer’s Other Notes**” means any senior secured notes issued by the Issuer (other than the Notes).

“**Issuer’s Parent**” refers to (i) prior to the Belgian Issuer Accession, Telenet International Finance, and any successor thereto and (ii) following the Belgian Issuer Accession, the direct holding company of the Belgian Issuer, and any successor thereto.

“**Joint Venture Parent**” means the joint venture entity formed in a Parent Joint Venture Transaction.

“**Liberty Global**” means Liberty Global plc, with or without its consolidated subsidiaries, as the context requires.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

“Local GAAP” means generally accepted accounting principles of the jurisdiction of the Issuer as in effect from time to time.

“Luxembourg” means the Grand Duchy of Luxembourg.

“Majority Lenders” has the meaning ascribed thereto in the Senior Credit Facility. **“Moody’s”** means Moody’s Investors Services, Inc.

“NBB” refers to the National Bank of Belgium or any successor thereof.

“Net Cash Proceeds” means, with respect to any issuance or sale of Capital Stock, Subordinated Shareholder Loans and other capital contributions, the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“New Finco Accession Agreement AJ-B” means the U.S. dollar denominated additional facility accession agreement to be dated the date of the Finco Loans Borrower Exchange to be entered into between, among others, the Belgian Issuer and the Belgian Borrower, substantially in the form of the agreement attached as Schedule 11 of Annex B to the Offering Memorandum.

“New Finco Accession Agreement AK-B” means the euro denominated additional facility accession agreement to be dated the date of the Finco Loans Borrower Exchange to be entered into between, among others, the Belgian Issuer and the Belgian Borrower, substantially in the form of the agreement attached as Schedule 11 of Annex C to the Offering Memorandum.

“New Finco Accession Agreements” means New Finco Accession Agreement AJ-B and New Finco Accession Agreement AK-B.

“Note Collateral” has the meaning set forth above under “—*Note Collateral*”.

“Notes Security Documents” means the documents evidencing the security interests granted over the Note Collateral and any other agreement or instrument from time to time governing a grant of a security interest permitted under the Indenture to secure the obligations under the Notes.

“obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities or amounts payable under the documentation governing any Financial Indebtedness.

“Officer” of any Person means the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, Deputy Chief Financial Officer, the President, any Vice President, any Managing Director, any Director, any Board Member, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary, or any authorized signatory of such Person.

“Officer’s Certificate” means a certificate signed by one or more Officers.

“Opinion of Counsel” means a written opinion of counsel, who may be counsel to the Issuer and/or a member of the Telenet Group (and may include employees of the Issuer or a member of the Telenet Group) and who is reasonably acceptable to the Trustee.

“Parent” means (i) the Ultimate Parent, (ii) any Subsidiary of the Ultimate Parent of which Telenet Group BVBA is a Subsidiary on the Issue Date, (iii) any other Person of which Telenet Group BVBA at any time is or becomes a Subsidiary after the Issue Date (including, for the avoidance of doubt, the Spin Parent and any Subsidiary of the Spin Parent following any Spin-Off) and (iv) any Joint Venture Parent, any Subsidiary of the Joint Venture Parent and any Parent Joint Venture Holders following any Parent Joint Venture Transaction.

“Parent Joint Venture Transaction” means a transaction pursuant to which a joint venture is formed by the contribution of some or all of the assets of a Parent or issuance or sale of shares of a Parent to one or more entities which are not Affiliates of the Ultimate Parent, including the Parent Joint Venture Transactions.

“Parent Joint Venture Holders” means the holders of the share capital of the Joint Venture Parent.

“Participant” means, with respect to the X/N Clearing System, a Person (including Euroclear and Clearstream) who has an account with the X/N Clearing System.

“Paying and Domiciliary Agency Agreement” refers to the paying and domiciliary agency agreement, dated on or around the Issue Date, between the Issuer, the Trustee and the Paying and Domiciliary Agent.

“Paying and Domiciliary Agent” refers to ING Belgium SA/NV in Brussels as the paying and domiciliary agent and any successor or replacement.

“Permitted Issuer Liens” means:

- (1) Liens for taxes, assessments or government charges or levies on the assets of the Issuer if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith by appropriate proceedings;
- (2) Liens arising out of judgments, decrees, orders or awards so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (3) Liens created for the benefit of (or to secure) the Notes, including any Additional Notes (including any Liens granted pursuant to the Notes Security Documents);
- (4) Liens on the Note Collateral to secure Additional Notes and/or any Additional Debt;
- (5) Liens granted to the Trustee and/or the Security Trustee for its compensation and indemnities pursuant to the Indenture;
- (6) Liens arising solely by virtue of any statutory or common law provisions or customary business provisions relating to banker’s Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution; and
- (7) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Financial Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the incurrence of any Financial Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Financial Indebtedness and are held in escrow accounts or similar arrangements to be applied for such purpose.

“Permitted Issuer Maintenance Payments” means amounts paid to a direct or indirect Parent of the Issuer to the extent required to permit such Parent to pay reasonable amounts required to be paid by it to maintain the Issuer’s corporate existence and to pay reasonable accounting, legal, management and administrative fees and other bona fide operating expenses.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or other entity.

“Public Debt” means any Financial Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the U.S. Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the U.S. Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale. The term “Public Debt”: (a) shall not include the Notes (or any Additional Notes) and (b) for the avoidance of doubt, shall not be construed to include any Financial Indebtedness issued to institutional investors in a direct placement of such Financial Indebtedness that is not underwritten by

an intermediary (it being understood that, without limiting the foregoing, a financing that is distributed to not more than ten Persons (provided that multiple managed accounts and affiliates of any such Persons shall be treated as one Person for the purposes of this definition) shall be deemed not to be underwritten), or any Financial Indebtedness under the Senior Credit Facility, commercial bank or similar Financial Indebtedness, capitalized lease obligation or recourse transfer of any financial asset or any other type of Indebtedness incurred in a manner not customarily viewed as a “securities offering”.

“**S&P**” means Standard & Poor’s Investors Ratings Services.

“**Securities Settlement System**” means, the settlement system recognized or approved in accordance with Articles 3 to 13bis of the Law of January 2, 1991 on the market of public debt securities and the monetary policy instruments, as amended, and the Law of August 6, 1993 on transactions in certain securities and its implementing decrees as amended from time to time which is currently the Securities Settlement System operated by the NBB.

“**Security Trustee**” means The Bank of New York Mellon, London Branch, acting as security trustee pursuant to the Indenture and the Notes Security Documents or any successor or replacement Security Trustee, acting in such capacity.

“**Senior Credit Facility**” means the Senior Secured Credit Facility Agreement dated August 1, 2007 (as amended and/or restated by supplemental agreements dated August 22, 2007, September 11, 2007, October 8, 2007, June 23, 2009, August 25, 2009, October 4, 2010, November 2, 2015, May 2, 2016, November 3, 2016, November 22, 2016, April 4, 2017, May 15, 2017, August 10, 2017 and as may be further amended, restated, supplemented or otherwise modified from time to time) between, *inter alios*, Telenet BVBA, the obligors listed therein, The Bank of Nova Scotia, as facility agent, and KBC Bank NV, as security agent.

“**Senior Facility Guarantors**” means the guarantors under the Senior Credit Facility.

“**Spin Parent**” means the Person the shares of which are distributed to the shareholders of the Ultimate Parent pursuant to the Spin-Off.

“**Spin-Off**” means a transaction by which all outstanding ordinary shares of Telenet Group BVBA or a Parent of Telenet Group BVBA directly or indirectly owned by the Ultimate Parent are distributed (x) to all of the Ultimate Parent’s shareholders or (y) all of the shareholders comprising one or more group of the Ultimate Parent’s shareholders as provided by the Ultimate Parent’s articles of association, in each case, either directly or indirectly through the distribution of shares in a company holding Telenet Group BVBA’s shares or a Parent’s shares.

“**Stated Maturity**” means, with respect to any installment of interest or principal on any series of Financial Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Financial Indebtedness as of the date of the Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“**Subordinated Shareholder Loans**” shall have the meaning ascribed to such term in the Senior Credit Facility.

“**Subsidiary**” of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person.

“**Telenet BVBA**” means Telenet BVBA (formerly Telenet BidCo NV and subsequently Telenet NV) and any successor (by merger, consolidation, transfer, conversion of legal form or otherwise) to all or substantially all of its assets.

“**Telenet Facility Agent**” means The Bank of Nova Scotia, acting as facility agent pursuant to the Senior Credit Facility or any successor or replacement Telenet Facility Agent, acting in such capacity.

“**Telenet Fee Letters**” refers, collectively, to the 2017 Telenet Fee Letters and any additional fee letter between the Issuer and a member of the Telenet Bank Group, relating to the payment of certain fees to the Issuer and pursuant to which the Issuer will allocate a portion of such fees equal to the original issue discount (if any) on Additional Notes or Additional Debt to the relevant member of the Telenet Bank Group under the relevant Finco Accession Agreement.

“**Telenet Group**” refers to Telenet Group Holding NV and its subsidiaries from time to time.

“**Telenet Group BVBA**” means Telenet Group BVBA (formerly BASE Company NV) and any successor (by merger, consolidation, transfer, conversion of legal form or otherwise) to all or substantially all of its assets.

“**Telenet International Finance**” means Telenet International Finance S.à. r.l., a private limited liability company (*société à responsabilité limitée*), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue Peternelchen, L-2370 Howald and registered with the Luxembourg Trade and Companies Register under number B 155066, and any successor (by merger, consolidation, transfer, conversion of legal form or otherwise) to all or substantially all of its assets.

“**Telenet Lender**” and “**Telenet Lenders**” means a lender or lenders under the Senior Credit Facility from time to time.

“**Telenet Loan Documents**” means the Senior Credit Facility and any other agreements designated a “finance document” under the Senior Credit Facility.

“**Telenet Loans**” means advances extended to the Initial Telenet Borrower or the Belgian Borrower, as applicable, Telenet BVBA, Telenet Group BVBA and/or any other borrower under the Senior Credit Facility pursuant to a “Loan” as defined in the Senior Credit Facility.

“**Telenet Security Agent**” means KBC Bank NV, acting as security agent pursuant to the Senior Credit Facility or any successor or replacement Telenet Security Agent, acting in such capacity.

“**Treasury Rate**” means the yield to maturity at the time of computation of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available on a day no earlier than two Business Days prior to the date of the delivery of the redemption notice in respect of such redemption date (or, if such statistical release is not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the redemption date to December 1, 2022; *provided, however*, that if the period from the redemption date to December 1, 2022 is not equal to the constant maturity of a U.S. Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by the Issuer by a linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of U.S. Treasury securities for which such yields are given, except that if the period from the redemption date to December 1, 2022 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used.

“**Ultimate Parent**” means (1) Liberty Global and any and all successors thereto or (2) upon consummation of a Spin-Off, “Ultimate Parent” will mean the Spin Parent and its successors, and (3) upon consummation of a Parent Joint Venture Transaction, “Ultimate Parent” will mean each of the top tier Parent entities of the Joint Venture Holders and their successors.

“**U.S. dollar**” or “**\$**” means the lawful currency of the United States of America.

“**U.S. Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated pursuant thereto.

“**U.S. Government Obligations**” means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

“**U.S. Securities Act**” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated pursuant thereto.

“**X/N Clearing System**” means the X/N securities settlement system operated by the NBB and any successor thereto.

“**X/N Eligible Investors**” refers to those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*) which include:

- (a) Belgian resident companies referred to in article 2, §1, 5°, b) of the BITC;
- (b) without prejudice to the application of article 262, 1° and 5° of the BITC, the institutions, associations or companies referred to in article 2, § 3, of the law of 9 July 1975 on the supervision of insurance companies, other than those referred to in 1° and 3°;
- (c) the semi-public (“**parastate**”) social security agencies, or agencies equivalent thereto, referred to in article 105, 2°, of the royal decree implementing the BITC (“**RD/BITC**”);
- (d) the non-resident investors referred to in article 105, 5° of the RD/BITC;
- (e) the investment funds recognized in the framework of pension savings referred to in article 115 of the RD/BITC;
- (f) the taxpayers referred to in article 227, 2°, of the BITC who are subject to the tax on non-residents in accordance with article 233 of the BITC and who have used the income producing capital for the exercise of their professional activity in Belgium;
- (g) the Belgian State, for its investments which are exempt from the withholding tax on income from movable assets, in accordance with article 265 of the BITC;
- (h) collective investment undertakings governed by foreign law which have joint assets managed by a management company on behalf of the participants, when their right of participation are not publicly issued in Belgium and are not marketed in Belgium;
- (i) resident companies not referred to under (a) whose sole or main activity consists in the granting of credits and loans.

BOOK-ENTRY, DELIVERY AND FORM

Securities Settlement System operated by the National Bank of Belgium

The NBB is the central bank of Belgium. The NBB operates the X/N Clearing System for, *inter alia*, corporate debt securities that can be traded on a fungible basis in accordance with the Belgian Coordinated Royal Decree Number 62 of 10 November 1967 governing the custody of transferable financial instruments and the settlement of transactions on these instruments.

The X/N Clearing System is accessible through those of its participants whose membership extends to securities such as the Notes. Investors and financial intermediaries can hold Notes within securities accounts opened with qualifying participants. Qualifying participants include most Belgian banks, some Luxembourg banks, Belgian investment firms, Euroclear and Clearstream. For a description of the tax implications of the clearing of the Notes through the X/N Clearing System, see “*Tax Considerations— Belgium*”.

Original Issue

The Dollar Notes offered hereby are denominated in U.S. dollars. The Euro Notes offered hereby are denominated in euros.

Each series of Notes sold outside the United States to non-U.S. persons pursuant to Regulation S under the U.S. Securities Act are initially represented by one or more global notes in registered global form without interest coupons attached (the “**Regulation S Global Notes**”).

Each series of Notes sold within the United States to persons that are both (i) Qualified Institutional Buyers and (ii) Qualified Purchasers, in a private transaction in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) thereof are initially represented by one or more global notes in registered form without interest coupons attached (the “**144A Global Notes**”, and together with the Regulation S Global Note, the “**Global Notes**”).

The Global Notes were deposited by the Paying and Domiciliary Agent on behalf of the Issuer with the NBB as operator of the X/N Clearing System on the Issue Date. Upon receipt of the Global Notes, the account of the Paying and Domiciliary Agent was credited by the NBB with an amount equivalent to the principal amount of the Global Notes. On the Issue Date, the Paying and Domiciliary Agent on behalf of the NBB credited the securities accounts of Euroclear and/or Clearstream in the X/N Clearing System with an amount equivalent to their respective portion of the principal amount of the Global Notes. Following confirmation of the payment to the Issuer of the gross proceeds for the issue of the Notes, Euroclear and/or Clearstream credited the holders of ownership interests in the Global Notes (the “**Book-Entry Interests**”) by crediting their securities accounts as participants of Euroclear and Clearstream, in accordance with the principal amount of Notes purchased by them.

Book-Entry Interests

Book-Entry Interests are held by their holders through the participants in the X/N Clearing System, including Euroclear and Clearstream, and through other financial intermediaries which in turn hold the Notes through Euroclear, Clearstream or other participants in the X/N Clearing System. For a full list of participating central securities depositories as of the date of these Listing Particulars, see <https://www.nbb.be/en/list-nbb-investor-icsds>. Book-Entry Interests are shown on records maintained by the participants in the X/N Clearing System (including Euroclear and Clearstream and their participants). The laws of certain jurisdictions may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests.

Transfers of Book-Entry Interests will be effected only through records maintained by the X/N Clearing System, Euroclear and Clearstream or other X/N Clearing System participants and in accordance with the applicable procedures of the X/N Clearing System, Euroclear and Clearstream or other X/N Clearing System participants. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the participants through which they hold their Notes. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Participants must rely on the procedures of the X/N Clearing System, Euroclear and Clearstream and indirect participants must rely on the procedures of X/N Clearing System, Euroclear and Clearstream and the participants

through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture. Neither we nor the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

None of the Issuer, the Paying and Domiciliary Agent or any of its agents, or the Trustee or any of its agents has any responsibility, or are liable, for the proper performance by the X/N Clearing System or its participants of their obligations under their respective rules and operating procedures. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Notes within the X/N Clearing System. The Issuer's obligations under the Notes are discharged once it has paid the X/N Clearing System or the participants in the X/N Clearing System, as applicable and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Notes of the X/N Clearing System and custodians or intermediaries.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests held through Euroclear and/or Clearstream as a direct participant in the X/N Clearing System will receive definitive notes in registered form ("**Definitive Registered Notes**") if:

- the National Bank of Belgium notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or
- the National Bank of Belgium so requests following an event of default under the Indenture; or
- if the owner of a Book-Entry Interest held through Euroclear and/or Clearstream (as a direct participant in the X/N Clearing System) requests such exchange in writing delivered through the X/N Clearing System, Euroclear or Clearstream or to the Issuer following an event of default under the Indenture.

In such an event, the Issuer will issue, and the Trustee will authenticate or cause to be authenticated, the Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of the X/N Clearing System, Euroclear and/or Clearstream as applicable (in accordance with their respective customary procedures) and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law. Notwithstanding anything in the Indenture or in the Paying and Domiciliary Agency Agreement to the contrary, only owners of Book-Entry Interests held through Euroclear and/or Clearstream (as direct participants in the X/N Clearing System) will receive Definitive Registered Notes.

Payments on the Euro Notes

Payments of any cash amounts owing in respect of the Euro Notes will be made by us in euro to the Paying and Domiciliary Agent. The Paying and Domiciliary Agent will, in turn, make payments to NBB as operator of the X/N Clearing System who will in turn make payments to direct participants (including Euroclear and Clearstream) in the X/N Clearing System in accordance with the rules applicable to the X/N Clearing System. Euroclear and Clearstream will, in turn, make payments to their respective participants in accordance with their procedures.

Under the terms of the Indenture, the Paying and Domiciliary Agent, the Registrar and the Trustee will treat the persons shown in the records of the X/N Clearing System as having interests in the Global Notes as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Paying and Domiciliary Agent, the Registrar, the Trustee or any of its agents has or will have any responsibility or liability for:

- any aspect of the records of the X/N Clearing System, Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of the X/N Clearing System, Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or
- any other matters relating to the actions and practices of the X/N Clearing System, Euroclear, Clearstream or any participant or indirect participant.

Payments on the Dollar Notes

Payments of any cash amounts owing in respect of the Dollar Notes will be made by us in U.S. dollars to participants in the X/N Clearing System (including Euroclear and Clearstream, in accordance with the rules of the X/N Clearing System). Participants in the X/N Clearing System (including Euroclear and Clearstream) will, in turn, make payments to their participants in accordance with their procedures.

Currency of payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes was paid to holders of Book-Entry Interests to such Notes through the X/N Clearing System, Euroclear and Clearstream in euro or U.S. dollars, as applicable.

Global clearance and settlement under the book-entry system

The Notes represented by the Global Notes are listed on the Official List. Transfers of interests in the Global Notes between participants in the X/N Clearing System, Euroclear and Clearstream were effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although the X/N Clearing System, Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in the X/N Clearing System, Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Trustee or the Paying and Domiciliary Agent have any responsibility for the performance by the X/N Clearing System, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes was made in euro and U.S. dollars. Book-Entry Interests owned through the X/N Clearing System, Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of X/N Clearing System, Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date (in the case of Euro Notes) and free of payment on the settlement date (in the case of Dollar Notes).

Secondary Market Trading

The Book-Entry Interests will trade through participants of the X/N Clearing System, Euroclear and Clearstream and will settle in same-day funds. Since the purchaser determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Agents

For so long as the Notes are represented by Global Notes, the Paying and Domiciliary Agent will act as paying agent for all purposes in relation to the Notes, though the Issuer will pay principal and interest due and payable on the Global Notes denominated in U.S. dollars directly to the holders of such Global Notes (as shown on the record of the NBB or a participant in the X/N Clearing System, as notified by the Paying and Domiciliary Agent to the Issuer). If interests in the Global Notes are exchanged for Definitive Registered Notes in the limited circumstances described under "*Definitive Registered Notes*" above, then the Paying and Domiciliary Agent will cease to act as paying agent, and the Issuer may, in its sole discretion, make payments on the Definitive Registered Notes or appoint a paying agent to make payments on the Definitive Registered Notes on behalf of the Issuer.

TRANSFER RESTRICTIONS

The Notes have not been and will not be registered under the U.S. Securities Act or any other applicable securities laws and, unless so registered, the Notes may not be offered, sold, pledged or otherwise transferred within the U.S. or to or for the account of any U.S. person, except pursuant to (a) an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws. The Notes are being (1) sold and issued in the United States, to persons that are both (x) “qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act, and (y) “qualified purchasers” within the meaning of Section 2(a)(51) of, and Rules 2a51-1, 2a51-2 and 2a51-3 under, the 1940 Act, and (2) offered and sold and issued outside the United States, to persons other than “U.S. persons” as defined in Rule 902 under the U.S. Securities Act in offshore transactions in compliance with Regulation S under the U.S. Securities Act that, in each case, will hold the Notes in an X Account with the X/N Clearing System (either directly or indirectly through a participant in the X/N Clearing System (including Euroclear and Clearstream)).

The Issuer is not registered as an investment company under the 1940 Act, in reliance upon the exception contained in Section 3(c)(7) of the 1940 Act for investment companies (a) whose outstanding securities are beneficially owned by U.S. residents that are “qualified purchasers” or “knowledgeable employees” with respect to the Issuer at the time of acquisition of such securities and certain transferees thereof identified in Rules 3c-5 and 3c-6 under the 1940 Act and (b) which do not make, or propose to make, a public offering of their securities in the United States. Section 3(c)(7) excepts from the provisions of the 1940 Act those issuers who privately place their securities solely to persons who at the time of purchase are “qualified purchasers” or companies beneficially owned exclusively by one or more “qualified purchasers”. Each of the following would fall within the definition of “qualified purchaser”:

- (i) a natural person who owns not less than \$5,000,000 in “investments,” as such term has been defined in (and as the value of such investments are calculated pursuant to) the relevant rules promulgated by the U.S. Securities and Exchange Commission as of the date hereof;
- (ii) a company that owns not less than \$5,000,000 in “investments” and that is owned directly or indirectly by or for two or more natural persons who are related as siblings or spouses (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons;
- (iii) a trust that is not covered by clause (ii) and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who contributed assets to the trust, is a person described in clause (i), (ii) or (iv); or
- (iv) a person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than \$25,000,000 in “investments”;

provided that, in the case of an entity that would be an investment company but for the exclusions from the 1940 Act provided by Section 3(c)(1) or Section 3(c)(7) thereof, (i) all of the beneficial owners of its outstanding securities (other than short-term paper) that acquired such securities on or before April 30, 1996 (“pre-amendment beneficial owners”) must have consented to its treatment as a “qualified purchaser” and (ii) all of the preamendment beneficial owners of a company that would be an investment company but for the exclusions from the 1940 Act provided by Section 3(c)(1) or Section 3(c)(7) thereof and that directly or indirectly owned any of its outstanding securities (other than short-term paper) must have consented to its treatment as a “qualified purchaser”.

By purchasing the Notes, you are deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the U.S. Securities Act are used herein as defined therein):

- (1) You are not an “affiliate” (as defined in Rule 144 under the U.S. Securities Act) of the Issuer or the Telenet Group, you are not acting on behalf of the Issuer or Telenet Group Holding and you (1) (A) (i) are both (x) a “qualified institutional buyer” (as defined in Rule 144A under the U.S. Securities Act) and (y) a “qualified purchaser” as defined in Section 2(a)(51) of, and Rules 2a51-1, 2a51-2 and 2a51-3 under, the 1940 Act; (ii) are aware that the sale to you is being made in reliance on Rule 144A; and (iii) are acquiring the Notes for your own account or for the account of a person that is both a qualified

institutional buyer and qualified purchaser; or (B) are not a U.S. person (as defined in Regulation S under the U.S. Securities Act) (and are not purchasing the Notes for the account or benefit of a U.S. person, other than a distributor) and are purchasing the Notes in an offshore transaction pursuant to Regulation S and (2) will hold the Notes in an X Account with the X/N Clearing System (either directly or indirectly through a participant in the X/N Clearing System (including Euroclear and Clearstream)).

- (2) You understand that the Notes are being sold in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Notes have not been and will not be registered under the U.S. Securities Act or any other applicable securities laws and that (A) if in the future you decide to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only to persons that both (a)(i) for so long as the Notes are eligible for resale under Rule 144A, in the United States is a person whom you reasonably believe is both a qualified institutional buyer and qualified purchaser in a transaction meeting the requirements of Rule 144A under the Securities Act and Section 3(c)(7) under the Investment Company Act, respectively; (ii) is outside the United States in a transaction complying with the provisions of Regulation S under the U.S. Securities Act; (iii) to the Issuer in accordance with the applicable securities laws and (b) will hold the Notes in an X Account with the X/N Clearing System (either directly or indirectly through a participant in the X/N Clearing System (including Euroclear and Clearstream)); and (B) you will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from you or it of the resale restrictions referred to the legend below. Such beneficial owner acknowledges that no representation has been made as to the availability of any exemption under the Securities Act or any state securities laws for resale of such Notes. Such beneficial owner understands that the Issuer has not been registered, and will not register, under the 1940 Act, and that the Issuer intends to comply with the exception under Section 3(c)(7) of the 1940 Act in order to avoid the adverse consequences of failing to register as an “investment company.”
- (3) You acknowledge that none of the Issuer, Telenet Group Holding, Telenet Group BVBA, Telenet International Finance, the Initial Purchasers or any person representing the Issuer, Telenet Group Holding, or the Initial Purchasers has made any representation to you with respect to the Issuer, Telenet Group Holding, or the offer or sale of any of the Notes, other than by Telenet Group Holding and the Issuer with respect to the information contained in the Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that the Initial Purchasers make no representation or warranty as to the accuracy or completeness of the Offering Memorandum. You have had access to such financial and other information concerning the Issuer, Telenet Group Holding, the Indenture, the Notes, the Notes, the Senior Credit Facility and the security documents as you deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Issuer, Telenet Group Holding and the Initial Purchasers.
- (4) You also acknowledge that:
- (a) the Issuer and the Trustee reserve the right to require in connection with any offer, sale or other transfer of Notes under the paragraph two above the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Issuer and the Trustee; and
- (b) each Global Note contains a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A “QUALIFIED PURCHASER” (AS DEFINED IN SECTION 2(a)(51) OF, AND RULES 2a51-1, 2a51-2 AND 2a51-3 UNDER, THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “1940 ACT”) (OR A TRANSFEREE THEREOF THAT IS IDENTIFIED IN RULES 3C-5 AND 3C-6 UNDER THE 1940 ACT)

THAT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION” PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE “**RESALE RESTRICTION TERMINATION DATE**”) THAT IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER WAS, OR ANY AFFILIATES OF THE ISSUER WERE, THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED PURCHASER” (AS DEFINED IN SECTION 2(a)(51) OF, AND RULES 2a51-1, 2a51-2 AND 2a51-3 UNDER, THE 1940 ACT) (OR A TRANSFEREE THEREOF THAT IS IDENTIFIED IN RULES 3C-5 AND 3C-6 UNDER THE 1940 ACT) THAT IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHO IS ALSO A QUALIFIED PURCHASER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. ADDITIONALLY, THE HOLDER OF THIS NOTE MAY NOT TRANSFER THIS NOTE TO ANY PERSON OR ENTITY THAT IS NOT LISTED IN ARTICLE 4 OF THE BELGIAN ROYAL DECREE OF MAY 26, 1994.

BY ACCEPTING THIS NOTE (OR AN INTEREST IN THE NOTE REPRESENTED HEREBY) EACH ACQUIRER AND EACH TRANSFEREE IS DEEMED TO REPRESENT, WARRANT AND AGREE THAT AT THE TIME OF ITS ACQUISITION AND THROUGHOUT THE PERIOD THAT IT HOLDS THIS NOTE OR ANY INTEREST HEREIN (1) EITHER (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”)) SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER PLAN OR ARRANGEMENT TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, (THE “**CODE**”), APPLIES, (III) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA)) BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN’S AND/OR PLAN’S INVESTMENT IN SUCH ENTITY (EACH OF (I), (II) AND (III), A “**BENEFIT PLAN INVESTOR**”); OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR THE PROHIBITED TRANSACTION PROVISIONS OF ERISA AND/OR SECTION 4975 OF THE CODE (“**SIMILAR LAWS**”), AND NO PART OF THE ASSETS USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR ANY SUCH GOVERNMENTAL,

CHURCH OR NON-U.S. PLAN, OR (B) (I) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE OR OTHERWISE RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAWS), AND (II) IF IT IS A PLAN WHICH IS SUBJECT TO ERISA OR SECTION 4975 OF THE CODE, THE DECISION TO PURCHASE THE NOTES HAS BEEN MADE BY A DULY AUTHORIZED FIDUCIARY (EACH, A “PLAN FIDUCIARY”) WHO IS INDEPENDENT OF THE ISSUER AND ITS AFFILIATES, WHICH PLAN FIDUCIARY (1) IS A FIDUCIARY UNDER ERISA OR THE CODE, OR BOTH, WITH RESPECT TO THE DECISION TO PURCHASE THE NOTES, (2) IS NOT THE INDIVIDUAL RETIREMENT ACCOUNT (“IRA”) OWNER (IN THE CASE OF A HOLDER OR TRANSFEREE WHICH IS AN IRA), (3) IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH REGARD TO THE PROSPECTIVE INVESTMENT IN THE NOTES, (4) HAS EXERCISED INDEPENDENT JUDGMENT IN EVALUATING WHETHER TO INVEST THE ASSETS OF SUCH PLAN IN THE NOTES, AND (5) IS EITHER A BANK, AN INSURANCE CARRIER, A REGISTERED INVESTMENT ADVISER, A REGISTERED BROKER-DEALER OR AN INDEPENDENT FIDUCIARY WITH AT LEAST \$50 MILLION OF ASSETS UNDER MANAGEMENT OR CONTROL; PROVIDED, HOWEVER, THAT PLANS WILL NOT BE DEEMED TO MAKE THE REPRESENTATIONS IN THIS CLAUSE 1(B)(II) TO THE EXTENT THAT THE REGULATIONS UNDER SECTION 3(21) OF ERISA ISSUED BY THE U.S. DEPARTMENT OF LABOR ON APRIL 8, 2016 ARE RESCINDED; AND (2) NEITHER THE ISSUER NOR ANY OF ITS AFFILIATES IS A “FIDUCIARY” (WITHIN THE MEANING OF SECTION 3(21) OF ERISA OR SECTION 4975 OF THE CODE OR, WITH RESPECT TO A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY DEFINITION OF “FIDUCIARY” UNDER SIMILAR LAWS) WITH RESPECT TO THE ACQUIRER OR TRANSFEREE IN CONNECTION WITH ANY PURCHASE OR HOLDING OF THE NOTE, OR AS A RESULT OF ANY EXERCISE BY THE ISSUER OR ANY OF ITS AFFILIATES OF ANY RIGHTS IN CONNECTION WITH THE NOTE, AND NO ADVICE PROVIDED BY THE ISSUER OR ANY OF ITS AFFILIATES HAS FORMED A PRIMARY BASIS FOR ANY INVESTMENT DECISION BY OR ON BEHALF OF THE ACQUIRER OR TRANSFEREE IN CONNECTION WITH THE NOTE AND THE TRANSACTIONS CONTEMPLATED WITH RESPECT TO THE NOTE.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE GOVERNING THE NOTES, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT IS A U.S. PERSON AND IS NOT BOTH (A) A QUALIFIED PURCHASER AND (B) A QUALIFIED INSTITUTIONAL BUYER TO SELL ITS INTEREST IN THE NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

- (c) The following legend shall also be included, if applicable:

THE FOLLOWING INFORMATION IS SUPPLIED SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS NOTE WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”) WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), AND THIS LEGEND IS REQUIRED BY SECTION 1275(c) OF THE CODE.

Holders may obtain information regarding the amount of any OID, the issue price, the Issue Date and the yield to maturity relating to the Notes by contacting Robert Goyens, Telenet, Investor Relations, Liersesteenweg 4, 2800 Mechelen, Belgium.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

- (1) You acknowledge that the Registrar will not be required to accept for registration of transfer any Notes acquired by you, except upon presentation of evidence satisfactory to the Issuer, the Trustee and the Registrar that the restrictions set forth herein have been complied with.

- (2) You acknowledge that:
- (a) the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgments, representations and agreements set forth herein and you agree that, if any of your acknowledgments, representations or agreements herein cease to be accurate and complete, you will notify the Issuer and the Initial Purchasers promptly in writing; and
 - (b) if you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:
 - (i) you have sole investment discretion; and
 - (ii) you have full power to make, and make, the foregoing acknowledgments, representations and agreements.
- (3) You agree that you will give to each person to whom you transfer these Notes notice of any restrictions on the transfer of the Notes.
- (4) The purchaser understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of the Offering Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for the purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth hereunder.
- (5) The purchaser understands that the Issuer is a “covered fund” as defined in the Volcker Rule. The definition of “covered fund” in the Volcker Rule generally includes any entity that would be an investment company under the 1940 Act, but for the exemption provided under Section 3(c)(1) or 3(c)(7) thereunder. Because the Issuer is relying on Section 3(c)(7) of the 1940 Act for its exemption from registration thereunder (which limits sales of the Securities to “qualified purchasers” as such term is defined in the 1940 Act), it is considered to be a “covered fund” for purposes of the Volcker Rule. Accordingly, “banking entities” that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining an “ownership interest” in the Issuer given its status as a covered fund, absent any applicable exclusion or exemption. Under the Volcker Rule, “ownership interest” is defined broadly to include any “equity, partnership or other similar interest.” The phrase “other similar interest” is defined under the Volcker Rule as an interest that: (a) has the right to participate in the selection or removal of a general partner, managing member, member of the board of directors or trustees, investment manager, investment advisor, or commodity trading advisor of the covered fund (excluding the rights of a creditor to exercise remedies upon the occurrence of an event of default or an acceleration event); (b) has the right under the terms of the interest to receive a share of the income, gains, or profits of the covered fund; (c) has the right to receive the underlying assets of the covered fund after all other interests have been redeemed and/or paid in full (excluding the rights of a creditor to exercise remedies upon the occurrence of an event of default or an acceleration event); (d) has the right to receive all or a portion of excess spread (the positive difference, if any, between the aggregate interest payments received from the underlying assets of the covered fund and the aggregate interest paid to the holders of other outstanding interests); (e) provides under the terms of the interest that the amounts payable by the covered fund with respect to the interest could be reduced based on losses arising from the underlying assets of the covered fund, such as allocation of losses, write-downs or charge-offs of the outstanding principal balance, or reductions in the amount of interest due and payable on the interest; (f) receives income on a pass-through basis from the covered fund, or has a rate of return that is determined by reference to the performance of the underlying assets of the covered fund; or (g) any synthetic right to have, receive, or be allocated any of the rights in (a) through (f) above.

European Economic Area

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a “*Relevant Member State*”), the Initial Purchasers have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of the Notes which are the subject of the offering contemplated by the Offering Memorandum to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Initial Purchaser or Initial Purchasers nominated by the Issuer for any such offer; or
- (c) any other entity in any other circumstances falling within Article 3(2) of the Prospectus Directive,; provided that no such offer of the Notes shall require the Issuer or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospective Directive.

For the purposes of this provision, the expression an “offer of the Notes to the public” in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “Prospectus Directive” means Directive 2003/71/EC as amended, including by Directive 2010/73/EC and includes any relevant implementing measure in the Relevant Member State.

The Grand Duchy of Luxembourg

In relation to the Grand Duchy of Luxembourg, each of the Initial Purchasers represent, warrants and agrees that the Notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this document nor any other offering circular, prospectus, form of application, advertisement or other material related to such offer may be distributed, or otherwise be made available in or from, or published in, the Grand Duchy of Luxembourg except in circumstances which do not constitute an offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Prospectus Act.

The Netherlands

In relation to the Netherlands, each of the Initial Purchasers has represented and agreed that it has not made and will not make an offer of the Notes which are subject of the offering contemplated by the Offering Memorandum Listing Particulars to the public in the Netherlands other than to any legal entity which is a qualified investor (*gekwalficeerde belegger*) within the meaning of article 1:1 of the Dutch Financial Supervision Act (*wet op het financieel toezicht*).

TAX CONSIDERATIONS

The proposed EU Financial Transaction Tax (“FTT”)

In February 2013, the European Commission published a proposal (the “**Commission Proposal**”) for a directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia, Slovakia (the “**participating Member States**”) and Estonia. Estonia officially announced its withdrawal from negotiations in March 2016.

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are expected to be exempt.

Under the Commission Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution established (or deemed established) in a participating Member State, and at least one party is established (or deemed established) in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States, and the scope of any such tax is uncertain. It may be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes who are in any doubt are strongly advised to seek their own professional advice in relation to the FTT in their particular circumstance.

Common reporting standard

Following recent international developments, the exchange of information will be governed by the Common Reporting Standard (“**CRS**”). On 17 August 2017, 94 jurisdictions signed the multilateral competent authority agreement (MCAA), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

More than 50 jurisdictions, including Belgium, have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016 (“early adopters”).

Under CRS, financial institutions resident in a CRS country will be required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation (“**DAC2**”), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The mandatory automatic exchange of financial information by EU Member States as foreseen in DAC2 will at the latest take place as of 30 September 2017, except with regard to Austria. The mandatory automatic exchange of financial information by Austria will at the latest take place as of 30 September 2018.

The Belgian government has implemented DAC2, respectively the Common Reporting Standard, per the Law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes.

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of income year 2014 (first information exchange in 2016) towards the United States and (iii), with respect to any other non-EU States that have signed the MCAA, as of the respective date to be further determined by Royal Decree.

Belgium

The following is a summary of the principal Belgian tax consequences for Belgian resident investors receiving interest in respect of, and disposing of, Notes and is of a general nature, for information purposes only and based on the Issuer's understanding of current law and practice. This summary also summarizes the Belgian withholding tax consequences after the Belgian Issuer Accession. This summary is based on the laws, regulations and applicable tax treaties, all as in effect in Belgium on the date of the Offering Memorandum, and is subject to any changes in law and the interpretation and application thereof, possibly with retroactive effect.

Notes may be held only by, and transferred only to, Eligible Investors (as defined below) holding their Notes in an X account (as defined below). This section summarises the Belgian withholding tax treatment in the hands of Eligible Investors only.

Interest

For Belgian tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the Issuer), and (iii) assuming the Notes qualify as fixed income securities pursuant to Article 2, § 1, 8° of the Belgian Income Tax Code 1992 (“**BITC**”), in case of a sale of the Notes to any third party, other than the Issuer, the pro rata accrued interest corresponding to the period that the party selling the security held the Notes.

Payments of interest on the Notes made by a Belgian Issuer or paid through a Belgian paying agent (in case of foreign Issuer) are as a rule subject to Belgian withholding tax, currently at a rate of 30 per cent on the gross amount. See “*Risk Factors—Risks Relating to the Notes and the Structure—Interest payments on the Notes may be subject to Belgian withholding tax following the Belgian Issuer Accession.*”

X/N Clearing System of the National Bank of Belgium (“NBB”)

However, as an exception to the general rule aforementioned in relation to Belgian withholding tax, payments of interest and principal under the Notes by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Notes if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the “**Eligible Investors**”, see below) in an exempt securities account (an “**X Account**”) that has been opened with a financial institution that is a direct or indirect participant (a “**Participant**”) in the X/N Clearing System operated by the NBB. Euroclear and Clearstream are directly or indirectly Participants for this purpose. Holding the Notes through the X/N Clearing System enables Eligible Investors to receive the gross interest income on their Notes and to transfer the Notes on a gross basis.

Participants to the X/N Clearing System must enter the Notes which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*) which include:

- (a) Belgian resident companies referred to in article 2, §1, 5°, b) of the BITC;
- (b) without prejudice to the application of article 262, 1° and 5° of the BITC, the institutions, associations or companies referred to in article 2, § 3, of the law of 9 July 1975 on the supervision of insurance companies, other than those referred to in 1° and 3°;
- (c) the semi-public (“parastate”) social security agencies, or agencies equivalent thereto, referred to in article 105, 2°, of the royal decree implementing the BITC (“**RD/BITC**”);

- (d) the non-resident investors referred to in article 105, 5° of the RD/BITC;
- (e) the investment funds recognised in the framework of pension savings referred to in article 115 of the RD/BITC;
- (f) the taxpayers referred to in article 227, 2°, of the BITC who are subject to the tax on nonresidents in accordance with article 233 of the same Code and who have used the income producing capital for the exercise of their professional activity in Belgium;
- (g) the Belgian State, for its investments which are exempt from the withholding tax on income from movable assets, in accordance with article 265 of the BITC;
- (h) collective investment undertakings governed by foreign law which have joint assets managed by a management company on behalf of the participants, when their right of participation are not publicly issued in Belgium and are not marketed in Belgium; and
- (i) resident companies not referred to under (a) whose sole or main activity consists in the granting of credits and loans.

Eligible Investors do not include, inter alia, Belgian resident investors who are individuals or non-profit making organizations, other than those mentioned under (b) and (c) above.

Transfers of Notes between two X Accounts (between two due dates) do not give rise to Belgian withholding tax on accrued incomes.

Upon opening of an X Account for the holding of Notes, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance. There is no ongoing declaration requirement to the X/N Clearing System as to the eligible status, save that they need to inform the Participant of any change in the information contained in the statement of their eligible status. However, Participants are requested to make declarations to the NBB as to the eligible status of each investor from whom they held notes in an X Account during the preceding calendar year.

An X Account may be opened with a Participant by an intermediary (an “**Intermediary**”) in respect of Notes that the Intermediary holds for the account of its clients (the “**Beneficial Owners**”), provided, however, that each Beneficial Owner is an Eligible Investor. In such case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor, and (ii) the Beneficial Owners holding their Notes through it are also Eligible Investors.

These identification requirements do not apply to Notes held in Euroclear or Clearstream as Participants to the X/N Clearing System, provided, however, that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Notes in such account. Moreover, for the identification requirements not to apply, the contracts concluded by Euroclear or Clearstream Luxembourg should contain the commitment that all of their clients-accountholders qualify as Eligible Investors.

Belgian tax on Income and Capital gains

This section summarizes the Belgian tax on income and capital gains in the hands of Eligible Investors. This section therefore does not address the tax treatment in the hands of investors that do not qualify as Eligible Investors such as Belgian resident individuals and Belgian legal entities that do not qualify as Eligible Investors. This section does not purport to be a comprehensive description of all Belgian income and capital gains tax consequences that may be relevant to a decision to acquire, to hold or to dispose of the Notes. This summary does not describe the tax consequences of investors that are subject to special rules.

Belgian resident companies

Interest attributed or paid to corporate Noteholders who are Belgian residents for tax purposes, *i.e.*, who are subject to the Belgian Corporate Income Tax (*vennootschapsbelasting/impôt des sociétés*), as well as capital gains realized upon the sale of the Notes are taxable at the general corporate income tax rate of in principle 33.99 per cent. The Belgian government recently announced its intention to gradually reduce the standard corporate income tax rate from 33 per cent to 29 per cent in 2018 and 25 per cent in 2020. The 3 per cent surcharge applicable to

this corporate income tax rate (which currently results in an aggregate tax rate of 33.99 per cent) would be decreased to 2 per cent in 2018 and abolished in 2020. Capital losses realized upon the sale of the Notes are in principle tax deductible.

Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the BITC.

Belgian resident legal entities

Belgian legal entities subject to Belgian legal entities tax (*rechtspersonenbelasting/impôts des personnes morales*) which qualify as Eligible Investors and which, consequently, have received gross interest income are required to declare and pay the 30 per cent withholding tax to the Belgian tax authorities.

Capital gains realized on the sale of the Notes are in principle tax exempt, unless and to the extent the capital gains (partially) qualify as interest (as defined in the section “Interest” above). Capital losses are in principle not tax deductible.

Belgian non-residents

Noteholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Notes through their permanent establishment in Belgium, will not become liable for any Belgian tax on income or capital gains or any similar taxes for the sole reason of the acquisition, ownership or disposal of the Notes provided that they qualify as Eligible Investors and that they hold their Notes in an X Account.

Impact of the consummation of the Belgian Issuer Accession

The consummation of the Belgian Issuer Accession is tantamount to a novation (article 1271 of the Belgian Civil Code). The interest accrued up to the date of the Belgian Issuer Accession is deemed to be attributed and realized upon the Belgian Issuer Accession and exempt from Belgian withholding tax as set out in the above sections “Interest” and “X/N Clearing System of the NBB”.

Tax on stock exchange transactions

A stock exchange tax (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) will normally be levied on the purchase and sale and other acquisition or transfer for consideration of the Notes on the secondary market (i.e. not at issuance) if (i) it is executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium (both, a “**Belgian Investor**”).

The tax on stock exchange transactions is levied at a rate of 0.09 per cent (expected to be increased to 0.12 per cent as from 1 January 2018) with a maximum amount of €1300 per transaction and per party.

The tax is due separately by each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the Belgian Investor, unless that Belgian Investor can demonstrate that the tax has already been paid. Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian representative, who will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary. If the representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

An exemption from this tax is available under Article 126/1, 2° of the Code on Miscellaneous Duties and Taxes as regards the following entities when they act for their own account: (i) parties to securities trades who are intermediaries within the meaning of Article 2, 9° and 10° of the Law of August 2, 2002 on the supervision of the financial sector and financial services; (ii) insurance undertakings within the meaning of Article 2, § 1 of the Law of July 9, 1975 on supervision of insurance companies; (iii) institutions for occupational retirement provisions within the meaning of Article 2, 1° of the Law of October 27, 2006 regarding the control of institutions for occupational retirement provisions (*instellingen voor bedrijfspensioenvoorziening/institutions de retraite*

professionnelle); (iv) collective investment schemes; (v) Belgian regulated real estate companies; and (vi) non-residents certifying their non-resident status.

As stated above, the European Commission has published a proposal for a Directive for a common FTT. The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

Luxembourg

Luxembourg Taxation

The following discussion sets out certain important Luxembourg taxation principles that may be relevant to you if you invest in, own, hold or dispose of the Notes. Unless otherwise indicated, all information contained in this section is based on laws, regulations, practice and decision in effect in Luxembourg at the date of the Offering Memorandum (as referred to herein, collectively, “**Luxembourg Tax Laws**”), and as such, may be superseded after such date. Any subsequent changes to Luxembourg Tax Laws could apply retroactively and could affect the continued accuracy of this information. This information does not purport to be a comprehensive description of all Luxembourg Tax Laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of the Notes and is not intended as tax advice to any particular Noteholder. You should consult your own tax advisors about the tax consequences of investing in, owning, holding or disposing of the Notes (including with respect to receiving interest on and redeeming the Notes). This information does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

The residence concept used below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Any reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Corporate Noteholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax as well as the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Luxembourg tax residency of the Noteholders

A Noteholder will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Notes or the execution, performance, delivery and/or enforcement of the Notes.

Withholding Tax

All payments of interest (including accrued but unpaid interest) or principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes which are not profit sharing can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein in accordance with applicable law, subject to the exception of the application as regards Luxembourg resident individuals (in the context of their private wealth) of the Luxembourg law of December 23, 2005 as amended (the “**Law**”) which has introduced a 20% withholding tax on certain savings income as indicated below.

In this section, the term “interest” will include accrued or capitalized interest at the sale, repayment or redemption of the Notes. The term “paying agent” is defined broadly for this purpose and in the context of the Notes means any economic operator established in Luxembourg who pays interest on the Notes to, or ascribes the payment of such interest to or for the immediate benefit of, the beneficial owner.

According to the Law, interest payments on the Notes paid by a Luxembourg paying agent will be subject to a withholding tax of 20% (the “**20% Luxembourg withholding tax**”) in Luxembourg if such payments are made to Luxembourg resident individuals. In the event that interest is paid to Luxembourg resident individuals for the immediate benefit of such individuals by a paying agent established in a Member State of the European Union (other than Luxembourg) or in a Member State of the European Economic Area, the beneficiary may opt for the application of a 20% flat taxation in accordance with the Law (the “**20% tax**”). This 20% tax is final as the interest income is not reportable on the individual’s annual tax return. If this option is not exercised, the beneficiary has to report the interest income on his/her annual tax return. The 20% Luxembourg withholding tax /the 20% tax will operate as a full discharge of income tax for Luxembourg resident individuals acting in the context of the management of their private wealth.

The 20% tax is only due if the annual amount of interest exceeds EUR 250 per individual and per paying agent.

Responsibility for the withholding of tax in application of the Law is assumed by the Luxembourg paying agent.

Taxes on Income and Capital Gains

Non-resident Noteholders

A non-resident Noteholder who has neither a permanent establishment, nor a permanent representative nor a fixed place of business in Luxembourg to which or whom the Notes are attributable, is not liable to any Luxembourg income tax on interest received or accrued on the Notes, or on capital gains realized on the disposal of the Notes.

A non-resident Noteholder who has a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which or whom the Notes are attributable, must include any interest accrued or received, as well as any gain realized on the disposal of the Notes, in its taxable income for Luxembourg tax assessment purposes.

Resident Noteholders

Resident individual Noteholders

A Luxembourg resident individual Noteholder acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts under the Notes except if (i) withholding tax has been levied on such payments in accordance with the Law, or (ii) the individual Noteholder has opted for the application of the 20% tax levy in full discharge of income tax in accordance with the Law which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member Statement).

Under Luxembourg domestic tax law, gains realized upon the disposal of the Notes by a Luxembourg resident individual Noteholder, who acts in the course of the management of his/her private wealth, on the disposal of the Notes are not subject to Luxembourg income tax, provided the disposal takes place more than six months after the acquisition of the Notes.

Gains realized upon the disposal of the Notes by a Luxembourg resident individual Noteholder, who acts in the course of the management of his/her private wealth, are subject to Luxembourg income tax provided this sale or disposal took place prior to or within six months after the acquisition of the Notes.

A Luxembourg resident individual Noteholder, who acts in the course of the management of his/her private wealth has to include the portion of the gains realized on the Notes corresponding to accrued but unpaid income in respect of the Notes in his/her taxable income, insofar as the accrued but unpaid interest is identified separately.

Gains realized upon a disposal of the Notes by a Luxembourg resident individual Noteholder acting in the course of the management of a professional or business undertaking are subject to Luxembourg income taxes.

Resident corporate Noteholders

Luxembourg resident corporate Noteholders must include any interest received or accrued, as well as any gain realized on the disposal of the Notes, in their taxable income for Luxembourg income tax assessment purposes.

Residents benefiting from a special tax regime

Luxembourg resident corporate Noteholders benefiting from a special tax regime, such as notably (i) undertakings for collective investment governed by the amended law of 17 December 2010, (ii) specialized investment funds governed by the amended law of 13 February 2007 on special investment funds, (iii) family wealth management companies governed by the amended law of 11 May 2007, (iv) reserved alternative investment funds governed by the law of 23 July 2016 (provided it is not foreseen in the incorporation documents that (a) the exclusive object is the investment in risk capital and that (b) article 48 of the aforementioned law of 23 July 2016 applies) or (v) securitisation fund governed by the law of 22 March 2004 are exempt from income tax in Luxembourg and therefore are neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium, nor on gains realized on the sale or disposal, in any form whatsoever, of the Notes.

Other vehicles such as Investment Company in Risk Capital (“**SICAR**”) and securitisation vehicle with corporate form are subject to Luxembourg corporate income tax and Luxembourg municipal business tax. However, the returns derived from securities and from funds held pending investments (provided such funds are invested in venture capital and/or private equity projects within a 12 months period) within SICAR are tax exempt and commitments towards investors (e.g. dividend or interest) are tax deductible within securitisation vehicle with a corporate form.

Net Wealth Tax

Luxembourg net wealth tax (without prejudice to the annual minimum net wealth tax) will not be levied on a corporate Noteholder unless:

- (i) such Noteholder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions and is not a Noteholder governed by (a) the law of December 17, 2010 on undertakings for collective investment (as amended), or (b) the law of February 13, 2007 on specialized investment funds (as amended), or (c) the law of March 22, 2004 on securitization (as amended), or (d) the law of June 15, 2004 on the investment company in risk capital (as amended), or (e) or the law of July 23, 2016 on reserved alternative investment funds, or (f) the law of May 11, 2007 on family estate management companies (as amended) or (g) the law of July 13, 2005 on Luxembourg pension structures (as amended); or
- (ii) such Noteholder’s Notes are attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg.

Individuals are not subject to Luxembourg net wealth tax.

Inheritance and Gift Tax

Where the Notes are transferred for no consideration:

- (i) No Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a Noteholder in cases where the deceased Noteholder was not a resident of Luxembourg for inheritance tax purposes;
- (ii) Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

Value added tax (VAT)

No Luxembourg value added tax is levied with respect to (i) any cash payment made in consideration of the issuance of the Notes, (ii) any payment of interest on the Notes, (iii) any repayment of principal or upon redemption of the Notes, and (iv) any transfer of the Notes.

Other Taxes and Duties

It is not compulsory that the Notes be filed, recorded or enrolled with any court or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of

Luxembourg) of the Notes in accordance therewith. A fixed registration duty in Luxembourg may however apply (i) upon voluntary registration (*présentation à l'enregistrement*) of the Notes before the Registration and Estates Department (*Administration de l'enregistrement et des domaines*) in Luxembourg, or (ii) if the Notes are (a) enclosed to a compulsory registrable deed under Luxembourg law (*acte obligatoirement enregistrable*) or (b) deposited with the official records of a notary (*déposé au rang des minutes d'un notaire*).

Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (“**FATCA**”) was enacted into the United States of America (US) law in March 2010 as part of the Hiring Incentives to Restore Employment Act. FATCA aims at reducing tax evasion by US citizens and requires foreign financial institutions outside the US (“**FFIs**”) to spontaneously provide information about financial accounts held, directly or indirectly, by specified US persons to the US Internal Revenue Service on an annual basis. A 30% withholding tax is imposed on certain US sources of income of any FFI that fails to comply with this requirement (“**FATCA Withholding**”).

Luxembourg has entered into a so-called Model 1 Intergovernmental Agreement (“**IGA**”) with the US, and a memorandum of understanding in respect thereof, on March 28, 2014.

The IGA was implemented in Luxembourg domestic law by the law of July 24, 2015 (the “**Luxembourg FATCA Law**”). Luxembourg FFIs which comply with the requirements of the IGA, will not be subject to FATCA Withholding.

Under the Luxembourg IGA, Luxembourg FFIs are required to perform certain necessary due diligence and monitoring of account holders (including debt and equity investors into a FFI that is an Investment Entity), and to report to the Luxembourg tax authorities on an annual basis information about financial accounts held by (a) specified US investors, (b) certain Passive Non-Financial Foreign Entities (“**NFFEs**”) with U.S. Controlling Person(s) and (c) non-US financial institution investors that do not comply with FATCA. Under the Luxembourg IGA, such information will subsequently be remitted by the Luxembourg tax authorities to the US Internal Revenue Service.

It is the intention of the Issuer to procure that it is treated as complying with the requirements that FATCA and the Luxembourg FATCA Law imposed upon it. However, no assurance can be provided that the Issuer will be able to comply with such requirements and, in the event that it is not able to do so, the Issuer could be exposed to fines which may reduce the amounts available to it to make payments to its investors.

Indeed, major non-compliance with the Luxembourg FATCA law may trigger the relevant local penalties of EUR 250,000 and/or 0.5% of the amounts that should have been reported, with a minimum of EUR 1,500.

Debt and equity Investors will be required to provide information to the Issuer to comply with its reporting obligations under the Luxembourg FATCA Law. To ensure the Issuer's compliance with the Luxembourg FATCA Law in accordance with the foregoing, the Issuer may:

- (i) request information or documentation, including self-certification forms, a global intermediary identification number, if applicable, or any other valid evidence of an investor's FATCA registration with the US Internal Revenue Service or a corresponding exemption, in order to ascertain such investor's FATCA status;
- (ii) report information concerning an investor and his account holding in the Issuer to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg FATCA Law; and
- (iii) report information to the Luxembourg tax authorities concerning payments to account holders with the FATCA status of non-participating foreign financial institution.

Responding to such FATCA-related requests is mandatory and failure to do so may result in incorrect reporting by the Issuer. The investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des contributions directes*) in accordance with the data protection Law and FATCA Law.

Each Noteholder should consult its own tax advisors regarding the possible implications of these rules on their investments in the Issuer.

Common Reporting Standard

The OECD has developed the Common Reporting Standard (“**CRS**”) which aims at implementing automatic exchange of financial account information among participating countries.

On December 9, 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU (“**DAC 2**”) was adopted in order to implement the CRS among the European Union Member States. The DAC 2 was implemented into Luxembourg law by the law of December 18, 2015 (“**CRS Law**”). The CRS Law requires Luxembourg financial institutions to identify financial account holders (including certain entities and their Controlling Persons) and to determine whether they are tax resident in a European Union Member State and/or a country with which Luxembourg has an exchange of information agreement. Luxembourg financial institutions will need to report financial account information of such account holders to the Luxembourg tax authorities which will remit such information to the competent foreign tax authorities of the other country.

The Issuer will procure that it is treated as complying with the requirements that the CRS Law places upon it. However, no assurance can be provided that the Issuer will be able to comply with the CRS Law and, in the event that it is not able to do so, it could be exposed to fines which may reduce the amounts available to it to make payments to investors.

Indeed, major non-compliance with the CRS Luxembourg Law may trigger the relevant local penalties of EUR 250,000 and/or 0.5% of the amounts that should have been reported, with a minimum of EUR 1,500.

Debt and equity Investors will be required to provide certain information to the Issuer to comply with the reporting obligations under the CRS Law. To ensure compliance with the CRS Law in accordance with the foregoing, it may:

- (i) request information or documentation, including self-certification forms, a tax identification number (if applicable), or any other relevant information in order to ascertain such investor’s status, as well as the investor’s Controlling Person(s) for investor(s) that qualify as Passive Non-Financial Entities (“**NFE(S)**”); and
- (ii) report information concerning an investor, its Controlling Person(s) as the case may be, and its account holding in the Issuer to the Luxembourg tax authorities if such Investor and/or its Controlling Person(s) is a reportable accountholder under the CRS Law.

Responding to such CRS-related requests is mandatory and failure to do so may result in incorrect reporting by the Issuer. The Investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des contributions directes*) in accordance with the data protection Law and CRS Law.

Each Noteholder should consult its own tax advisers regarding the possible implications of these rules on their investments in the Issuer.

United States

Certain U.S. Federal Income Tax Considerations

The following is a description of certain U.S. federal income tax considerations relevant to the acquisition, ownership, and disposition of the Notes by a U.S. Holder (as defined below), except for the discussion under “U.S. Backup Withholding Tax and Information Reporting” and “FATCA” below. This description only applies to Notes held as capital assets (generally, property held for investment) and does not address, except as set forth below, aspects of U.S. federal income taxation that may be applicable to holders that are subject to special tax rules, such as:

- banks or other financial institutions;
- insurance companies;
- real estate investment trusts;

- individual retirement accounts or other tax deferred accounts;
- regulated investment companies;
- grantor trusts;
- tax-exempt organizations;
- persons that will own the Notes through partnerships or other pass-through entities;
- dealers or traders in securities or currencies;
- U.S. Holders that have a functional currency other than the U.S. dollar;
- certain former citizens and long-term residents of the United States;
- U.S. Holders that use a mark-to-market method of accounting; or
- U.S. Holders that will hold a Note as part of a position in a straddle or as part of a hedging, conversion or integrated transaction for U.S. federal income tax purposes.

Moreover, this description does not address the U.S. federal estate and gift tax or alternative minimum tax consequences of the acquisition, ownership, and disposition of the Notes and does not address the 3.8% Medicare tax on net investment income that can also apply to certain U.S. Holders' capital gains and interest in respect of the Notes. This description also does not address the U.S. federal income tax treatment of holders that do not acquire the Notes as part of the initial distribution at their initial issue price (generally, the first price to the public at which a substantial amount of the Notes is sold for money). Each prospective purchaser should consult its own tax advisor with respect to the U.S. federal, state, local and non-U.S. tax consequences of acquiring, holding and disposing of the Notes.

This description is based on the U.S. Internal Revenue Code of 1986 (as amended) ("**Code**") U.S. Treasury Regulations promulgated thereunder ("**Treasury Regulations**"), administrative pronouncements and judicial decisions, each as available and in effect on the date hereof. All of the foregoing are subject to change or differing interpretations (possibly with retroactive effect), which could affect the tax considerations described herein. No opinion of counsel or ruling from the Internal Revenue Service ("**IRS**") has been or will be given with respect to any of the considerations discussed herein. No assurances can be given that the IRS would not assert, or that a court would not sustain, a position different from any of the tax considerations discussed below.

For purposes of this description, a U.S. Holder is a beneficial owner of the Notes who, for U.S. federal income tax purposes is:

- a citizen or individual resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any State thereof, including the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (1) that validly elects to be treated as a U.S. person for U.S. federal income tax purposes or (2)(a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more U.S. persons have the authority to control.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to its consequences.

The discussion below assumes that the Notes are treated as indebtedness for U.S. federal income tax purposes, except as otherwise described.

Persons considering the purchase, ownership or disposition of Notes should consult their own tax advisors concerning the U.S. federal income tax considerations related to their particular situations as well as any considerations arising under the laws of any other taxing jurisdiction.

Treatment of the Notes as Debt

The Issuer expects the Notes to be treated as debt and not as equity for U.S. federal income tax purposes; however no assurances can be given that the Issuer's position will not be successfully challenged by the IRS. If the Notes are treated as equity in the Issuer for U.S. federal income tax purposes, U.S. Holders would likely be subject to adverse tax consequences, including those under the passive foreign investment company ("PFIC") rules (pursuant to which (i) all or a portion of any gain on disposition of the Notes would be treated as ordinary income rather than capital gain, (ii) a deferred interest charge may apply to such gain and on certain distributions, which would include certain payments of stated interest, on the Notes and (iii) a U.S. Holder would be required to comply with certain reporting requirements.

U.S. Holders are urged to consult their own tax advisors regarding the application of these rules to their particular situations. The discussion below assumes that the Notes are treated as indebtedness for U.S. federal income tax purposes, except as otherwise described.

Redemptions and Additional Payments

In certain circumstances, the Issuer may be obligated to make payments in excess of stated interest or principal of the Notes or redeem the Notes above par in advance of their expected maturity. The Issuer believes, and intends to take the position if required, that the Notes should not be treated as contingent payment debt instruments because of the possibility of such payments or redemptions. This position is based in part on assumptions regarding the likelihood, as of the date of issuance of the Notes, of such payments or redemptions. Assuming such position is respected, any amounts paid to a U.S. Holder pursuant to such redemption would be taxable as described below in "*—Sale, Exchange, Retirement or Taxable Disposition*" and any such payments should be taxable as additional ordinary income when received or accrued, in accordance with such holder's method of accounting for U.S. federal income tax purposes. The Issuer's position is binding on a U.S. Holder unless such holder discloses its contrary position in the manner required by applicable Treasury Regulations. The IRS, however, may take a position contrary to the position described above, which could affect the amount, timing and character of a U.S. Holder's income with respect to the Notes. A U.S. Holder that desires to take the position that the Notes are subject to the contingent payment debt instrument rules should consult with its tax advisor, including regarding the manner in which to disclose such position as required by applicable Treasury Regulations; the IRS may disagree with such holder's contrary position. U.S. Holders should consult their tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof. This discussion assumes that the Notes are not treated as contingent payment debt instruments.

Payments and Accruals of Stated Interest

Stated interest paid on the Notes generally will be treated as "qualified stated interest." Payments of qualified stated interest on the Notes (including any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be taxable to a U.S. Holder as ordinary interest income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes, as detailed below. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the Issuer), or that is treated as constructively received, at least annually at a single fixed rate.

Stated interest on the Euro Notes will be included in a U.S. Holder's gross income in an amount equal to the U.S. dollar value of the euros, including the amount of any withholding tax thereon, regardless of whether the euros are converted into U.S. dollars. Generally, a U.S. Holder that uses the cash method of tax accounting will determine such U.S. dollar value using the spot rate of exchange on the date of receipt. A cash method U.S. Holder generally will not realize foreign currency gain or loss on the receipt of the interest payment but may have foreign currency gain or loss attributable to the actual disposition of the euros received. Generally, a U.S. Holder that uses the accrual method of tax accounting will determine the U.S. dollar value of accrued interest income using the average rate of exchange for the accrual period (or, with respect to an accrual period that spans two taxable years,

at the average rate for the partial period within each taxable year). Alternatively, an accrual basis U.S. Holder may make an election (which must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS) to translate accrued interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the portion of the accrual period within each taxable year in the case of a partial accrual period) or the spot rate on the date of receipt, if that date is within five business days of the last day of the accrual period. A U.S. Holder that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss on the receipt of an interest payment if the exchange rate in effect on the date the payment is received differs from the rate used in translating the accrual of that interest. The amount of foreign currency gain or loss to be recognized by such U.S. Holder will be an amount equal to the difference between the U.S. dollar value of the euro interest payment (determined on the basis of the spot rate on the date the interest income is received) in respect of the accrual period and the U.S. dollar value of the interest income that has accrued during the accrual period (as determined above) regardless of whether the payment is converted to U.S. dollars. This foreign currency gain or loss will be ordinary income or loss and generally will not be treated as an adjustment to interest income or expense. Foreign currency gain or loss generally will be U.S. source provided that the residence of a taxpayer is considered to be the United States for purposes of the rules regarding foreign currency gain or loss.

Interest (including original issue discount (“OID”), if any, as described below) included in a U.S. Holder’s gross income with respect to the Notes, will be treated as foreign source income for U.S. federal income tax purposes. The limitation on non-U.S. taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific “baskets” of income. For this purpose, interest generally should constitute “passive category income”, or in the case of certain U.S. Holders, “general category income”. Any non-U.S. withholding tax paid by a U.S. Holder at the rate applicable to the U.S. Holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits.

Original Issue Discount

A Note may be treated as issued with OID for U.S. federal income tax purposes. An obligation generally is treated as having been issued with OID for U.S. federal income tax purposes if its “stated redemption price at maturity” exceeds its issue price by at least the “OID de minimis amount”. The OID de minimis amount equals 1/4 of 1% of the debt instrument’s stated redemption price at maturity multiplied by the number of complete years from its issue date to its maturity. The “stated redemption price at maturity” of a Note is the sum of all payments required to be made on the Note other than qualified stated interest payments.

If either the Dollar Notes or the Euro Notes are issued with OID, a U.S. Holder of such Notes generally will be required to include OID in income before the receipt of the associated cash payment, regardless of such U.S. Holder’s accounting method for tax purposes. The amount of OID a U.S. Holder should include in income is the sum of the “daily portions” of the OID for the Note for each day during the taxable year (or portion of the taxable year) in which the Note is held by such U.S. Holder. The daily portion is determined by allocating a pro rata portion of the OID for each day of the accrual period. An accrual period may be of any length and the accrual periods may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day of an accrual period or on the final day of an accrual period. The amount of OID allocable to an accrual period is equal to the difference between (1) the product of the “adjusted issue price” of the Note at the beginning of the accrual period and its yield to maturity (computed generally on a constant yield method and compounded at the end of each accrual period, taking into account the length of the particular accrual period) and (2) the amount of any qualified stated interest allocable to the accrual period. The “adjusted issue price” of a Note at the beginning of any accrual period generally is the sum of the issue price of the Note plus the amount of OID allocable to all prior accrual periods reduced by any payments received on the Note that were not qualified stated interest.

Under these rules, a U.S. Holder generally will have to include in income increasingly greater amounts of OID in successive accrual periods. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price at the beginning of the final accrual period. Under the Treasury Regulations, a holder of a Note with OID may elect to include in gross income all interest that accrues on the Note using the constant yield method. Once made with respect to the Note, the election cannot be revoked without the consent of the IRS. A U.S. Holder considering an election under these rules should consult its own tax advisor.

U.S. Holders may obtain information regarding the amount of OID, if any, the issue price, the issue date and yield to maturity by contacting Robert Goyens, Telenet, Investor Relations, Lierssesteenweg 4, 2800 Mechelen, Belgium.

Any OID on a Euro Note generally will be determined for any accrual period in euros and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder. Upon receipt of an amount attributable to OID (whether in connection with a sale or disposition of such a Note or otherwise), a U.S. Holder generally will recognize foreign currency gain or loss in an amount determined in the same manner as stated interest received by an accrual basis U.S. Holder, as described above. U.S. Holders are urged to consult their own tax advisors regarding the interplay between the application of the OID and foreign currency exchange gain or loss rules. For these purposes, all receipts on a Euro Note will be viewed first as payments of stated interest payable on the Note; second, as receipts of previously accrued OID (to the extent thereof), with payments considered made for the earlier accrual periods first; and, third, as receipts of principal.

The rules regarding OID are complex. U.S. Holders are urged to consult their own tax advisors regarding the application of these rules to their particular situations.

Possible Effect of the Belgian Issuer Accession

If the Belgian Issuer Accession occurs, the Issuer of the Notes will change. Though there are strong arguments that this change will not give rise to a significant modification of the Notes for U.S. federal income tax purposes, the IRS may disagree with those arguments. If the change in the Issuer is treated as a significant modification, U.S. Holders may recognize gain or loss as described under “Sale, Exchange or Taxable Disposition by a U.S. Holder.” The amount deemed to be realized in such a taxable exchange would be the issue price of the “new” Euro Notes or Dollar Notes, as the case may be, which would be the fair market value of the Euro Notes or the Dollar Notes, as the case may be, as of the date of the deemed exchange if, as seems likely, both the Euro Notes and the Dollar Notes are treated as publicly traded for U.S. federal income tax purposes. In addition, a U.S. Holder could be treated as acquiring the “new” Notes with OID. This would occur if the issue price of the “new” Notes as of the date of the deemed exchange (based on the fair market value of the “new” Euro Notes or Dollar Notes if the “new” Notes are treated as publicly traded for U.S. federal income tax purposes) were less than the “stated redemption price at maturity” of the “new” Notes by at least the OID de minimis amount (as described above). If the “new” Euro Notes or Dollar Notes are issued with OID, a U.S. Holder of the relevant Notes may be required to include such excess in income as OID, as it accrues, in accordance with a constant yield method based on a compounding of interest before the receipt of cash payments attributable to this income for U.S. federal income tax purposes. Except as noted above in this paragraph, the U.S. federal income tax considerations related to owning a “new” Note should generally be the same as the U.S. federal income tax considerations related to owning a Note.

The Issuer may be required to report certain information regarding such transaction that may be relevant to U.S. Holders either (1) by filing Form 8937 with the IRS and providing copies to certain of its Holders or (2) by posting the form on its website.

Sale, Exchange, Retirement or Other Taxable Disposition

A U.S. Holder generally will recognize gain or loss on the sale, exchange, retirement or other taxable disposition of a Note equal to the difference, if any, between the amount realized on such sale, exchange, retirement or other taxable disposition (other than any amount received in respect of accrued and unpaid interest which will be subject to tax in the manner described above in “—Payments and Accruals of Stated Interest” to the extent not previously included in income) and the U.S. Holder’s adjusted tax basis in such Note.

A U.S. Holder’s adjusted tax basis in a Note generally will be its U.S. dollar cost increased by the amount of any OID previously included in income and decreased by payments other than stated interest made with respect to the Note. If a U.S. Holder purchases a Euro Note with euros, the U.S. dollar cost of the Note generally will be the U.S. dollar value of the purchase price on the date of purchase calculated at the spot rate of exchange on that date. The amount realized upon the disposition of such a Note generally will be the

U.S. dollar value of the amount received on the date of the disposition calculated at the spot rate of exchange on that date. However, if the Note is traded on an established securities market, a cash basis U.S. Holder (and, if it so elects, an accrual basis U.S. Holder) should determine the U.S. dollar value of the cost of or amount received on the Note, as applicable, by translating the amount paid or received at the spot rate of exchange on the settlement date of the purchase or disposition, as applicable. The election available to accrual basis U.S. Holders in respect

of the purchase and disposition of the Euro Notes traded on an established securities market must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Subject to the foreign currency rules discussed below with respect to the Euro Notes, any gain or loss recognized on the sale, exchange, retirement or other taxable disposition of a Note will be capital gain or loss, and will be long-term capital gain or loss if the Note has been held for more than one year. Long-term capital gain of a non-corporate U.S. Holder generally is taxed at preferential rates. The ability of a U.S. Holder to offset capital losses against ordinary income is limited. Any gain or loss recognized on the sale, exchange, retirement or other taxable disposition of a Note generally will be treated as gain from sources within the United States or loss allocable to income from sources within the United States, as applicable.

Any gain or loss recognized by a U.S. Holder on the sale, exchange, retirement or other taxable disposition of a Euro Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in foreign currency exchange rates during the period in which the U.S. Holder held such Note. Such foreign currency gain or loss will equal the difference between (i) the U.S. dollar value of the U.S. Holder's euro purchase price for the Euro Note calculated at the spot rate of exchange on the date of the sale, exchange, retirement or other taxable disposition and (ii) the U.S. dollar value of the U.S. Holder's euro purchase price for the Euro Note calculated at the spot rate of exchange on the date of purchase of the Note. The realization of any foreign currency gain or loss, including foreign currency gain or loss with respect to amounts attributable to accrued and unpaid stated interest and any OID, will be limited to the amount of overall gain or loss realized on the disposition of the Notes.

Reportable Transaction Reporting

Under certain Treasury Regulations, U.S. Holders that participate in "reportable transactions" (as defined in the Treasury Regulations) must attach to their U.S. federal income tax returns a disclosure statement on IRS Form 8886. Under the relevant rules, a U.S. Holder may be required to treat a foreign currency exchange loss from the Euro Notes as a reportable transaction if this loss exceeds the relevant threshold in the Treasury Regulations. U.S. Holders should consult their own tax advisors as to the possible obligation to file IRS Form 8886 with respect to the ownership or disposition of the Euro Notes, or any related transaction, including without limitation, the disposition of any non-U.S. currency received as interest or as proceeds from the sale, exchange, retirement or other taxable disposition of the Notes.

U.S. Backup Withholding and Information Reporting

Backup withholding and information reporting requirements may apply to certain payments of principal of, and interest and accruals of OID, if any, on, an obligation and to proceeds of the sale, exchange, retirement or other taxable disposition of an obligation, to certain U.S. Holders. The payor will be required to withhold backup withholding tax on payments made within the United States, or by a U.S. payor or U.S. middleman or certain of their affiliates, on a Note to, or from gross proceeds of the sale or disposition of a Note paid to, a U.S. Holder, other than an exempt recipient, if the U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Payments within the United States, or by a U.S. payor or U.S. middleman (and certain subsidiaries thereof), of principal and interest (including OID, if any) and proceeds of a sale, exchange, retirement or disposition to a holder of a Note that is not a U.S. person generally are subject to information reporting, but will not be subject to backup withholding tax if an appropriate certification is timely provided by the holder to the payor and the payor does not have actual knowledge or a reason to know that the certificate is incorrect.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's U.S. federal income tax liability. A holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for a refund with the IRS and furnishing any required information in a timely manner.

Certain U.S. Holders are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in custodial accounts maintained by certain financial institutions). U.S. Holders are urged to consult their own tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

FATCA

Sections 1471-1474 of the Code and the U.S. Treasury and IRS guidance issued thereunder (“**FATCA**”) generally imposes withholding at a rate of 30% on payments made to any foreign entity on debt obligations generating U.S. source interest or certain other debt obligations generating non-U.S. source interest (to the extent such payments are “foreign passthrough payments”) issued by a foreign financial institution, unless that foreign entity complies with certain reporting rules under FATCA or otherwise qualifies for an exemption. Even if payments on the Notes are treated as or are paid from a foreign financial institution and any portion of such payments is treated as a “foreign passthru payment,” the Notes will be grandfathered because no final regulations defining a “foreign passthru payment” have been issued and therefore the Notes are not subject to the FATCA withholding rules. If, however, the Notes are modified at a time when the grandfathering rules are no longer available (*i.e.*, more than six months after the date final regulations defining a “foreign passthru payment” are published), withholding may apply and holders and beneficial owners of the Notes will not be entitled to receive any Additional Amounts to compensate them for any such withholding. In addition, if Additional Notes are issued after the expiration of the grandfathering period, have the same CUSIP or ISIN as the Notes issued hereby, and are subject to withholding under FATCA, then withholding agents may treat all notes, including the Notes issued hereby, as subject to withholding under FATCA. The intergovernmental agreement between Luxembourg and the United States (see above) modifies the requirements in this paragraph and an intergovernmental agreement between the United States and a foreign country where a holder or intermediary is located may further modify such requirements. Prospective holders should consult their tax advisors regarding the possible implications of this legislation on their investment in the Notes.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of the Notes. Prospective purchasers of the Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

CERTAIN EMPLOYEE BENEFIT PLAN CONSIDERATIONS

General

The U.S. Employee Retirement Income Security Act of 1974 (“**ERISA**”) imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to Title I of ERISA and on entities that are deemed to hold the assets of such plans (collectively, “**ERISA Plans**”), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the plan.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, “**Plans**”) and certain persons (who are “parties in interest” within the meaning of Section 3(14) of ERISA, or “disqualified persons” within the meaning of Section 4975 of the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code.

Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation (direct or indirect) to an ERISA Plan, is generally considered to be a fiduciary of such ERISA Plan. Any plan fiduciary which proposes to cause a Plan to purchase the Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such purchase and holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA, the Code or any Similar Law (as defined below).

The U.S. Department of Labor (“**DOL**”) has promulgated a final regulation (the “**ERISA Investment Advice Regulation**”), which is applicable beginning on June 9, 2017. The ERISA Investment Advice Regulation re-defines the circumstances under which a person will be considered a fiduciary for purposes of ERISA and Section 4975 of the Code by virtue of providing investment advice to a benefit plan subject to ERISA or a plan subject to Section 4975 of the Code (a “**Covered Plan**”). Under the ERISA Investment Advice Regulation, a person who makes a “recommendation” regarding the acquisition, holding or disposition of and securities or investment property or the management of securities or investment property and receives direct or indirect fees or other compensation as a result of dealing with a Covered Plan, plan participant or beneficiary, plan fiduciary or IRA (as defined below) owner, is generally considered a fiduciary unless an exemption applies. One such exemption is for advice rendered to certain independent fiduciaries with financial expertise, including certain banks, insurance carriers, investment advisers, broker-dealers and independent fiduciaries (excluding IRA owners) that hold, or have under management or control, total assets of at least \$50 million. The Issuer and its affiliates (the “**Issuer Parties**”) do not intend to act as fiduciaries under the ERISA Investment Advice Regulation with respect to any Covered Plan’s decision to purchase the Notes and no information or communication from any Issuer Party (either alone or in conjunction with any other information or communication) should be construed as a recommendation within the meaning of the ERISA Investment Advice Regulation. Notwithstanding this intention, any and all information provided herein (or provided by any Issuer Party prior to or subsequent to the delivery of the Offering Memorandum, including following the closing of any investment in the Fund by a Covered Plan) to any Covered Plan or any Covered Plan fiduciary that is determined to constitute “investment advice,” or a “recommendation,” within the meaning of the ERISA Investment Advice Regulation is provided solely on the basis that the recipient is, or is represented by, an independent fiduciary that satisfies the criteria set forth in 29 C.F.R. § 2510.3-21(c)(1). The information provided herein is intended to be used solely by the recipient in considering the investment opportunity described herein and may not be used for any other reason, personal or otherwise. The scope and applicability of the ERISA Investment Advice Regulation and related exemptions may change further, and Covered Plan fiduciaries are advised to keep themselves informed.

Non-U.S. plans, (as described in Section 4(b)(4) of ERISA), “governmental plans” (as defined in Section 3(32) of ERISA) and certain “church plans” (as defined in Section 3(33) of ERISA), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to non-U.S., state, local or other federal laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code (collectively,

“Similar Law”). Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, and the availability, if necessary, of any exemptive relief under any such law or regulations.

Plan Assets

Under ERISA and a regulation issued by the DOL at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the **“Plan Asset Regulation”**), the assets of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the Investment Company Act will be deemed to constitute “plan assets” for the purposes of ERISA and the Code if a **“Benefit Plan Investor”** (within the meaning of Section 3(42) of ERISA) acquires an “equity interest” in the entity and none of the exceptions contained in the Plan Asset Regulation is applicable. An equity interest is defined under the Plan Asset Regulation as an interest other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Under the exceptions in the Plan Asset Regulation, an entity will not be deemed to hold plan assets if (i) participation in the entity by Benefit Plan Investors is not “significant” (e.g., Benefit Plan Investors hold less than 25% of the total value of each class of equity interest in the entity), or (ii) the entity is an operating company, including a “venture capital operating company” or “real estate operating company”.

Fiduciaries of a Plan considering an investment in the Notes should consider, among other things, the classification of the Note as debt or equity for purposes of ERISA.

Prohibited Transaction Exemptions

The fiduciary of a Plan that proposes to purchase and hold any Notes should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a party in interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, or (iii) the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, the Issuer, the Initial Purchasers, the Trustee, the Transfer Agents or any of their respective affiliates. Depending on the satisfaction of certain conditions which may include the identity of the Plan fiduciary making the decision to acquire or hold the Notes on behalf of a Plan, Section 408(b)(17) of ERISA, Section 4975(d)(20) of the Code or Prohibited Transaction Class Exemption (**“PTCE”**) 84-14 (relating to transactions effected by an “independent qualified professional asset manager”), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 95-60 (relating to investments by insurance company general accounts) or PTCE 96-23 (relating to transactions directed by an in-house asset manager) (collectively, the **“Class Exemptions”**) could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Notes, or that all of the conditions for any such exemption will be satisfied.

ERISA Representations

By acquiring the Notes, or any interest herein, each Purchaser (**“you”**) will be deemed to have further represented warranted and agreed, at the time of the acquisition and throughout the period you hold the Notes or any interest therein, as follows:

With respect to the acquisition, holding and disposition of the Notes, or any interest therein, (A) either (i) you are not, and are not acting on behalf of (and for so long as you hold such Notes or any interest therein will not be, and will not be acting on behalf of), (I) an employee benefit plan (as defined in Section 3(3) of ERISA), that is subject to the provisions of part 4 of subtitle B of Title I of ERISA, (II) an individual retirement account or other plan or arrangement to which Section 4975 of the Code, applies, or (III) any entity whose underlying assets include “plan assets” (within the meaning of 29 C.F.R. Section 2510-101 (as modified by Section 3(42) of ERISA)) by reason of any such plan’s investment in such entity (each of (I), (II) and (III), a **“Benefit Plan Investor”**), or (IV) a governmental, church or non-U.S. plan which is subject to any federal, state, local, non-U.S. or other laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code (**“Similar Laws”**), and no part of the assets to be used by you to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or any such governmental, church or non-U.S. plan, or (ii) (a) your acquisition, holding and disposition of the Notes or any interest therein are exempt from the prohibited transaction restrictions of Section 406 of ERISA and Section 4975 of the Code (or in the case of a plan that is subject to a Similar Law, exempt from the analogous provisions of such Similar Law), pursuant to one or more applicable statutory or administrative exemptions, and (b) if you

are or are acting on behalf of a Plan which is subject to ERISA or Section 4975 of the Code, the decision to purchase the Notes has been made by a duly authorized fiduciary (each, a “**Plan Fiduciary**”) who is independent of the Issuer and its affiliates, which Plan Fiduciary (1) is a fiduciary under ERISA or the Code, or both, with respect to the decision to purchase the Notes, (2) is not the individual retirement account (“**IRA**”) owner (in the case of a purchaser which is an IRA), (3) is capable of evaluating investment risks independently, both in general and with regard to the prospective investment in the Notes, (4) has exercised independent judgment in evaluating whether to invest the assets of such Plan in the Notes, and (5) is either a bank, an insurance carrier, a registered investment adviser, a registered broker-dealer or an independent fiduciary with at least \$50 million of assets under management or control; provided, however, that Plans will not be deemed to make the representations in this clause (A)(ii)(b) to the extent that the regulations under Section 3(21) of ERISA issued by the U.S. Department of Labor on April 8, 2016 are rescinded; and (B) neither the Issuer nor any of its affiliates is a “Fiduciary” (within the meaning of Section 3(21) of ERISA or Section 4975 of the Code or, with respect to a governmental, church or non-U.S. plan, any definition of “fiduciary” under Similar Laws) with respect to you, as the purchaser or holder, in connection with your purchase or holding of the Notes, or as a result of any exercise by the Issuer or any of its affiliates of any rights in connection with the Notes, and no advice provided by the Issuer or any of its affiliates has formed a primary basis for any investment decision by or on behalf of you as the purchaser or holder in connection with the Notes and the transactions contemplated with respect to the Notes.

The foregoing is general in nature and is not intended to be all inclusive. Each Plan fiduciary (and each fiduciary for non-U.S., governmental or church plans subject to Similar Law) should consult with its legal advisor concerning the potential consequences to the plan under ERISA, the Code or such Similar Laws of an investment in the Notes.

Nothing set forth herein constitutes a recommendation that any person take or refrain from taking any course of action within the meaning of U.S. Department of Labor Regulation §2510.3-21(b)(1).

PLAN OF DISTRIBUTION

The Issuer has agreed to sell to each Dollar Notes Initial Purchaser and Euro Notes Initial Purchaser, and each of the Dollar Notes Initial Purchasers and Euro Notes Initial Purchasers have agreed to purchase from the Issuer, the entire principal amount of the Dollar Notes and Euro Notes, respectively. The sale will be made pursuant to a purchase agreement dated as of the date of The Offering Memorandum (the “**Purchase Agreement**”).

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase Notes from the Issuer, are several and not joint. Pursuant to the terms of the Purchase Agreement, the Issuer has agreed to sell to each Initial Purchaser, and each Initial Purchaser has agreed, severally and not jointly, to purchase from the Issuer, together with all other Initial Purchasers, Notes in an aggregate principal amount of \$1,000.0 million (in respect of the Dollar Notes) and €600.0 million (in respect of the Euro Notes).

The Initial Purchasers initially propose to offer each series of Notes for resale at the issue price that appears on the cover of the Offering Memorandum. Depending on market conditions, certain of the Initial Purchasers may decide to initially purchase and hold a position of the relevant Notes for their own accounts. After the initial offering, the Initial Purchasers may change the offering price and any other selling terms. The Initial Purchasers may offer and sell Notes through certain of their affiliates.

In the Purchase Agreement, the Issuer agreed that:

- The Issuer will not offer or sell any of its debt securities, which are substantially similar to the Notes offered hereby, issued by the Issuer, having a maturity of more than one year from the date of issue of the Notes (other than the Notes and subject to certain other exceptions), without the prior consent of the Initial Purchasers, for a period of 30 days after the Time of Sale (as defined in the Purchase Agreement); and
- The Issuer will indemnify the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, or contribute to payments that the Initial Purchasers may be required to make in respect of those liabilities.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, including securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The Initial Purchasers and their respective affiliates have, from time to time, performed, and may in the future perform, various consulting, financial advisory, investment banking, commercial lending, capital markets services for the Telenet Group and Liberty Global, for which they received or will receive customary fees and expenses. Certain of the Initial Purchasers or their respective affiliates have arranged and made loans to subsidiaries of Liberty Global or the Telenet Group in the past, and are lenders under the Senior Credit Facility and received fees in relation to arranging such loans. Certain of the Initial Purchasers or their affiliates that have a lending relationship with us routinely hedge, and certain other of the Initial Purchaser or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes.

Certain of the Initial Purchasers or their respective affiliates are holders of our debt, including debt being refinanced pursuant to the Refinancing with the proceeds of the Offering and depending on market conditions may decide to initially purchase and hold a portion of the Notes for their own account. In addition, certain of the Initial Purchasers or their respective affiliates are party or may become party to certain of our hedging arrangements.

In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and such investment and securities activities may involve securities and/or instruments of the Issuer. The Initial Purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

United States

Each purchaser of Notes offered by the Offering Memorandum, in making its purchase, will be deemed to have made the acknowledgements, representations and agreements as described under “*Transfer Restrictions*”.

The Notes have not been and will not be registered under the U.S. Securities Act and may not be sold within the United States or to, or for the account or benefit of, U.S. persons except to persons who are both (x) qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and qualified purchasers, and to non-U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Terms used above have the meanings given to them by Rule 144A and Regulation S under the U.S. Securities Act and Section 2(a)(51) of, and Rules 2a51-1, 2a51-2 and 2a51-3 under, the 1940 Act. For a description of certain further restrictions on resale or transfer of the Notes, see “*Transfer Restrictions*”.

The Notes may not be offered to the public within any jurisdiction. By accepting delivery of the Offering Memorandum, you agree not to offer, sell, resell, transfer or deliver, directly or indirectly, any Note to the public.

In connection with sales outside the United States (other than sales pursuant to Rule 144A), the Initial Purchasers have agreed that they will not offer, sell or deliver the Notes to, or for the account or benefit of, U.S. persons (i) as part of the Initial Purchasers’ distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the Notes are originally issued. The Initial Purchasers will send to each dealer to whom they sell such Notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, with respect to Notes initially sold pursuant to Regulation S under the U.S. Securities Act, until 40 days after the later of the commencement of this offering or the date the Notes are originally issued, an offer or sale of such Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the U.S. Securities Act.

United Kingdom

In the Purchase Agreement, each Initial Purchaser has also represented and agreed that:

- (i) it has complied and will comply with all applicable provisions of the FSM Act with respect to anything done by it in relation to the Notes in, from or otherwise involving the U.K.; and
- (ii) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSM Act) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSM Act does not apply to such Initial Purchaser.

Each Initial Purchaser has also agreed in the Purchase Agreement that it has complied with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Offering Memorandum, and will subject to certain provisions in the relevant Purchase Agreement, obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force.

These Listing Particulars are directed solely at persons who (i) are outside the U.K. or (ii) have professional experience in matters relating to investments or (iii) are persons falling within Article 49(2)(a) to (d) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as “relevant persons”). These Listing Particulars must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which these Listing Particulars relates is available only to relevant persons and will be engaged in only with relevant persons.

European Economic Area

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the

“**Relevant Implementation Date**”), it has not made and will not make an offer of Notes which are the subject of the offering of the Offering Memorandum to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Initial Purchaser or Initial Purchasers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State.

General

The Notes are a new issue of securities, and as of the Issue Date there was no established trading market for the Notes. In addition, the Notes are subject to certain restrictions on resale and transfer as described under “*Transfer Restrictions*”. The Issuer has applied for the Notes to be admitted to listing and to trading on the Official List and to trading on the Luxembourg Stock Exchange. The Initial Purchasers have advised the Issuer and Telenet Group Holding that they intend to make a market in the Notes, but they are not obligated to do so. The Initial Purchasers may discontinue any market making in the Notes at any time in their sole discretion. In addition, such market making activities are subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, the Issuer and Telenet Group Holding cannot assure you that a liquid trading market will develop for the Notes, that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favorable.

You should be aware that the laws and practices of certain countries require investors to pay stamp taxes and other charges in connection with purchases of securities.

Delivery of the Euro Notes was made against payment on the Euro Notes and the Dollar Notes were made free of payment, in each case, on the Issue Date, which was ten business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as “**T+10**”). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wished to trade the Notes on the same date of the Offering Memorandum or the next seven succeeding business days were required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wished to make such trades should consult their advisors.

In connection with the offering of the Notes, the Initial Purchasers may have engaged in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may have caused the price of the Notes to be higher than it would otherwise be in the absence of those transactions. If the Initial Purchasers engaged in stabilizing or syndicate covering transactions, they may discontinue them at any time.

Certain of the Initial Purchasers or their respective affiliates have arranged and made loans to subsidiaries of Liberty Global or the Telenet Group in the past. Certain of the Initial Purchasers or their affiliates that have a lending relationship with, and/or own outstanding debt securities of, the Telenet Group and/or its affiliates have

hedged, and are likely to hedge in the future, their credit exposure to the Telenet Group and/ or its affiliates consistent with their risk management policies. Typically, the Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes.

The Initial Purchasers and their respective affiliates have, from time to time, performed, and may in the future perform, various consulting, financial advisory, investment banking, commercial lending and capital markets services for the Telenet Group and Liberty Global, for which they received or will receive customary fees and expenses. In addition, certain of the Initial Purchasers or their respective affiliates provide the Telenet Group and/or its affiliates, from time to time, with hedging services, and may act as counterparties to certain hedging agreements entered into by the Telenet Group and/or its affiliates and such parties will receive customary fees and commissions for their services in such capacities.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, including securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Certain of the Initial Purchasers and/or their respective affiliates are lenders under facilities of the Senior Credit Facility certain of which will be repaid with the proceeds from the offering of the Notes and are parties to certain hedging arrangements with the Telenet Group and/or its subsidiaries. See “*Use of Proceeds*”. In addition, certain of the Initial Purchasers or their respective affiliates are party to certain hedging arrangements and may be counterparties to certain cross-currency swap contracts that we may enter into with respect to the Notes.

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for Telenet Group Holding and the Issuer by Ropes & Gray International LLP, London, England, as to matters of United States federal, New York and English law; by Loyens & Loeff Luxembourg S.à r.l., as to matters of Luxembourg law and as to matters of Dutch law and for Telenet Group Holding by Freshfields Bruckhaus Deringer LLP, as to matters of Belgian law.

Certain legal matters in connection with this offering will be passed upon for the Initial Purchasers by Latham & Watkins (London) LLP, London, England, as to matters of United States federal, New York and English law; by Allen & Overy LLP, as to matters Belgian law; and by Allen & Overy, *société en commandite simple (inscrite au barreau de Luxembourg)*, as to matters of Luxembourg law.

ENFORCEMENT OF JUDGMENTS

Telenet Group Holding and some of its subsidiaries are organized under the laws of Belgium. The Issuer is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg. If the Belgian Issuer Accession and/or the Finco Loans Borrower Exchange were to come into force, the Belgian Issuer and/or the Belgian Borrowers will be entities incorporated under the laws of Belgium.

Many of the directors, members of the supervisory board, general partners, officers and other executives of the Issuer and Telenet Group Holding are neither residents nor citizens of the United States. Furthermore, most of the assets of the Issuer or Telenet Group Holding are located outside the United States. It is anticipated that this will also be the case for the Belgian Issuer and the Finco Loans Borrower Exchange. As a result, it may not be possible for investors to effect service of process within the United States upon such persons, the Issuer (or the Belgian Issuer, as applicable) or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws despite the fact that, pursuant to the terms of the Indenture, the Issuer has appointed, or will appoint, an agent for the service of process in New York. It may be possible for investors to effect service of process within Luxembourg or Belgium upon those persons, the Issuer (or the Belgian Issuer, as applicable) or Telenet Group Holding or over other subsidiaries of Telenet Group Holding provided that the Hague Convention on the Service Abroad of Judicial and Commercial Matters of November 15, 1965 is complied with.

The Issuer has been advised by Loyens & Loeff Luxembourg S.à r.l., its Luxembourg counsel, that a valid final and conclusive judgment against an issuer of Luxembourg nationality with respect to the Notes obtained from a court of competent jurisdiction in the United States, which judgment remains in full force and effect after all appeals as may be taken in the relevant state or federal jurisdiction with respect thereto have been taken, may be entered and enforced through a court of competent jurisdiction of Luxembourg subject to compliance with the enforcement procedures (*exequatur*) set out in Article 678 et seq. of the Luxembourg *Nouveau Code de Procédure Civile* and Luxembourg case-law being:

- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under its applicable laws, and such jurisdiction is recognized by Luxembourg private international and local law;
- the judgment is enforceable in the jurisdiction where the decision is rendered;
- the U.S. Court has applied the substantive law as designated by the Luxembourg conflict of laws rules (based on case-law and legal doctrine, it is not certain that this condition would still be required for an *exequatur* to be granted by a Luxembourg court);
- the U.S. Court has acted in accordance with its own procedural laws;
- the judgment was granted following proceedings where the counterparty had the opportunity to appear, and if appeared, to present a defense;
- the decision of the U.S. Court must not have been obtained by fraud; and
- the decisions and the considerations of the foreign court must not be contrary to Luxembourg international public policy rules or have been given in proceedings of a tax, penal or criminal nature (which would include awards of damages made under civil liabilities provisions of the U.S. federal securities laws, or other laws, to the extent that the same would be classified by Luxembourg courts as being of a penal or punitive nature (for example, fines or punitive damages)) or rendered subsequent to an evasion of Luxembourg law (*fraude à la loi*).

The Issuer has been also advised by its Luxembourg counsel that if an original action is brought in Luxembourg, without prejudice to specific conflict of law rules, Luxembourg courts may refuse to apply the designated law if the choice of such foreign law was not made *bona fide* or if (i) the foreign law was not pleaded and proved or (ii) if pleaded and proved, such foreign law was contrary to mandatory Luxembourg laws or incompatible with Luxembourg public policy rules. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

The Issuer has been advised by Freshfields Bruckhaus Deringer LLP, Belgian counsel to Telenet Group Holding, that final and enforceable judgments rendered by foreign courts can be declared enforceable in Belgium (without

review of the foreign judgment on the merits by the Belgian courts) according to the procedure set out in Articles 22 and sq. of the Belgian Code of International Private Law (*Wetboek van Internationaal Privaatrecht*) and provided that, pursuant to Article 24 of the same Code, the following documents are produced in court by the claimant:

- an official copy of the judgment (*uitgifte van de beslissing*) fulfilling all conditions required for its authentication under the applicable foreign law;
- if obtained by default, an original or legalized copy of the document demonstrating that the originating process has been served on the defendant in accordance with the applicable foreign law;
- any document demonstrating that, under the applicable foreign law, the judgment is enforceable and has been notified to the defendant.

However, enforcement can be refused in the circumstances described in Article 25 of the Belgian Code of International Private Law and notably (and, *inter alia*), if:

- the rights of defense have been violated;
- such enforcement would be incompatible with Belgian public policy;
- the decision may still be appealed under the applicable foreign law (however, provisional enforcement could then be granted); or
- Belgian jurisdictions had exclusive jurisdictions in respect of that matter.

INDEPENDENT AUDITORS

The statutory auditors of Telenet Group Holding are KPMG Bedrijfsrevisoren CVBA, of Bourgetlaan 40, 1130 Brussels, Belgium. KPMG Bedrijfsrevisoren CVBA is a member of the Belgian *Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*. The consolidated financial statements of Telenet Group Holding NV and its subsidiaries, as of and for each of the years ended December 31, 2016, December 31, 2015 and December 31, 2014, included in this offering circular, have been audited by KPMG Bedrijfsrevisoren CVBA, independent auditors, as stated in their report appearing herein.

LISTING AND GENERAL INFORMATION

Listing Information

Application has been made for the Notes to be admitted to listing on the Official List and to trading on the Euro MTF Market. Notice of any optional redemption, change of control or any change in the rate of interest payable on the Notes will be published in a Luxembourg newspaper of general circulation or to the extent and in the manner permitted by the rules and regulation of the Luxembourg Stock Exchange, on the official website of the Luxembourg Stock Exchange (www.bourse.lu) or by any other manner of communication so accepted by the Luxembourg Stock Exchange. Notwithstanding the foregoing, the Issuer may at its sole option at any time, without the consent of the holders of the Notes or the Trustee, de-list the Notes from any stock exchange for the purposes of moving the listing of such Notes to the Official List of The International Stock Exchange.

Copies of the following documents may be obtained or inspected in physical form during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered offices of the Issuer and the Luxembourg Listing Agent, the Transfer Agent and the Paying and Domiciliary Agent so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange require:

- (1) the memorandum and articles of association of the Issuer;
- (2) the Telenet Group Financial Statements;
- (3) the Indenture governing the Notes;
- (4) the Purchase Agreement;
- (5) the 2017 Finco Accession Agreements;
- (6) the New Finco Accession Agreements, if any;
- (7) the Notes Security Documents;
- (8) the 2017 Telenet Fee Letters;
- (9) the Telenet Service Agreement;
- (10) the Collateral Sharing Agreement;
- (11) the New Telenet Service Agreement, if any; and
- (12) the Senior Credit Facility.

The Issuer has appointed The Bank of New York Mellon SA/NV, Luxembourg Branch as listing agent and registrar with respect to the Notes. The Issuer reserves the right to vary such appointment in accordance with the terms of the Indenture.

Pursuant to Part 1, point 502 of the Rules and Regulations of the Luxembourg Stock Exchange, the Notes will be freely transferable on the Luxembourg Stock Exchange.

The gross proceeds of the offering of the Dollar Notes were \$1,000.0. The gross proceeds of the offering of the Euro Notes were €600.0.

Clearing Information

The Notes were accepted for clearance through Euroclear and Clearstream as direct participants of the X/N Clearing System. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B 1210 Brussels, Belgium; and the address of Clearstream is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

The international securities identification number (“ISIN”) for the Dollar Notes sold pursuant to Regulation S is BE6300370267 and the ISIN for the Dollar Notes sold pursuant to Rule 144A is BE6300372289. The ISIN for the Euro Notes sold pursuant to Regulation S is BE6300371273 and the ISIN for the Euro Notes sold pursuant to Rule 144A is BE6300369251.

The common code for the Dollar Notes sold pursuant to Regulation S is 173325339 and the common code for the Dollar Notes sold pursuant to Rule 144A is 173320515. The common code for the Euro Notes sold pursuant to Regulation S is 173325207 and the common code for the Euro Notes sold pursuant to Rule 144A is 173325240.

Legal Information regarding the Issuer

The Issuer is currently incorporated under the name of Telenet Finance Luxembourg Notes S.à r.l. as a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of

Luxembourg on November 24, 2017. Copies of the Issuer’s articles of association have been filed with the Luxembourg Trade and Companies Register and will be published in the *Recueil Electronique des Sociétés et Associations*. The registered office of the Issuer is at 2, Rue Peternelchen, L-2370 Howald, Luxembourg. The Issuer’s telephone number is +352 268 47095. The Issuer is registered with the Luxembourg Trade and Companies Register under number B219682.

The Issuer has a share capital of €12,000 comprised of 12,000 shares, all of which have been subscribed and fully paid-up (the “Shares”). The Shares are held by Telenet International Finance.

The Legal Entity Identifier number of the Issuer is 2138007RI9GLJPCC3E25.

Management

The members of the board of managers of the Issuer at present are:

- Mr. Rob Goyens, a class A company director, residing professionally at 2, Rue Peternelchen, L-2370 Howald, Luxembourg;
- Mr. Laurent Lafontaine, a class B company director, residing professionally at 2, Rue Peternelchen, L-2370 Howald, Luxembourg;
- Ms. Simone Reisewitz, a class B company director, residing professionally at 2, Rue Peternelchen, L-2370 Howald, Luxembourg; and
- Mr. Peter Vanden Eynden, a class A company director, residing professionally at 2, Rue Peternelchen, L-2370 Howald, Luxembourg.

Business Year

The Issuer’s financial year ends on December 31 of each year.

Financial Statements

The annual accounts will be published by the Issuer on an annual basis beginning on December 31, 2018. These statements will be audited by the Issuer’s independent auditors (see below). The Issuer will also prepare half-yearly financial reports and publish them in accordance with applicable law.

Any future published annual accounts prepared by the Issuer (which will be in respect of the period ending on December 31 in each year) will be available from the Paying and Domiciliary Agent.

Auditors

The external independent auditors of the Issuer will be KPMG Luxembourg, *société coopérative*, with registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, RCS Luxembourg B 149133. KPMG Luxembourg is a member of the Luxembourg *Institut des Réviseurs d’Entreprises*.

Litigation

There are no, and have not been any, governmental, legal or arbitration proceedings against or affecting the Issuer, nor is the Issuer aware of any pending or threatened proceedings of such kind, which may have or have had a significant effect on the financial position of the Issuer.

No Conflict of Interests

There are no potential conflicts of interests between any duties to the Issuer, of the members of the board of directors of the Issuer and their private interests.

Legal Information regarding Telenet Group Holding

Telenet Group Holding is a public limited liability (*naamloze vennootschap/société anonyme*) organized and existing under the laws of Belgium. Telenet Group Holding was incorporated pursuant to the laws of Belgium on June 3, 2002 for an indefinite period of time. The issued share capital of Telenet Group Holding is €12,757,656.69 divided into 117,335,623 fully paid shares with no par value and each representing a pro rata portion of the share capital. Its registered office is located at Neerveldstraat 105, 1200 Sint-Lambrechts-Woluwe, Belgium. Telenet Group Holding is registered with the register of enterprises of Belgium under number 0477.702.333 (RPR (Register of Legal Entities) Brussels, Dutch-speaking section). Telenet Group Holding's fiscal year ends on December 31.

Telenet Group Holding's fiscal year ends on December 31.

Legal Information regarding Telenet Group BVBA

Telenet Group BVBA is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid / société privée à responsabilité limitée*) organized and existing under the laws of Belgium. Telenet Group BVBA was originally incorporated on March 17, 1998 as KPN Orange Belgium NV, a limited liability company (*naamloze vennootschap/société anonyme*) pursuant to the laws of Belgium.

Its registered office is located at Neerveldstraat 105, 1200 Sint-Lambrechts-Woluwe, Belgium. Telenet Group BVBA is registered with the register of enterprises of Belgium under number 0462.925.669 (RPR (Register of Legal Entities) Antwerp department Mechelen).

The share capital of Telenet Group BVBA at the date of the Offering Memorandum is €4,282,728,574.74, divided into 90,424,491 fully paid-up shares with no par value (*nominale waarde/valeur nominale*) and each representing a pro rata portion of the share capital. 99.9% of Telenet Group BVBA's shares are owned by Telenet Group Holding NV and one share is owned by Telenet International Finance S.à.r.l., a limited liability company existing under the laws of Luxembourg.

Legal Information regarding Telenet International Finance

Telenet International Finance is existing under the name of Telenet International Finance S.à r.l. as a private limited liability company, *société à responsabilité limitée*, incorporated under the laws of Luxembourg on August 17, 2010. The registered office of Telenet International Finance is at 2, rue Peternelchen, L-2370 Howald, Luxembourg. Telenet International Finance is registered with the Luxembourg Trade and Companies Register under number RCS B.155.066. The telephone number of Telenet International Finance is +352 268 47095.

All of the issued shares of Telenet International Finance are owned by Telenet BVBA.

Listing Particulars

Except as disclosed in these Listing Particulars:

- there has been no material adverse change in the consolidated financial position of Telenet Group Holding since September 30, 2017 and of the Issuer since the Issuer's incorporation date; and

- neither Telenet Group Holding nor the Issuer are involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Telenet Group Holding and the Issuer are aware) relating to claims or amounts that are material in the context of the issuance of the Notes.

Telenet Group BVBA, Telenet International Finance and the Issuer (except as noted on page iii and iv of these Listing Particulars) accept responsibility for the accuracy of the information contained in these Listing Particulars. To the best knowledge and belief of Telenet Group BVBA, Telenet International Finance and the Issuer, the information contained in these Listing Particulars for which it takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Trustee

The Notes provide for the Trustee to take action on behalf of the holders of the Notes in certain circumstances, but only if the Trustee is indemnified and/or secured to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and accordingly in such circumstances, the Trustee will be unable to take action, notwithstanding the provision of an indemnity or security to it, and it will be for the holders of the Notes to take action directly. If the Trustee resigns or is removed, the Issuer will appoint a successor.

GLOSSARY

Term	Definition
“3G”	The third generation of mobile communications standards, referred to in the industry as IMT-2000, capable of data speeds exceeding the 14.4 Kbps of GSM technology.
“4G”	The fourth generation of mobile communications standards, which when fully implemented is expected to allow for higher data speeds than achievable with 3G and additional network features and capabilities.
“ADSL”	Asymmetrical DSL; an internet access technology that allows voice and high-speed data to be sent simultaneously over local copper telephone line.
“ARPU”	Average Revenue Per User; the average monthly revenue per revenue generating unit, a measure Telenet uses to track growth in its revenue per service. A home, residential multiple dwelling unit or commercial unit may contain one or more RGUs, and the ARPU is the sum of such revenues divided by the number of RGUs.
“B2B”	Business-to-business.
“bandwidth”	The width of a communications channel; in other words, the difference between the highest and lowest frequencies available for network signals. Bandwidth also refers to the capacity to move information.
“broadband”	Any circuit that can transfer data significantly faster than a dial-up phone line.
“bundle”	A combination of television, internet and telephony products and services marketed by service providers.
“churn”	The total number of RGUs disconnected during the period divided by the average number of RGUs for the period; statistics do not include customers who move within the areas of the Combined Network offering the same service and who elect to receive the same services from Telenet that they previously received at their prior location; statistics do includes SMEs that receive Telenet’s services through a coaxial connection.
“Combined Network”	The combination of Telenet’s own network and the Partner Network.
“CPE”	Customer premise equipment, which typically comprises a modem or set-top box and associated cabling and other fittings such as an NIU in order to deliver service to a subscriber.
“Customer Relationships”	The number of customers who receive at least one level of service that Telenet Group Holding count as a Revenue Generating Unit (RGU) without regard to which, or to how many services they subscribe.
“DSL”	Digital Subscriber Line; DSL is a technology that provides high-speed internet access over traditional telephone lines.
“DTT”	Digital terrestrial television.
“EPGs”	Electronic program guides.
“EuroDocsis 3.0”	Data over cable service interface specification, a technology that enables the addition of high-speed data transfer over an existing cable television system.

Term	Definition
“footprint”	The service areas in which Telenet is operating, consisting of the Flanders region, including the metropolitan centers of Antwerp and Ghent, and one-third of Brussels.
“Full-MVNO”	Full mobile virtual network operator, being an operator that provides mobile services via its own SIM cards, under its own Mobile Network Code and having its own interconnection agreements, but without its own licensed frequency allocation of radio spectrum.
“GSM”	Global System for Mobile Communications.
“HD”	High definition.
“HFC”	Hybrid fiber coaxial.
“Homes passed”	Telenet’s estimate of the number of potential residential, SOHO and SME subscribers to whom it can offer its services.
“HSPA”	High Speed Packet Access, a type of UMTS3G network that supports both mobile communications technology that provides enhanced download and upload speeds.
“IDTV”	Interactive digital television.
“INDI”	Non-interactive digital television platform acquired pursuant to the PICs Agreement.
“internet”	A collection of interconnected networks spanning the entire world, including university, corporate, government and research networks. These networks all use the IP (Internet Protocol) communications protocol.
“internet Subscriber”	A home, residential multiple dwelling unit or commercial unit that receives internet services over Telenet’s networks.
“IP”	Internet Protocol.
“IPTV”	IP-protocol digital television.
“ISP”	Internet Service Provider.
“IT”	Information technology, a general term referring to the use of various software and hardware components when used in a business.
“local loop”	The network element used to connect a subscriber to the nearest switch or concentrator, commonly referred to as the “last mile” because it is the part of the network that is connected directly to the subscriber; alternatively the HFC access network.
“LTE”	Long term evolution technology being a standard in mobile network technology.
“MHz”	Megahertz; a unit of frequency equal to one million Hertz.
“Mbps”	Megabits per second; each megabit is one million bits.
“multiple-play”	The bundling of different telecommunications services, e.g. digital cable television, broadband internet and fixed-line telephony services, by one provider.

Term	Definition
“MVNO”	Mobile virtual network operator. Refers to a company that provides mobile phone services but does not have its own licensed frequency allocation of radio spectrum, nor necessarily all of the infrastructure required to provide mobile telephony services.
“network”	An interconnected collection of components which would, in a telecommunications network, consist of switches connected to each other and to customer equipment by real or virtual links. Transmission links may be based on fiber optic or metallic cable or point to point radio connections.
“NIU”	Network interface unit, a small device at a subscriber’s premise which enables interactivity between Telenet’s network and the end-user, and to prevent interference from entering the network.
“OTT”	Over-the-top.
“Proximus”	Proximus NV/SA, the incumbent fixed-line operator in Belgium and main competitor to Telenet.
“PSTN”	Public switched telephone network.
“quad-play”	Triple-play with the addition of mobile telephony service.
“RGU”	Revenue Generating Unit; separately an analog cable television subscriber, digital cable television subscriber, internet subscriber or fixed-line telephony subscriber. A home, residential multiple dwelling unit or commercial unit may contain one or more RGUs. For example, if a residential customer in Telenet’s digital cable service, telephony service (regardless of their number of telephony access lines) and broadband internet service, the customer would constitute three RGUs. “Total RGUs” is the sum of analog cable, digital cable, internet and fixed-line telephony subscribers. RGUs generally are counted on a unique premise basis such that a given premise does not count as more than one RGU for any given service. On the other hand, if an individual receives Telenet’s service in two premises (e.g., a primary home and a vacation home), that individual will count as two RGUs. Nonpaying subscribers are counted as subscribers during their fee promotional service period. Some of these subscribers choose to disconnect after their free service period. Services offered without charge on a permanent basis (e.g. VIP subscribers, free service to employees) are not counted as RGUs.
“RTD”	The Belgian Radio and Television Distributors Association (<i>Beroepsvereniging voor Radio-en Televisiedistributie/Union professionnelle de radio et de télédistribution</i>).
“Shakes”	The various multiple-play bundles, which Telenet offers to its residential customers. These multiple-play bundles combine two, three or multiple services into one single subscription.
“SME”	Small or medium sized enterprise.
“SOHO”	A small office at home.
“Telephony subscriber”	A home, residential multiple dwelling unit or commercial unit that receives voice services over Telenet’s network.
“traffic data”	Data processed for the purpose of the conveyance of a communication on an electronic communications network or for billing.

Term	Definition
“triple-play”	Where a customer has subscribed to a combination of three products, digital cable television, broadband internet and fixed-line telephony services, from Telenet.
“UMTS”	Universal Mobile Telecommunications Service, a 3G mobile networking standard commonly used to upgrade GSM networks to 3G standards.
“Uradex”	Association for the Collection, Distribution and Protection of the Rights of the Artists, Interpreters and Performers (<i>CVBA Vereniging voor de inning, repartitie en de verdediging van de vertolkende en uitvoerende kunstenaars</i>), now renamed to “Playright.”
“VDSL”	Very High Rate Digital Subscriber Line; a high-speed broadband access technology which uses the existing copper wire infrastructure.
“VOD”	Video on demand; a service which provides subscribers with enhanced playback functionality and gives subscribers access to a broad array of on demand programming, including movies, live events, local drama, music videos, children programming and adult programming.
“VoIP”	Voice over internet Protocol; a telephone service via internet, or via TCP/IP protocol, which can be accessed using a computer, a sound card, adequate software and a modem.
“VPN”	Virtual private network, a business service enabling users to obtain remote access to network functionality.
“VRM”	The Flemish Media Regulator (<i>Vlaamse Regulator voor de Media</i>).
“VRT”	Vlaamse Radio- en Televisieomroep.
“VoN”	Voice over Net, a form of telephony over the internet that is usually a lower quality than VoIP.
“WiMax”	Worldwide interoperability for microwave access, which is a telecommunications protocol that provides fixed and fully mobile internet access.

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\$1,000,000,000 5.500% Senior Secured Notes due 2028

€600,000,000 3.500% Senior Secured Notes due 2028



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**Telenet Group Holding NV September 30, 2017 condensed
consolidated interim financial statements**

Telenet Group Holding NV

Condensed consolidated interim financial statements

1 Condensed consolidated interim statement of financial position

	<u>Note</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>
		(in thousands of euro)	
Assets			
Non-current assets:			
Property and equipment	5.4	2,114,014	2,046,824
Goodwill	5.5	1,879,238	1,540,946
Other intangible assets	5.6	734,654	709,175
Deferred tax assets	5.14	243,792	135,532
Investments in and loans to equity accounted investees	5.7.1	27,186	27,372
Other investments	5.7.2	3,807	1,757
Derivative financial instruments	5.10	11,696	49,658
Trade receivables		3,059	4,793
Other non-current assets		14,958	16,480
Total non-current assets		5,032,404	4,532,537
Current assets:			
Inventories		18,698	21,702
Trade receivables		235,467	205,979
Other current assets		138,195	125,209
Cash and cash equivalents		37,033	99,203
Derivative financial instruments	5.10	26,864	22,825
Total current assets		456,257	474,918
Total assets		5,488,661	5,007,455
Equity and Liabilities			
Equity:			
Share capital	5.8	12,758	12,758
Share premium and other reserves	5.8	966,706	966,132
Retained loss	5.8	(2,105,452)	(2,190,107)
Remeasurements	5.8	(14,798)	(14,798)
Total equity attributable to owners of the Company		(1,140,786)	(1,226,015)
Non-controlling interests	5.8	19,923	18,372
Total equity	5.8	(1,120,863)	(1,207,643)
Non-current liabilities:			
Loans and borrowings	5.9	4,484,311	4,642,485
Derivative financial instruments	5.10	245,333	94,695
Deferred revenue		1,094	675
Deferred tax liabilities	5.14	181,130	166,047
Other non-current liabilities	5.11	173,013	94,608
Total non-current liabilities		5,084,881	4,998,510
Current liabilities:			
Loans and borrowings	5.9	320,268	139,372
Trade payables		193,059	182,284
Accrued expenses and other current liabilities	5.12	624,370	559,230
Deferred revenue		106,179	101,731
Derivative financial instruments	5.10	31,149	16,015
Current tax liability		249,618	217,956
Total current liabilities		1,524,643	1,216,588
Total liabilities		6,609,524	6,215,098
Total equity and liabilities		5,488,661	5,007,455

The notes are an integral part of these condensed consolidated interim financial statements.

Telenet Group Holding NV

2 Condensed consolidated interim statement of profit or loss and other comprehensive income

		For the nine months ended September 30		For the three months ended September 30	
	Note	2017	2016 as represented(*)	2017	2016 as represented(*)
(in thousands of euro, except per share data)					
Profit for the period					
Revenue	5.13	1,884,284	1,799,942	645,984	621,379
Cost of services provided	5.14	(1,190,161)	(1,021,561)	(423,119)	(354,410)
Gross profit		694,123	778,381	222,865	266,969
Selling, general and administrative expenses	5.14	(352,638)	(362,054)	(116,071)	(122,387)
Operating profit		341,485	416,327	106,794	144,582
Finance income		210,295	353	66,483	81
Net interest income and foreign exchange gain		210,295	353	66,483	81
Finance expense		(407,123)	(326,220)	(134,251)	(79,231)
Net interest expense, foreign exchange loss and other finance expense		(168,032)	(192,342)	(55,273)	(48,400)
Net loss on derivative financial instruments		(192,376)	(117,025)	(78,796)	(30,831)
Loss on extinguishment of debt		(46,715)	(16,853)	(182)	
Net finance expenses	5.15	(196,828)	(325,867)	(67,768)	(79,150)
Share of the loss of equity accounted investees		(210)	(2,660)	1,154	(762)
Profit before income tax		144,447	87,800	40,180	64,670
Income tax expense	5.16	(38,143)	(46,196)	(10,646)	(3,510)
Profit for the period		106,304	41,604	29,534	61,160
Total comprehensive income for the period		106,304	41,604	29,534	61,160
Profit attributable to:		106,304	41,604	29,534	61,160
Owners of the Company		104,738	41,764	29,600	61,257
Non-controlling interests		1,566	(160)	(66)	(97)
Total comprehensive income for the period, attributable to:		106,304	41,604	29,534	61,160
Owners of the Company		104,738	41,764	29,600	61,257
Non-controlling interests		1,566	(160)	(66)	(97)
Earnings per share					
Basic earnings per share in €	5.17	0.91	0.36	0.26	0.53
Diluted earnings per share in €	5.17	0.91	0.36	0.26	0.53

(*) We refer to Note 5.1.6 Reporting changes for detailed information regarding the reclassification of (i) wholesale revenue and (ii) expenses related to truck rolls for customer premises equipment ("CPE").

The notes are an integral part of these condensed consolidated interim financial statements.

Telenet Group Holding NV

3 Condensed consolidated interim statement of changes in equity

(in thousands of euro, except share data)	Note	Attributable to equity holders of the Company							
		Number of shares	Share capital	Share premium	Equity-based compensation reserve	Legal reserve	Reserve for own shares	Other reserves	Retained loss
January 1, 2017		117,335,623	12,758	62,366	75,271	86,317	(85,767)	827,945	(2,190,111)
Total comprehensive income for the period									
Profit for the period		—	—	—	—	—	—	—	104,711
Other comprehensive income (loss)		—	—	—	—	—	—	—	—
Total comprehensive income for the period		—	—	—	—	—	—	—	104,711
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Reallocation of prior year's profit to legal reserve		—	—	—	—	12,800	—	—	(12,800)
Recognition of share-based compensation		—	—	—	5,586	—	—	—	—
Cost of equity transactions		—	—	—	—	—	118	(231)	—
Own shares acquired		—	—	—	—	—	(51,112)	—	—
Proceeds received upon exercise of stock options		—	—	—	—	—	33,414	—	(7,214)
Total contributions by and distributions to owners of the Company		—	—	—	5,586	12,800	(17,580)	(231)	(20,300)
Changes in ownership interests in subsidiaries									
Capital contributions by NCI		—	—	—	—	—	—	—	—
Total transactions with owners of the Company		—	—	—	5,586	12,800	(17,580)	(231)	(20,300)
September 30, 2017		117,335,623	12,758	62,366	80,857	99,117	(103,347)	827,714	(2,105,400)

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The notes are an integral part of these condensed consolidated interim financial statements.

Telenet Group Holding NV

(in thousands of euro, except share data)	Note	Attributable to equity holders of the Company							
		Number of shares	Share capital	Share premium	Equity-based compensation reserve	Legal reserve	Reserve for own shares	Other reserves	Retained loss
January 1, 2016		117,278,706	12,751	61,271	71,346	79,269	(38,487)	827,903	(2,224,8
Total comprehensive income for the period									
Profit for the period		—	—	—	—	—	—	—	41,7
Other comprehensive income (loss)		—	—	—	—	—	—	—	—
Total comprehensive income for the period		—	—	—	—	—	—	—	41,7
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Recognition of share-based compensation		—	—	—	7,025	—	—	—	—
Cost of equity transactions		—	—	—	—	—	—	(288)	—
Own shares acquired		—	—	—	—	—	(47,801)	—	—
Proceeds received upon exercise of Warrants		56,917	7	1,095	—	—	—	—	—
Total contributions by and distributions to owners of the Company		56,917	7	1,095	7,025	—	(47,801)	(288)	—
Changes in ownership interests in subsidiaries									
Capital contributions by NCI		—	—	—	—	—	—	—	—
Total transactions with owners of the Company		56,917	7	1,095	7,025	—	(47,801)	(288)	—
September 30, 2016		117,335,623	12,758	62,366	78,371	79,269	(86,288)	827,615	(2,183,1

The notes are an integral part of these condensed consolidated interim financial sta

Telenet Group Holding NV

4 Condensed consolidated interim statement of cash flows

		For the nine Months ended September 30	
	Note	2017	2016
		(in thousands of euro)	
Cash flows provided by operating activities:			
Profit for the period		106,304	41,604
Adjustments for:			
Depreciation, amortization, impairment and restructuring	5.14	560,033	419,994
Gain on disposal of property and equipment and other intangible assets	5.14	(3,065)	(3,358)
Income tax expense	5.16	38,143	46,196
Decrease in allowance for bad debt		(86)	(400)
Net interest income and foreign exchange gain	5.15	(210,295)	(353)
Net interest expense, foreign exchange loss and other finance expense	5.15	168,032	192,342
Net loss on derivative financial instruments	5.15	192,376	117,025
Loss on extinguishment of debt	5.15	46,715	16,853
Other loss		210	2,660
Share based payments		10,616	8,001
Change in:			
Trade receivables		(14,834)	(20,695)
Other assets		109,715	36,684
Deferred revenue		(1,529)	(2,852)
Trade payables		2,950	(33,821)
Other liabilities		3,834	(4,440)
Accrued expenses and other current liabilities		(61,591)	(6,559)
Interest paid		(170,646)	(198,583)
Interest received		7,332	—
Income taxes paid		(114,374)	(92,023)
Net cash provided by operating activities		669,840	518,275
Cash flows used in investing activities:			
Purchases of property and equipment		(235,969)	(185,310)
Purchases of intangibles		(113,299)	(163,413)
Acquisitions of other investments		(2,060)	(1,757)
Acquisitions of and loans to equity accounted investees		—	(465)
Acquisitions of subsidiaries and affiliates, net of cash acquired	5.18.1	(389,329)	(1,180,542)
Proceeds from sale of property and equipment and other intangibles		3,145	3,767
Purchases of broadcasting rights for resale purposes		(2,659)	(321)
Proceeds from the sale of broadcasting rights for resale purposes		2,659	321
Net cash used in investing activities		(737,512)	(1,527,720)
Cash flows used in financing activities:			
Repayments of loans and borrowings		(917,489)	(1,112,001)
Proceeds from loans and borrowings		1,010,290	1,986,593
Payments of finance lease liabilities		(21,025)	(26,873)
Payments for debt issuance costs		(18,293)	(28,249)
Payments for early termination of loans and borrowings		(19,112)	(9,939)
Payments for early termination of derivative financial instruments		—	(10,735)
Payments for other financing activities		—	(47)
Repurchase of own shares	5.8.1	(55,000)	(47,800)
Proceeds from exercise of warrants and stock options		26,131	1,102
Proceeds from capital transactions with equity participants		—	3,017
Net cash provided by financing activities		5,502	755,068
Net decrease in cash and cash equivalents		(62,170)	(254,377)
Cash and cash equivalents:			
at January 1		99,203	277,273
at September 30		37,033	22,896

The notes are an integral part of these condensed consolidated interim financial statements.

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Notes to the Condensed Consolidated Interim Financial Statements September 30, 2017

5 Notes to the condensed consolidated interim financial statements for the nine months ended September 30, 2017

5.1 REPORTING ENTITY AND BASIS OF PREPARATION

5.1.1 Reporting entity

The accompanying condensed consolidated interim financial statements (the “Interim Financial Statements”) present the operations of Telenet Group Holding NV, its subsidiaries and other consolidated companies (hereafter collectively referred to as the “Company” or “Telenet”). Through its broadband network, the Company offers basic and enhanced video services, including pay television services, broadband internet and fixed-line telephony services to residential subscribers in Flanders and certain communes in Brussels as well as broadband internet, data and voice services in the business market throughout Belgium and parts of Luxembourg. The Company also offers mobile telephony services through an MVNO Arrangement with Orange and through its own mobile network following the acquisition of BASE on February 11, 2016.

On June 19, 2017, the Company acquired Altice’s former Belgian and Luxembourg cable operations (“Coditel Brabant” and “Coditel S.à r.l.”, together “SFR BeLux”), which operates under the SFR brand and provides cable services to households and businesses in Brussels, Wallonia and Luxembourg and offers mobile telephony services in Belgium through an MVNO Agreement with BASE.

Telenet Group Holding NV and its principal operating subsidiaries are limited liability companies organized under Belgian law. Subsidiaries and structured financing entities (“SEs”) have been incorporated in Luxembourg and the Netherlands in order to structure the Company’s financing operations

5.1.2 Basis of preparation

The Interim Financial Statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU (“EU IFRS”). They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements as of and for the year ended December 31, 2016. Results for the nine months ended September 30, 2017 are not necessarily indicative of future results.

The Interim Financial Statements have been prepared on the historical cost basis, except for certain financial instruments and the net assets acquired as a result of the acquisition of SFR BeLux on June 19, 2017,

5.1.3 Functional and presentation currency

These consolidated financial statements are presented in euro (“€”), which is the Company’s functional currency, rounded to the nearest thousand except when indicated otherwise.

5.1.4 Use of estimates and judgments

The preparation of financial statements in accordance with EU IFRS requires the use of certain critical accounting estimates and management judgment in the process of applying the Company’s accounting policies that affects the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim Financial Statements are:

- Note 5.3.2 : Financial instruments: fair values
- Note 5.4 : Property and equipment
- Note 5.5 : Goodwill
- Note 5.6 : Other intangible assets
- Note 5.10 : Derivative financial instruments

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- Note 5.11 : Other non-current liabilities—Asset retirement obligation
- Note 5.12 : Accrued expenses and other current liabilities—Liabilities for tax on sites
- Note 5.16 : Deferred taxes
- Note 5.18.1 : Acquisition of subsidiary—Purchase price allocation

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2016. In addition to those significant judgments, Telenet's management made additional significant judgments related to its accounting for the acquisition of Coditel in its condensed consolidated interim financial statements for the nine months ended September 30, 2017.

A number of the Company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, the Company uses market observable data to the extent available.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the fair value techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For further information about the assumptions made in measuring fair values we refer to note 5.3.2 Financial Instruments.

5.1.5 Segment reporting

Operating segments are the individual operations of a company that the chief operating decision maker ("CODM") reviews regularly in allocating resources to these segments and in assessing segment performance. Telenet's segment reporting is presented based on how Telenet's internal financial information is organized and reported to the CEO, who is Telenet's CODM, the Senior Leadership Team and the board of directors.

The CEO, the Senior Leadership Team and the board of directors of Telenet manage the Company's telecommunication business, inclusive of the recent acquisition of SFR BeLux, as a single operation, driven by the Company's fixed and mobile convergence strategy for both the residential and business markets which is demonstrated in the Company's all-in offer called WIGO. They assess the Company's performance and make resource allocation decisions based on an overall Profit and Loss Statement. The Profit and Loss Statement is analyzed at least on a monthly basis with only revenue and direct costs allocated to separate product and service lines. The primary measure of profit within the Profit and Loss Statement used by the CODM to assess performance is Adjusted EBITDA, and the Profit and Loss Statement does not present Adjusted EBITDA for separate product and service lines. Notwithstanding that revenue and direct costs are allocated to the separate product and service lines, as a differentiated Profit and Loss Statement is not used by the CODM to manage Telenet's operations, assess performance or make resource allocation decisions, Telenet has determined that its operations constitute one single segment.

In respect of the Company's 50% investment in De Vijver Media NV, the Company determined that the De Vijver Media business is a separate operating segment that is not a reportable segment.

5.1.6 Reporting Changes

As of 2017 onwards, the Company changed the way it presents the revenue generated by its fixed and mobile wholesale partners, as well as the presentation of the expenses incurred for CPE-related truck rolls.

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Reclassification of wholesale revenue

As of January 1, 2017, the revenue generated by the Company's fixed and mobile wholesale partners is accounted for under other revenue, whereas prior to that date wholesale revenue was presented under mobile telephony revenue. The Company also applied this change retroactively to the prior year period. Accordingly, €25.1 million related to the nine months ended September 30, 2016 was reclassified to other revenues.

Reclassification of expenses related to truck rolls for customer premises equipment ("CPE")

As of January 1, 2017, expenses incurred for CPE-related truck rolls are recognized under network operating expenses, whereas before that date they were presented under professional services and outsourced labor. The Company also applied this change retroactively to the prior year period. Accordingly, €14.5 million related to the nine months ended September 30, 2016 was reclassified to network operating expenses.

5.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these Interim Financial Statements are the same as those applied in the Company's consolidated financial statements as of and for the year ended December 31, 2016, except for the following amendments and interpretations which became effective for the Group during the nine months ended September 30, 2017:

- **Amendments to IAS 7 Statement of Cash Flows :**

requiring disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities (effective for annual periods beginning on or after January 1, 2017).

- **Recognition of Deferred Tax Assets for Unrealized Losses**

(Amendments to IAS 12) clarifies the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. Further, the amendments provide guidance on estimating probable future taxable profits when assessing the recognition of deferred tax assets when there are insufficient taxable temporary differences relating to the same taxation authority and the same taxable entity. The amendments are effective for annual periods beginning on or after 1 January 2017, with earlier adoption permitted. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

- **Annual improvements to IFRSs 2014-2016 Cycle,**

issued on 8 December 2016 but not yet endorsed by the EU, clarifies that IFRS 12 Disclosure of Interests in Other Entities also applies to interests that are classified as held for sale or distribution (effective for annual periods beginning on or after 1 January 2017).

None of these amendments and interpretations had a material impact on the Company's condensed consolidated interim financial statements.

The following standards have been published and are mandatory for the Company's accounting periods beginning on or after January 1, 2018, or later periods, but the Company has not early adopted them:

- **IFRS 9 Financial Instruments** (effective for annual periods beginning on or after January 1, 2018) includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements, which align hedge accounting more closely with risk management. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. With respect to the provision for impairment of trade receivables, the Company will apply under IFRS 9 a new forward looking impairment model based on an expected credit loss model rather than the currently applied actual credit loss model. The Company does not expect a material impact on its consolidated financial statements with respect to the application of IFRS 9.

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- **IFRS 15 Revenue from Contracts with Customers** requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. IFRS 15 will replace existing revenue recognition guidance when it becomes effective. This new standard permits the use of either the retrospective or cumulative effect transition method. The Company will adopt IFRS 15 effective January 1, 2018 using the cumulative effect transition method. While we are continuing to evaluate the effect that IFRS 15 will have on our consolidated financial statements, we have identified a number of our current revenue recognition policies that will be impacted by the new revenue recognition standard, including the accounting for (i) time-limited discounts and free service periods provided to our customers, (ii) certain up-front fees charged to our customers and (iii) multiple element arrangements. These impacts are discussed below:
 - When the Company enters into contracts to provide services to its customers, the Company often provides time-limited discounts or free service periods. Under current accounting rules, the Company recognizes revenue net of discounts during the promotional periods and does not recognize any revenue during free service periods. Under IFRS 15, revenue recognition will be accelerated for these contracts as the impact of the discount or free service period will be recognized uniformly over the total contractual period.
 - When the Company enters into contracts to provide services to our customers, the Company often charges installation or other up-front fees. Under current accounting rules, installation fees related to services provided over our cable networks are recognized as revenue during the period in which the installation occurs to the extent these fees are equal to or less than direct selling costs. Under IFRS 15, these fees will generally be deferred and recognized as revenue over the contractual period, or longer if the up-front fee results in a material renewal right.

Under the current revenue recognition guidance, revenue related to multiple element arrangements is generally recognized based on amounts billed to the customer. Under IFRS 15, revenue will generally be recognized based on delivery of goods and/or services at their relative fair values. Customer premise equipment (CPE) sold is deemed to have no standalone value as the settop boxes can only be used with a connection to the Company's network.

As the above revenue recognition changes have offsetting impacts and both result in a relatively minor shift in the timing of revenue recognition, we currently do not expect IFRS 15 to have a material impact on our reported revenue.

IFRS 15 will also impact our accounting for certain upfront costs directly associated with obtaining and fulfilling customer contracts. Under our current policy, these costs are expensed as incurred unless the costs are in the scope of another accounting topic that allows for capitalization. Under IFRS 15, the upfront costs that are currently expensed as incurred will be recognized as assets and amortized to other operating expenses over a period that is consistent with the transfer to the customers of the goods or services to which the assets relate, which we have generally interpreted to be the expected life of the customer relationship. The impact of the accounting change for these costs will be dependent on numerous factors, including the number of new subscriber contracts added in any given period, but we expect the adoption of this accounting change will initially result in the deferral of a significant amount of operating and selling costs.

The ultimate impact of adopting IFRS 15 for both revenue recognition and costs to obtain and fulfill contracts will depend on the promotions and offers in place during the period leading up to and after the adoption of IFRS 15.

IFRS 16 Leases (effective for annual periods beginning on or after January 1, 2019) makes a distinction between a service contract and a lease based on whether the contract conveys the right to control the use of an identified asset and introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. With respect to the impact of IFRS

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16, we refer to note 5.3 and 5.26.3 of the Company's Consolidated Financial Statements of December 31, 2016. The Company is in the process of analyzing its operational lease agreements and corresponding obligations in order to apply IFRS 16. The conversion approach that will be applied is not yet determined.

5.3 FINANCIAL INSTRUMENTS

5.3.1 Financial risk management

During the nine months ended September 30, 2017, the Company did not change its financial risk management objectives or policies and, as a result, they are still consistent with the disclosures in the consolidated financial statements as of and for the year ended December 31, 2016.

5.3.2 Financial instruments

Carrying amount versus fair value

The fair values of financial assets and financial liabilities, together with the carrying amounts in the condensed consolidated interim statement of financial position and their levels in the fair value hierarchy are summarized in the table below. The fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation techniques.

The following tables show the carrying amounts and fair values of financial assets and liabilities, including their levels of fair value hierarchy.

The table below does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

September 30, 2017 (in thousands of euro)	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Money market funds		20,400	20,400	20,400	—	—
Derivative financial assets	5.10	38,560	38,560	—	38,560	—
Total financial assets carried at fair value ...		58,960	58,960	20,400	38,560	—
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.10	276,482	276,482	—	276,482	—
Total financial liabilities carried at fair value ...		276,482	276,482	—	276,482	—
Financial liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities (excluding deferred financing fees)						
—2017 Amended Senior Credit Facility ...		3,333,347	3,354,657	—	3,354,657	—
—Senior Secured Fixed Rate Notes		787,611	869,711	869,711	—	—
—SFR network right of use		4,184	4,184	—	4,184	—
—Overdraft facility		37	37	—	37	—
—Global Handset Finco Ltd Loan		12,740	12,740	—	12,740	—
—Vendor financing		190,148	190,148	—	190,148	—
—Finance lease obligations		374,178	327,285	—	327,285	—
—Clientele fee > 20 years		112,662	106,509	—	106,509	—
—3G Mobile Spectrum		23,680	21,953	—	21,953	—
Total financial liabilities carried at amortized cost	5.9	4,838,587	4,887,224	869,711	4,017,513	—

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December 31, 2016 (in thousands of euro)	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Money market funds		82,000	82,000	82,000	—	—
Derivative financial assets	5.10	72,483	72,483	—	72,483	—
Total financial assets carried at fair value		154,483	154,483	82,000	72,483	—
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.10	110,710	110,710	—	110,710	—
Total financial liabilities carried at fair value ..		110,710	110,710	—	110,710	—
Financial liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities (excluding deferred financing fees)						
—2015 Amended Senior Credit Facility						
		3,032,638	3,132,411	—	3,132,411	—
—Senior Secured Fixed Rate Notes						
		1,258,913	1,341,013	1,341,013	—	—
—Overdraft facility						
		35	35	—	35	—
—Global Handset Finco Ltd Loan						
		12,740	12,740	—	12,740	—
—Vendor financing						
		34,652	34,652	—	34,652	—
—Finance lease obligations						
		358,815	319,075	—	319,075	—
—Clientele fee > 20 years						
		106,008	98,564	—	98,564	—
—3G Mobile Spectrum						
		23,680	20,821	—	20,821	—
Total financial liabilities carried at amortized cost	5.9	4,827,481	4,959,311	1,341,013	3,618,298	—

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Unobservable inputs	Inter-relationship between unobservable inputs and fair value measurements
Interest rate derivatives	Discounted cash flows : the fair value of the cross-currency and interest rate derivatives is calculated by the Company based on swap curves flat, taking into account the credit risk of both the Company and the respective counterparties to the instruments. The Company also compares the fair values thus calculated to the respective instruments' fair value as provided by the counterparty.	The credit risk of both the Company and the respective counterparties to the instruments.	The estimated fair value would increase (decrease) if : —the credit risk of the company were lower (higher) —the credit risk of the countercompany were higher (lower).
Foreign exchange forwards and embedded derivatives	Discounted cash flows : the fair value of forward exchange contracts is calculated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate. This calculation is compared to the listed market price, if available.	Not applicable.	Not applicable.

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Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Loans, borrowings and finance lease liabilities : —2017 Amended Senior Credit Facility —Money Market funds —Overdraft facilities	Market comparison technique : The fair values are based on broker quotes. The brokers providing the quotes are among the most active in the trading of the Senior Credit Facility, and regularly provide quotes to the market. No adjustments to this pricing are needed.	Not applicable.	Not applicable.
Loans, borrowings and finance lease liabilities : —Finance lease obligations —Clientele fee > 20 years —3G Mobile spectrum —Global Handset Loan —Vendor Financing —SFR network right of use	Discounted cash flows.	Discount rate.	The estimated fair value would increase (decrease) if : —the discount rate were lower (higher).

During the nine months ended September 30, 2017, no financial assets or liabilities have been transferred between the levels of the fair value hierarchy.

5.4 PROPERTY AND EQUIPMENT

(in thousands of euro)	Land, buildings, and leasehold improvements	Network	Construction in progress	Furniture, equipment, and vehicles	Total
Cost					
At January 1, 2017	149,663	3,178,340	144,051	55,280	3,527,334
Additions	1,548	113,070	218,904	795	334,317
Acquisition of SFR	323	83,247	—	746	84,316
Transfers	3,400	237,149	(251,441)	10,892	—
Disposals	(3,248)	(5,181)	—	(459)	(8,888)
Write off of fully depreciated assets	—	(37,986)	—	(40)	(38,026)
September 30, 2017	151,686	3,568,639	111,514	67,214	3,899,053
Accumulated Depreciation					
At January 1, 2017	60,686	1,389,550	—	30,274	1,480,510
Depreciation charge for the year	7,717	334,000	—	6,602	348,319
Impairment	2,408	329	—	277	3,014
Disposals	(3,195)	(5,181)	—	(402)	(8,778)
Write off of fully depreciated assets	—	(37,986)	—	(40)	(38,026)
September 30, 2017	67,616	1,680,712	—	36,711	1,785,039
Carrying Amount					
September 30, 2017	84,070	1,887,927	111,514	30,503	2,114,014
At January 1, 2017	88,977	1,788,790	144,051	25,006	2,046,824

As a result of the SFR BeLux acquisition, property and equipment increased by €84.3 million mainly consisting of its cable network and CPE material. With respect to the status of the preliminary purchase price allocation, we refer to Note 5.18.1.

Accrued capital expenditures for property and equipment reached €334.3 million for the nine months ended September 2017, representing the following additions:

- accrued capital expenditures for both the broadband and the mobile network growth and upgrades for an amount of €210.5 million;
- capital expenditures for customer installations for an amount of €50.2 million;
- refurbishments and replacements of network equipment for an amount of €56.3 million; and
- set-top box related capital expenditures for an amount of €17.3 million.

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The Company recognized a gain on disposal of assets of €3.1 million for the nine months ended September 30, 2017, mainly attributable to modems, set-up boxes and the sale of scrap material

5.5 GOODWILL

The total amount of goodwill as of September 30, 2017 amounted to €1,879.2 million (December 31, 2016 : €1,540.9 million). The increase of €338.3 million was attributable to the SFR BeLux acquisition.

(in thousands of euro)

January 1, 2017	1,540,946
Acquisition of subsidiaries	338,292
September 30, 2017	1,879,238

For detailed information regarding the acquisition of SFR BeLux, we refer to note 5.16.1.

5.6 OTHER INTANGIBLE ASSETS

(in thousands of euro)	Network user rights	Trade name	Software	Customer relationships	Broadcasting rights	Other	Subtotal	Broadcasting rights for resale purposes	Total
Cost									
At January 1, 2017	261,089	157,448	636,162	314,304	109,568	21,125	1,499,696	—	1,499,696
Additions	—	—	84,043	—	116,007	—	200,050	4,510	204,560
Acquisition of SFR	—	—	4,997	—	—	—	4,997	—	4,997
Disposals	—	(1,005)	(1,194)	(1,861)	—	—	(4,060)	(4,510)	(8,570)
Asset retirement obligation	—	—	500	—	—	—	500	—	500
Transfers	—	—	—	—	2,128	(2,128)	—	—	—
Write-off of fully amortized assets	—	—	—	—	(39,085)	—	(39,085)	—	(39,085)
September 30, 2017	261,089	156,443	724,508	312,443	188,618	18,997	1,662,098	—	1,662,098
Accumulated Amortization									
At January 1, 2017	70,298	123,225	358,010	202,578	32,724	3,686	790,521	—	790,521
Amortization charge of the year	33,552	929	74,808	23,747	45,284	264	178,584	—	178,584
Disposals	—	209	(924)	(1,861)	—	—	(2,576)	—	(2,576)
Write-off of fully amortized assets	—	—	—	—	(39,085)	—	(39,085)	—	(39,085)
Transfer	—	—	—	—	2,128	(2,128)	—	—	—
September 30, 2017	103,850	124,363	431,894	224,464	41,051	1,822	927,444	—	927,444
Carrying Amount									
September 30, 2017	157,239	32,080	292,614	87,979	147,567	17,175	734,654	—	734,654
At January 1, 2017	190,791	34,223	278,152	111,726	76,844	17,439	709,175	—	709,175

The Company's intangible assets other than goodwill each have finite lives and are comprised primarily of network user rights (mainly mobile spectrum), trade name, software development and acquisition costs, customer relationships, broadcasting rights, out of market component of future leases and contracts with suppliers.

The Company's accrued capital expenditures for the first nine months of 2017 reflected the renewal of the non-exclusive Jupiler Pro League broadcasting rights for three seasons as of the current 2017-2018 season.

The write-off of fully amortized assets consisted mainly of the broadcasting rights related to the 2016-2017 season of the Jupiler Pro League which was written-off upon the end of the season in May 2017 (€29.1 million).

The Company acquired €5.0 million of intangible software assets through the SFR BeLux acquisition. With respect to the status of the preliminary purchase price allocation, we refer to Note 5.16.1.

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On March 1, 2017, the Company disposed of its investment in Ortel Mobile NV resulting in the disposal of the tradename with a net book value of €2.3 million. The disposal of Ortel Mobile NV and its underlying assets resulted in a loss of €2.1 million. In June, 2017, the Company disposed of customer lists related to its prepaid branded reseller customer base for an amount of €1.9 million, resulting in a loss on disposal of €1.3 million.

5.7 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

5.7.1 Investments in and loans to equity accounted investees

<u>(in thousands of euro)</u>	<u>De Vijver Media NV</u>	<u>Other</u>	<u>Total</u>
Investments in Associates			
At January 1, 2017	28,362	1,944	30,306
Additions	—	—	—
Impairment of investments in equity accounted investees	—	—	—
Direct Acquisition Costs	—	—	—
At September 30, 2017	28,362	1,944	30,306
Share in the result of Associates			
At January 1, 2017	(4,208)	5	(4,203)
Share in the result	171	(381)	(210)
At September 30, 2017	(4,037)	(376)	(4,413)
Loans granted to Associates			
At January 1, 2017	—	1,269	1,269
Accrued interest	—	24	24
At September 30, 2017	—	1,293	1,293
Carrying Amount			
At September 30, 2017	24,325	2,861	27,186
At January 1, 2017	24,154	3,218	27,372

5.7.2 Other investments

Belgian Mobile ID

In June 2017, Telenet contributed an amount of €1.5 million in cash as part of a capital increase of Belgian Mobile ID NV (f.k.a. Belgian Mobile Wallet NV). The Company's stake in the share capital of Belgian Mobile ID remains at 16.67%. Belgian Mobile Wallet NV launched a Belgian standard for payments via smartphones in spring 2014 allowing consumers to use their smartphones in the future to pay for goods and services, exchange coupons, or use their customer cards.

Imec.istart Fund

On March 15, 2017, Telenet Group Holding NV took an 8% stake in the share capital of Imec.istart Fund for €0.2 million. This Fund was incorporated to invest in pre-seed and seed stage opportunities in privately held technology companies which are selected for the imec.istart program and which have a potential for significant value creation in fast growing market segments in or outside of the territory of the European Union.

Recneps NV

On March 30, 2017, Telenet Group Holding NV took a 10% stake in the share capital of Recneps NV, an existing company previously incorporated by 1105 (Eleven Five) NV. Telenet contributed €0.3 million in cash and in return received 10% of the shares of the company.

Telenet Group Holding NV

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5.8 SHAREHOLDERS' EQUITY

5.8.1 Shareholders' equity

As of September 30, 2017, the share capital amounted to €12.8 million (December 31, 2016: €12.8 million).

The condensed consolidated interim financial statements as of September 30, 2017 showed a negative consolidated equity amounting to €1,120.9 million, mainly as a result of the Company's historical shareholder disbursements policy, including various capital reductions.

The Company considers its most optimal equity structure on a consolidated level, based on a certain net leverage range, even in case of a negative equity on a consolidated level and taking into account that the amount of current liabilities exceeded the amount of current assets.

The board of directors has considered the Company's net equity position and has prepared the consolidated financial statements applying the accounting policies consistently on a going concern basis taking into account amongst others:

- the forecasted earnings for the next year;
- a projected strong and steady positive cash flow for the next year;
- maturities of financial obligations as disclosed in note 5.9.

Own shares

As of September 30, 2017, the Company held 2,071,349 own shares. During the nine months ended September 30, 2017, the Company acquired 919,323 own shares under the Share Repurchase Program 2017, for a total amount of €51.00 million.

5.8.2 Employee share based compensation

Employee Stock Option Plan 2017

On March 20, 2017, the board of directors approved Telenet's General Stock Option Plan 2017 for the Company's Senior Leadership, one other manager and the Company's CEO for a total number of 553,292 stock options on existing shares ("ESOP 2017"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 553,292 stock options, with an exercise price of €58.14 per stock option, occurred on June 8, 2017. On June 30, 2017 a total of 403,266 stock options were accepted.

The vesting of the stock options under the ESOP 2017 occurs quarterly over a period of 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

Employee Stock Option Plan 2017 bis

On July, 31 2017, the board of directors approved a new general stock option plan for the employees for a total number of 753,109 stock options on existing shares (the "Employee Stock Option Plan 2017 bis" or "ESOP 2017 bis"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On September 25, 2017, the board of directors authorized a grant under this plan to certain beneficiaries. The beneficiaries have until 24 November 2017 to accept the grant.

The vesting of these stock options occurs quarterly over a period of 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

	Grant Date (for accounting purposes)	Fair Value at grant date (in euro)	Share Price (in euro)	Exercise Price (in euro)		Expected Volatility	Expected Option Life	Expected Dividends	Risk-free interest rate
				Initially	Adjusted				
ESOP 2017									
primo Stock						21.0% -			-0.46% -
Options	June 30, 2017	5.81 - 8.33	55.15	58.14	—	22.7%	4.3 years	0.0%	-0.23%

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5.9 LOANS AND BORROWINGS

The balances of loans and borrowings specified below include accrued interest as of September 30, 2017 and December 31, 2016.

	September 30, 2017	December 31, 2016
	(in thousands of euro)	
2017 Amended Senior Credit Facility:		
Revolving Credit Facility Z	45,071	61
Revolving Credit Facility AG	483	477
Term Loan AE	—	1,607,511
Term Loan AF	—	1,424,589
Term Loan AH	1,336,761	—
Term Loan AI	1,951,032	—
Senior Secured Fixed Rate Notes:		
€450 million Senior Secured Notes due 2022	—	460,625
€250 million Senior Secured Notes due 2024	252,156	256,375
€530 million Senior Secured Notes due 2027	535,455	541,913
Overdraft Facility	37	35
Global Handset Finco Ltd Loan	12,740	12,740
SFR network right of use	4,184	—
Vendor financing	190,148	34,652
Finance lease obligations	374,178	358,815
3G Mobile Spectrum	23,680	23,680
Clientele fee > 20 years	112,662	106,008
	4,838,587	4,827,481
Less: deferred financing fees	(34,008)	(45,624)
	4,804,579	4,781,857
Less: current portion	(320,268)	(139,372)
Total non-current loans and borrowings	4,484,311	4,642,485

As of September 30, 2017, the Company carried a total debt balance (including accrued interest) of €4,804.6 million, of which €3,323.7 million principal amount is owed under our 2017 Amended Senior Credit Facility, including the amounts drawn under our revolving credit facilities, and €780.0 million principal amount is related to the Senior Secured Fixed Rate Notes with maturities ranging from 2024 through 2027. The Company's total debt balance at September 30, 2017 also included €190.1 million of short-term debt related to our vendor financing program and €23.7 million for the outstanding portion of the 3G mobile spectrum including accrued interest. The remainder primarily represents the capital lease obligations associated with the Interkabel Acquisition

In April, 2017, the Company issued a € 1,330.0 million Term Loan ("Facility AH") due March 31, 2026 and a USD 1,800.0 million Term Loan ("Facility AI") due June 30, 2025. Facility AH bears interest at 3.00% over EURIBOR (with a 0% floor) and was issued at 99.75% of par. Facility AI bears interest at 2.75% over LIBOR (with a 0% floor) and was issued at 99.75% of par. Telenet entered into several cross-currency and interest rate swap transactions to hedge both the underlying currency and floating interest rate exposure. Telenet used the net proceeds from these transactions to prepay the following credit facilities under the existing Senior Credit Facility: (i) Facility AE (€ 1,600.0 million due January 31, 2025, EURIBOR + 3.25% with a 0% floor issued at par), and (ii) Facility AF (USD 1,500.0 million due January 31, 2025, USD LIBOR + 3.00% with a 0% floor issued at 99.50% of par).

On May 15, 2017, the Company issued an additional USD 500.0 million Term Loan ("Facility AI2") due June 30, 2025. Facility AI2 bears interest at 2.75% over LIBOR (with a 0% floor) and was issued at 100% of par. The net proceeds were ultimately used by Telenet International Finance S.a.r.l to prepay Facility U under Telenet's 2017 Amended Senior Credit Facility, of which the lender is Telenet Finance V Luxembourg S.C.A. ("TFLV"). TFLV in its turn used the proceeds from the prepayment of Facility U to redeem the €450.0 million Senior Secured Notes due August 2022.

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Through the above mentioned transactions, the Company succeeded in extending the average tenor of its debt maturities at attractive market conditions, while locking in long-term attractive interest rates.

As a result of the above mentioned refinancing transactions, the Company recognized a total loss on extinguishment of debt amounting to €46.7 million (Note 5.13) consisting of (i) unamortized deferred financing fees related to Term Loan Facilities AE and AF for an amount of €18.2 million, (ii) new financing fees relating to Term Loans AH and AI amounting to €3.7 million, (iii) unamortized deferred financing fees related to Facility U amounting to €5.5 million, (iv) an early termination fee related to Facility U for €19.1 million cash paid at June 30, 2017 and (v) unamortized deferred financing fees related to Revolving Credit Facility Z amounting to €0.2 million.

Of the deferred financing fees related to the early repaid Term Loans AE and AF, €12.2 million was allocated to the new Term Loans AH and AI. In addition, the Company recognized new deferred financing fees amounting to €15.9 million incurred related to the Term Loan AH, AI and AI2 refinancing transactions.

On June 19, 2017, Telenet used its Revolving Facilities under the 2017 Amended Senior Credit Facility for the financing of the SFR BeLux acquisition for an aggregate amount of €210.0 million, including (i) €120.0 million under Revolving Credit Facility Z with a maturity of June 30, 2018 and a 2.25% margin over EURIBOR and (ii) €90.0 million under Revolving Credit Facility AG with a maturity of June 30, 2023 and a 2.75% margin over EURIBOR. These Revolving Credit Facilities were partially repaid in Q3 2017, resulting in an outstanding balance for Revolving Credit Facility Z of €45.0 million.

The table below provides an overview of the Company's debt instruments and payment schedule at September 30, 2017.

	<u>Total Facility as per</u>	<u>Drawn amount</u>	<u>Undrawn amount</u>	<u>Maturity Date</u>	<u>Interest rate</u>	<u>Interest payments due</u>
September 30, 2017 (in thousands of euro)						
BNP Overdraft Facility	25,000	—	25,000	December 31, 2017	Floating 1-month Euribor (0% floor) + 1.60%	Not applicable
2017 Amended Senior Credit Facility:						
Term Loan AH (1.33mio EUR)	1,330,000	1,330,000	—	March 31, 2026	Floating 3-month Euribor r (0% floor)+ 3.00%	Quarterly (Jan., April, July, Oct.) Monthly until Dec 2018
Term Loan AI (2,3mio USD)	1,948,657	1,948,657	—	June 30, 2025	Floating 3-month Libor (0% floor)+ 2.75%	Quarterly from 2019 (March, June, Sept., Dec.)
Revolving Credit Facility (Facility AG)	400,000	—	400,000	June 30, 2023	Floating 1-month Euribor (0% floor) + 2.75%	Monthly
Revolving Credit Facility (Facility Z) ...	45,000	45,000	—	June 30, 2018	Floating 1-week Euribor (0% floor) + 2.25%	Monthly
Senior Secured Fixed Rate Notes:						
€250 million Senior Secured Notes due 2024 (Term Loan V)	250,000	250,000	—	August 15, 2024	Fixed 6.75%	Semi-annually (Feb. and Aug.)
€530 million Senior Secured Notes due 2027 (Term Loan AB)	530,000	530,000	—	July 15, 2027	Fixed 4.875%	Semi-annually (Jan. and Jul.)
Total notional amount	4,528,657	4,103,657	425,000			

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5.10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company has entered into various derivative financial instruments to manage interest rate and foreign currency exposure. The following tables provide details of the fair value of our derivative financial instrument assets (liabilities), net:

	September 30, 2017	December 31, 2016
	(in thousands of euro)	
Current assets	26,864	22,825
Non-current assets	11,696	49,658
Current liabilities	(31,149)	(16,015)
Non-current liabilities	(245,333)	(94,695)
	(237,922)	(38,227)
Interest rate derivatives	(89,894)	(105,391)
Cross Currency Interest Rate Swaps	(145,231)	64,405
Foreign exchange forwards	(2,830)	2,835
Embedded derivatives	33	(76)
	(237,922)	(38,227)

Realized and unrealized losses on derivative financial instruments are comprised of the following amounts:

	For the nine months ended September 30,	
	2017	2016
	(in thousands of euro)	
Change in fair value		
Cross Currency Interest Rate Swaps	(198,221)	(14,768)
Interest rate derivatives	10,257	(101,551)
Foreign exchange forwards	(4,521)	(740)
Embedded derivatives	109	34
Total change in fair value	(192,376)	(117,025)
Net loss/gain on derivative financial instruments	(192,376)	(117,025)

5.11 OTHER NON CURRENT LIABILITIES

	September 30, 2017	December 31, 2016
	(in thousands of euro)	
Employee benefit obligations	23,902	23,596
Other personnel related obligations	833	893
Long service awards	8,607	8,079
Interkabel out of market opex	15,595	15,135
Asset retirement obligations	8,719	8,700
Liabilities regarding sports broadcasting rights	57,920	24,718
Restructuring liability Norkring	9,656	11,343
Other restructuring	29,891	—
Liabilities regarding pylon taxes	6,600	—
Other	11,290	2,144
Total Other non-current liabilities	173,013	94,608

Compared to December 31, 2016, total other non-current liabilities increased by €78.4 million to €173.0 million as of September 30, 2017.

The liabilities regarding sports broadcasting rights increased by €33.2 million due to the extension of the exclusive UK Premier League broadcasting rights for three seasons as of the 2016-2017 season and the renewal of the non-exclusive Jupiler Pro League broadcasting rights for three seasons as of the current 2017-2018 season.

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The Company recorded a €29.2 million non-cash restructuring charge linked to the accelerated onboarding of our Full MVNO customer base to our own mobile network. The Company now aims for full completion by the end of Q1 next year versus our initial plan of late 2018, hence impacting the contractual commitments under our Full MVNO Agreement with Orange Belgium.

5.12 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	September 30, 2017	December 31, 2016
	(in thousands of euro)	
Customer deposits	23,954	21,046
Compensation and employee benefits	71,460	73,921
VAT and withholding taxes	49,928	23,877
Dividend payable to shareholders	982	986
Accrued programming fees	55,582	52,036
Accrued capital expenditure	113,102	116,543
Accrued other liabilities—invoices to receive regarding:		
Goods received and services performed	27,801	39,858
Professional fees	18,191	14,732
Warehouse items received	5,545	4,310
Interconnect	37,724	28,254
Advertising, marketing and public relations	7,341	3,673
Infrastructure	16,204	9,579
Facilities	8,857	6,490
Opex	36,665	37,205
Credit notes to issue	14,646	13,797
Accrued Stock Compensation	0	690
Non-income tax contingencies (IFRS 3)	5,825	5,933
Liabilities regarding pylon taxes	21,874	29,135
Accrued interest on derivatives	0	1
Accrued deferred financing costs	385	560
Accounts receivable with credit balance	19,764	18,419
Restructuring liability Norkring	2,250	2,250
Restructuring liability other	1,088	1,110
Liabilities regarding sports broadcasting rights	61,494	38,426
Other current liabilities	23,708	16,399
Total Accrued expenses and other current liabilities	624,370	559,230

Compared to December 31, 2016, total accrued expenses and other current liabilities increased by €65.1 million to €624.4 million as of September 30, 2017.

Compared to December 31, 2016, VAT and withholding taxes payable increased €26.1 million due to the prepayments made in November for the December VAT, thus resulting in a lower outstanding VAT payable at year end.

The liabilities regarding sports broadcasting rights increased by €23.1 million due to the extension of the exclusive UK Premier League broadcasting rights for three seasons as of the 2016-2017 season and the renewal of the non-exclusive Jupiler Pro League broadcasting rights for three seasons as of the current 2017-2018 season.

Accrued expenses and other current liabilities acquired as part of the SFR BeLux acquisition amounted to €17.6 million as per September 30, 2017.

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5.13 REVENUE

	For the nine months ended September 30			For the three months ended September 30		
	2017	2016 as represented(*) (in thousands of euro)	2016 as reported	2017	2016 as represented(*) (in thousands of euro)	2016 as reported
Subscription revenue						
Video	432,348	424,625	425,016	148,262	140,863	141,045
Broadband internet	453,096	425,592	426,319	154,612	143,680	144,079
Fixed-line telephony ...	179,887	182,555	182,485	60,462	61,203	61,176
Cable Subscription						
revenue	1,065,331	1,032,772	1,033,820	363,336	345,746	346,300
Mobile telephony	407,746	387,908	413,015	138,443	146,269	155,648
Total Subscription						
revenue	1,473,077	1,420,680	1,446,835	501,779	492,015	501,948
Business services	98,461	90,528	90,322	33,668	29,761	29,703
Other	312,746	288,734	262,785	110,537	99,603	89,728
Total Revenue	1,884,284	1,799,942	1,799,942	645,984	621,379	621,379

(*) We refer to Note 5.1.6 Reporting changes for detailed information regarding the reclassification of (i) wholesale revenue and (ii) expenses related to truck rolls for customer premises equipment ("CPE").

During the nine months ended September 30, 2017, the Company generated revenue of €1.884.3 million, representing a 4.7% increase compared to the prior year period when it produced revenue of €1.799.9 million.

The Company's reported revenue increase was primarily driven by inorganic movements such as the contribution from mobile operator BASE since January 1 this year, whereas last year BASE has only been consolidated in our results since February 12, 2016.

In addition, we acquired SFR BeLux on June 19, 2017, contributing €17.1 million to the Company's revenue since the acquisition date. If the acquisition had occurred on January 1, 2017, management estimates that consolidated revenue would have been €47.7 million.

This increase in revenue was partially offset by the sale of Ortel Mobile NV to LycaMobile Belgium Limited as per March 1, 2017 and the discontinuation of certain fixed legacy products at BASE.

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5.14 EXPENSES BY NATURE

	For the nine months ended September 30,			For the three months ended September 30,		
	2017	2016 as represented(*) (in thousands of euro)	2016 as reported	2017	2016 as represented(*) (in thousands of euro)	2016 as reported
Network operating expenses	135,759	119,582	104,583	44,770	42,279	39,715
Direct costs (programming, copyrights, interconnect and other)	447,169	445,052	445,052	150,276	153,267	153,267
Staff-related expenses	186,326	186,602	187,463	59,762	62,533	63,394
Sales and marketing expenses	66,749	68,876	68,876	23,875	21,498	21,498
Outsourced labor and Professional services ...	30,683	20,593	35,072	11,566	6,203	9,099
Other indirect expenses ...	106,358	111,368	111,027	36,930	40,279	39,086
Operating expenses	973,044	952,073	952,073	327,179	326,059	326,059
Restructuring expenses ...	30,116	2,071	2,071	29,239	2,271	2,271
Operating charges related to acquisitions or divestitures	2,171	7,107	7,107	273	685	685
Share-based payments granted to directors and employees	10,616	8,001	8,001	2,817	3,328	3,328
Depreciation	348,319	265,788	265,788	121,087	92,553	92,553
Amortization	133,300	113,509	113,509	45,177	41,773	41,773
Amortization of broadcasting rights	45,284	38,424	38,424	14,018	12,539	12,539
Impair of long-lived assets — Intangible.	3,014	—	—	2,465	947	947
Gain on disposal of property and equipment	(3,065)	(3,358)	(3,358)	(3,065)	(3,358)	(3,358)
Below the line	569,755	431,542	431,542	212,011	150,738	150,738
Total costs and expenses	1,542,799	1,383,615	1,383,615	539,190	476,797	476,797

(*) We refer to Note 5.1.6 Reporting changes for detailed information regarding the reclassification of (i) wholesale revenue and (ii) expenses related to truck rolls for customer premises equipment ("CPE").

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(*) We refer to Note 5.1.6 Reporting changes for detailed information regarding the reclassification of (i) wholesale revenue and (ii) expenses related to truck rolls for customer premises equipment (“CPE”).

For the first nine months ended September 30, 2017, Telenet incurred total expenses of €1,542.8 million, representing an increase of 11.5% compared to the prior year period when the Company incurred total expenses of €1,383.6 million and which included a €6.0 million nonrecurring benefit following the settlement of the Company’s Full-MVNO Agreement with Orange Belgium as well as €7.9 million of transformation costs linked to the BASE integration.

The Company recorded a €29.2 million non-cash restructuring charge linked to the accelerated onboarding of our Full MVNO customer base to our own mobile network. The Company now aims for full completion by the end of Q1 next year versus our initial plan of late 2018, hence impacting the contractual commitments under our Full MVNO Agreement with Orange Belgium.

In addition, the Company’s total expenses in the first nine months ended September 30, 2017 reflected (i) a full nine-month contribution from BASE, (ii) the impact of the SFR BeLux acquisition as of June 19, 2017 and (iii) the sale of Ortel as mentioned above.

The Company’s total expenses increased for the first nine months ended September 30, 2017 as compared to the same period last year as (i) i) higher depreciation and amortization charges, (ii) the impact of the aforementioned restructuring charge, (iii) higher costs related to professional services and (iv) higher network operating expenses were only partially offset by (i) lower indirect costs as a result of the Company’s continued focus on overhead expenses, (ii) lower direct costs including the Company’s MVNO-related costs and costs related to handset sales and subsidies, (iii) lower staff-related expenses and (iv) lower sales and marketing expenses due to timing variances and phasing in some of the Company’s campaigns.

The Company aims to complete its full MVNO network by the end of Q1 2018, resulting in a €29 million non-cash restructuring charge reflecting the contractual commitments under the Full MVNO Agreement with Orange Belgium.

Telenet’s total operating expenses represented approximately 82% of the Company’s revenue for the first nine months of 2017. Cost of services provided as a percentage of Telenet’s revenue represented approximately 63% of the total revenue for the first nine months ended September 30, 2017, while selling, general and administrative expenses represented approximately 19% of the total revenue for the first nine months ended September 30, 2017.

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5.15 FINANCE INCOME/EXPENSE

	Note	For the nine months ended September 30,		For the three months ended September 30,	
		2017	2016	2017	2016
		(in thousands of euro)		(in thousands of euro)	
Recognized in the statement of profit or loss and comprehensive income					
Finance income					
Net interest income and foreign exchange gain					
Interest income on bank deposits and commercial paper		421	349	251	81
Interest income on receivables		17	4	17	0
Net foreign exchange gain		209,857	—	66,215	0
		210,295	353	66,483	81
Finance expense					
Net interest expense, foreign exchange loss and other finance expense					
Interest expense on financial liabilities measured at amortized cost, and other finance expense		(163,908)	(172,768)	(54,058)	(56,791)
Amortization of financing cost		(4,124)	(5,888)	(1,215)	(2,085)
Net foreign exchange loss		—	(13,686)	0	10,476
		(168,032)	(192,342)	(55,273)	(48,400)
Net loss on derivative financial instruments					
Early termination of derivative financial instruments		—	(10,735)	0	0
Change in fair value		(192,376)	(106,290)	(78,796)	(30,831)
		(192,376)	(117,025)	(78,796)	(30,831)
Loss on extinguishment of debt		(46,715)	(16,853)	(182)	0
		(407,123)	(326,220)	(134,251)	(79,231)
Net finance expenses		(196,828)	(325,867)	(67,768)	(79,150)

For the first nine months ended September 30, 2017, Telenet incurred net finance expenses totaled €196.8 million compared to €325.9 million of net finance expenses incurred for the first nine months of 2016. A €75.4 million higher non-cash loss on the Company's derivatives and a €29.8 million higher non-cash loss on the extinguishment of debt following the early redemption of certain debt instruments during the first nine months of 2017 were more than offset by a €209.9 million non-cash foreign exchange gain on the Company's outstanding USD-denominated debt in the first nine months of 2017. As a result, the Company's net interest income and foreign exchange gain was €210.3 million for the first nine months of 2017 as compared to €0.3 million in the prior year period. The Company's net interest expense, foreign exchange loss and other finance expense decreased 13% from €192.3 million for the first nine months of 2016 to €168.0 million for the first nine months of 2017 as a result of certain recent refinancings which both extended the average maturity of the Company's debt and lowered the Company's overall interest expenses.

5.16 INCOME TAX EXPENSE

	For the nine months ended September 30		For the three months ended September 30	
	2017	2016	2017	2016
	(in thousands of euro)			
Current tax expense	143,064	127,032	60,293	60,851
Deferred tax expense/(income)	(104,921)	(80,836)	(64,836)	(87,626)
Income tax expense	38,143	46,196	(4,543)	(26,775)

Telenet Group Holding NV and its subsidiaries had available combined cumulative tax loss carry forwards of €1,395.3 and €1,227.6 million as of September 30, 2017 and December 31, 2016, respectively. Under current Belgian and Luxembourg tax laws, these loss carry forwards have indefinite lives and may be used to offset future taxable income of Telenet Group Holding NV and its subsidiaries.

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Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable.

The Company did not recognize deferred tax assets of €172.8 and €185.3 million as of September 30, 2017 and December 31, 2016, respectively, related to tax loss carry forward, because it is not considered more likely than not that these net deferred tax assets will be utilized in the future.

5.17 EARNINGS PER SHARE

5.17.1 Basic

The earnings and weighted average number of shares used in calculating basic earnings per share are:

	For the nine months ended September 30,		For the three months ended September 30,	
	2017	2016	2017	2016
(in thousands of euro, except share and per share data)				
Net profit attributable to the equity holders of the Company	104,738	41,764	29,600	61,257
Weighted average number of ordinary shares	115,463,859	115,949,561	115,497,934	115,485,135
Weighted average number of shares used in the calculation of basic earnings per share	115,463,859	115,949,561	115,497,934	115,485,135
Basic earnings per share in €	0.91	0.36	0.26	0.53

5.17.2 Diluted

Diluted earnings per share are calculated by using the treasury stock method by adjusting the weighted average number of shares used in the calculation of basic earnings per share to assume full conversion of all dilutive potential ordinary shares.

During the nine months ended September 30, 2017, the Company had no dilutive potential ordinary shares:

	For the nine months ended September 30,		For the three months ended September 30,	
	2017	2016	2017	2016
Weighted average number of shares used in the calculation of basic earnings per share	115,463,859	115,949,561	115,497,934	115,485,135
Adjustment for:				
Warrant Plan 2010 ter Warrants	—	24,802	—	13,784
Weighted average number of shares used in the calculation of diluted earnings per share	115,463,859	115,974,363	115,497,934	115,498,919
Diluted earnings per share in €	0.91	0.36	0.26	0.53

5.18 ACQUISITION AND DISPOSAL OF A SUBSIDIARY

5.18.1 ACQUISITION OF A SUBSIDIARY

Coditel Brabant SPRL

On June 19, 2017, pursuant to a definitive agreement and following regulatory approval, Telenet acquired 100% of the shares of Coditel Brabant SPRL for a cash purchase price of €391.0 million (the “SFR BeLux” acquisition). Coditel Brabant SPRL, operating under the SFR brand (formerly Numéricable), provides cable services to households and businesses in Brussels, Wallonia and Luxembourg and offers mobile telephony services in Belgium through an MVNO Agreement with BASE (Telenet Group BVBA).

In 2017, the Company incurred acquisition-related costs of €1.3 million on legal fees and due diligence costs. These have been included in ‘Selling, general and administrative expenses’. Total acquisition-related costs incurred for the SFR BeLux acquisition amounts to €2.9 million.

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Through this acquisition, Telenet extends its cable footprint beyond the current Flemish and Brussels coverage areas to parts of Wallonia and the Grand Duchy of Luxembourg, while covering roughly two-thirds of the Brussels footprint after this acquisition. We expect that the SFR BeLux acquisition will provide Telenet with certain annual cost-efficiencies, mainly driven by (1) an extended footprint in Brussels, (2) the introduction of competitive and appealing quadruple-play offers (combination of video, high-speed internet, fixed and mobile telephony), (3) B2B growth and (4) overall cost synergies.

The SFR BeLux acquisition was funded through a combination of two revolving debt facilities for an aggregate amount of €210.0 million (see Note 5.9), and existing liquidity of Telenet. The acquisition was approved by the Belgian Competition Authority subject to conditions intended to ensure that Orange will have access to Coditel's cable network. Telenet has in particular committed that Orange will be able to access Coditel's cable network within four months of completion of the transaction, and this at wholesale prices comparable to those applicable in the Flanders.

We account for the SFR BeLux acquisition using the acquisition method of accounting, whereby the total purchase price is allocated to the acquired identifiable net assets of Coditel based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. Due to the restricted access to financial and operational data prior to closing of the acquisition, which occurred on June 19, 2017, the Company was not able to perform a detailed allocation of the total purchase price as of September 30, 2017. The preliminary opening balance sheet is therefore subject to adjustment based on our assessment of the fair values of the acquired identifiable assets and liabilities. The items with the highest likelihood of changing upon the valuation process include property and equipment, goodwill, intangible assets associated with customer relationships and income taxes. The SFR brand was not part of the acquisition and will be terminated in Belgium and Luxembourg by the end of 2019 at the latest.

In the period as from June 19, 2017 till September 30, 2017, SFR BeLux contributed revenue of €17.1 million and a net income of €2.9 million to the Group's results. If the acquisition had occurred on 1 January 2017, management estimates that SFR BeLux revenue would have been €47.7 million, and SFR BeLux operating result for the period would have been €10.8 million. In determining these amounts, management has assumed that the fair value adjustments determined, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017.

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A summary of the purchase price and the provisional identifiable assets acquired and liabilities assumed for the SFR BeLux acquisition at the acquisition date is presented in the following table:

<u>(in thousands of euro)</u>	<u>Note</u>	<u>IFRS opening balance sheet</u>	<u>Fair value adjustments</u>	<u>Fair value of identifiable net assets</u>
Assets				
Non-current assets:				
Property and equipment		84,316	—	84,316
Goodwill		61,212	(61,212)	
Other intangible assets		4,997	—	4,997
Other assets		77	—	77
Total non-current assets		150,602	(61,212)	89,390
Current assets:				
Trade receivables		16,857	—	16,857
Other current assets		1,522	—	1,522
Cash and cash equivalents		1,651	—	1,651
Total current assets		20,030		20,030
Total assets acquired		170,632	(61,212)	109,420
Liabilities				
Non-current liabilities:				
Loans and borrowings		4,102	—	4,102
Deferred tax liabilities		17,249	—	17,249
Other non-current liabilities		457	—	457
Total non-current liabilities		21,808	—	21,808
Current liabilities:				
Loans and borrowings		160	—	160
Trade payables		8,562	—	8,562
Accrued expenses and other current liabilities		13,229	—	13,229
Deferred revenue		9,866	—	9,866
Current tax liability		3,107	—	3,107
Total current liabilities		34,924	—	34,924
Total liabilities assumed		56,732	—	56,732
Fair value of identifiable net assets acquired				52,688
Total consideration transferred				390,980
Provisional goodwill arising from the acquisition				338,292

5.18.2 DISPOSAL OF A SUBSIDIARY

Ortel Mobile NV

On February 10, 2017, Telenet Group BVBA sold all shares of its MVNO subsidiary Ortel Mobile NV to LycaMobileBelgium Limited. The agreed upon transfer date of the shares was March 1, 2017.

The consideration received consisted of (1) the purchase price of 1 EUR, (2) the cash and cash equivalents of Ortel Mobile NV on the transfer date amounting to €1.7 million, (3) a discount of €1.7 million on future MVNO services to settle prepaid credits and (4) the agreement for the provision of full MVNO services under the Amended MVNO agreement.

Telenet determined that the net assets of Ortel Mobile NV on March 1, 2017 amounted to €2.1 million. Telenet recorded a net loss on disposal of €2.1 million.

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5.19 COMMITMENTS AND CONTINGENCIES

5.19;1 Pending litigations

Interkabel Acquisition

On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the 2008 PICs Agreement), which closed effective October 1, 2008.

Beginning in December 2007, Proximus NV/SA (Proximus), the incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements. Proximus lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle and initiated a civil procedure on the merits claiming the annulment of the agreement-in-principle. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Proximus in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Proximus brought this appeal judgment before the Cour de Cassation (the Belgian Supreme Court), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet in the civil procedure on the merits, dismissing Proximus's request for the rescission of the agreement-in-principle and the 2008 PICs Agreement. On June 12, 2009, Proximus appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Proximus is now also seeking compensation for damages. While these proceedings were suspended indefinitely, other proceedings were initiated, which resulted in a ruling by the Belgian Council of State in May 2014 annulling (i) the decision of the PICs not to organize a public market consultation and (ii) the decision from the PICs' board of directors to approve the 2008 PICs Agreement. In December 2015, Proximus resumed the civil proceedings pending with the Court of Appeal of Antwerp seeking to have the 2008 PICs Agreement annulled and claiming damages of €1.4 billion.

Telenet intends to defend itself vigorously in the resumed proceedings and does not expect an outcome before the end of 2017. No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the annulment of the 2008 PICs Agreement and/or to an obligation of Telenet to pay compensation for damages, subject to the relevant provisions of the 2008 PICs Agreement, which stipulate that Telenet is responsible for damages in excess of €20.0 million. We do not expect the ultimate resolution of this matter to have a material impact on our results of operations, cash flows or financial position. No amounts have been accrued by us with respect to this matter as the likelihood of loss is not considered to be probable.

Litigation regarding cable access

In December 2010, BIPT and the regional regulators for the media sectors (together, the Belgium Regulatory Authorities) published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium. The Belgium Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (1) an obligation to make a resale offer at "retail minus" of the cable analog package available to third-party operators (including Proximus), (2) an obligation to grant third-party operators (except Proximus) access to digital television platforms (including the basic digital video package) at "retail minus", and (3) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Proximus).

In February 2012, Telenet submitted draft reference offers regarding the obligations described above, and the Belgium Regulatory Authorities published the final decision on September 9, 2013. Telenet has implemented the access obligations as described in its reference offers and, on March 1, 2016, Orange Belgium NV (Orange Belgium), formerly known as Mobistar SA, launched a commercial offer combining a cable TV package and broadband internet access for certain of their mobile customers. In addition, as a

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result of the November 2014 decision by the Brussels Court of Appeal described below, on November 14, 2014, Proximus submitted a request to Telenet to commence access negotiations. Telenet contests this request and has asked the Belgium Regulatory Authorities to assess the reasonableness of the Proximus request. This question is addressed in the Belgian Regulatory Authorities draft market review decisions of July 7, 2017. The timing for a decision regarding this assessment by the Belgium Regulatory Authorities is not known.

On December 14, 2015, the Belgium Regulatory Authorities published a draft decision, which amended previously-issued decisions, and sets forth the “retail minus” tariffs of minus 26% for basic television (basic analog and digital video package) and minus 18% for the bundle of basic television and broadband internet services during an initial two-year period. Following this two-year period, the tariffs would change to minus 15% and 7%, respectively. The draft decision was notified to the E.U. Commission and a final decision was adopted on February 19, 2016. A “retail minus” method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding value added tax (VAT) and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as costs for billing, franchise, consumer service, marketing and sales).

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet’s appeal of the July 2011 Decision and accepted Proximus’s claim that Proximus should be allowed access to Telenet’s, among other operators, digital television platform and the resale of bundles of digital video and broadband internet services. On November 30, 2015, Telenet filed an appeal of this decision with the Belgian Supreme Court. In 2014, Telenet and wireless operator Orange Belgium each filed an appeal with the Brussels Court of Appeal against the initial retail minus decision. On April 25, 2016, Telenet also filed an appeal with the Brussels Court of Appeal challenging the February 19, 2016 retail minus decision. On October 25, 2017, the Court of Appeal rendered a judgment annulling both the 2013 and 2016 retail minus decisions, with effect as of April 30, 2018.

The July 2011 Decision aims to, and in its application may, strengthen Telenet’s competitors by granting them resale access to Telenet’s network to offer competing products and services notwithstanding Telenet’s substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (1) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (2) adversely impact Telenet’s ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet’s network and other competitive factors or market developments.

Orange request for access to Coditel’s network

On 11 February 2016, Orange Belgium SA (“Orange”) made an official request for access to the cable network of Coditel, which was acquired by Telenet Group on 19 June 2017. On 19 February 2016, Orange transferred a sum of EUR 600,000 to Coditel as required to launch the six-month implementation period to put in place the necessary measures to give Orange access to the cable network pursuant to the July 2011 Decision. In principle, the implementation period ended on 19 August 2016. As Orange had not yet obtained effective access to Coditel’s network in December 2016, Orange brought a claim for damages against Coditel on 29 December 2016 in front of the French-speaking Commercial Court of Brussels. Orange claimed to have suffered a loss of EUR 8,973 per day of delay. On 16 January 2017, Orange also initiated interim proceedings, but these have in the meantime been withdrawn.

The proceedings in front of the French-speaking Commercial Court of Brussels are still ongoing. Coditel considers that Orange has in the meantime obtained effective access to Coditel’s cable network.

Cable ownership related legal proceedings

The municipality of Sint-Lambrechts-Woluwe granted the right to operate the cable network on its territory to WoluTV ASBL (“WoluTV”) in 1971. Telenet provided a number of technical services to WoluTV in accordance with agreements dated February 11, 1998 (analog television) and September 3, 2007 (digital

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television). Telenet and WoluTV also concluded two agreements on May 7 and September 3, 2007 respectively, pursuant to which Telenet provided, in its own name and for its own account, internet and telephony services on the municipality's cable network. On December 16, 2014, WoluTV terminated the agreements with Telenet with effect on December 31, 2015.

The agreements terminated by WoluTV provide that WoluTV must compensate Telenet for all costs, damages and losses as a consequence of termination of the agreements. WoluTV has disputed that this clause is valid under Belgian law and has therefore refused to designate an expert to determine the amount of the compensation owed to Telenet. Telenet brought a claim against WoluTV before the Commercial Court of Brussels on November 10, 2015, whereby Telenet requested provisional compensation of €1 million (increased with interest), and that the Court appoint an expert to determine the compensation owed by WoluTV. The case is currently pending before the Commercial Court of Brussels.

Separately, on April 28, 2015, the municipality of Sint-Lambrechts-Woluwe decided to sell its cable network. On June 29, 2015, the municipality awarded the purchase contract to Coditel Brabant SPRL (SFR) ("Coditel") for €18 million. Telenet, who had also submitted an offer to purchase the cable network, brought an action for annulment of the municipality's decision before the Council of State. Telenet has withdrawn its action for annulment in view of the acquisition of Coditel.

Copyright related legal proceedings

The issue of copyrights and neighboring rights to be paid for the distribution of television has during the last two decades given rise to a number of litigations. Already in 1994, the Belgian Radio and Television Distributors Association (Beroepsvereniging voor Radio- en Televisiedistributie / Union professionnelle de radio et de télédistribution) (the "RTD", renamed afterwards to "Cable Belgium") was involved in discussions with various copyrights collecting agencies regarding the fees to be paid to the latter for the analogue broadcasting of various television programs. In November 2002, the RTD, together with certain Belgian cable operators (among which Telenet), began reaching settlements with the copyright collecting agencies and broadcasters. Pursuant to those settlement agreements, to which Telenet acceded, Telenet agreed to make certain upfront payments as well as to make increased payments over time. Consequently, in August 2003, Telenet increased the copyright fee it charges its subscribers. In July 2004, the Association for the Collection, Distribution and Protection of the Rights of the Artists, Interpreters and Performers (CVBA Vereniging voor de inning, repartitie en de verdediging van de vertolkende en uitvoerende kunstenaars) ("Uradex", later renamed to "Playright") filed a claim against the RTD for €55 million plus interest concerning neighboring rights owed by the members of the RTD to artists and performers represented by Uradex during the period from August 1994 through the end of July 2004.

After the roll-out of digital television, Telenet in 2006 started a judicial procedure against a number of collecting agencies. This procedure is related to a discussion between Telenet and these collecting agencies about the legal qualification of (i) simulcast (i.e. channels distributed both in analogue and in digital quality), (ii) direct injection (i.e. channels delivered to the distributor over a non-publicly accessible transmission channel) and (iii) all rights included contracts (i.e. contracts in which broadcasters engage to deliver their signals and programs after having cleared all rights necessary for the communication to the public over the distributor's networks).

On April 12, 2011, the Court of First Instance of Mechelen rendered a positive judgment in the procedure against Sabam, Agicoa, Uradex and other collecting agencies, and as part of which procedure several collecting agencies (Sabam not included) filed counterclaims against Telenet for the payment of the invoices that Telenet disputed. The Court validated Telenet's arguments in each of the claims and counterclaims that were the subject of the procedure and, as a result: (i) no retransmission fees have to be paid by Telenet in case of direct injection of a broadcaster's signal into Telenet's network, (ii) no retransmission fees have to be paid in case of simulcast of an analog and digital signal (and consequently, Telenet does not have to pay extra for the distribution of linear digital television signals) and (iii) all-rights-included contracts are deemed legally valid, which means that if Telenet agrees with a broadcaster that the latter is responsible for clearing all copyrights, Telenet is not liable towards the collecting agencies. The collecting agencies lodged an appeal (see below).

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Since Sabam had not filed any counterclaim for the payment of invoices as part of the aforesaid judgment, on April 6, 2011, Sabam (not the other collecting agencies) initiated judicial proceedings before the Commercial Court of Antwerp, claiming payment by Telenet of invoices relating to (a) fees for a period from January 1, 2005 until December 31, 2010 for Telenet's basic digital television package, and (b) fee advances for the first semester of 2011 for Telenet's basic and optional digital television packages. The claims mainly related to (i) direct injection and (ii) all-rights-included contracts. Sabam's claim was based on arguments substantially similar to those rejected by the Court of First Instance in Mechelen on April 12, 2011. As discussed below, Sabam has asked the Commercial Court of Antwerp to withdraw these claims as Sabam has filed similar claims in the pending proceedings before the Brussels Court of Appeal. Simultaneously, Sabam initiated a summary procedure before the President of the Commercial Court of Antwerp, to receive provisional payment of the contested fees and fee advances. On June 30, 2011, the President of the Commercial Court of Antwerp rendered a positive judgment for Telenet in this procedure. Sabam lodged an appeal. On June 27, 2012, the Court of Appeal of Antwerp confirmed this judgment and dismissed the claim in summary proceedings of Sabam.

In the case of the appeal against the judgment of April 12, 2011 of the Court of First Instance of Mechelen, the Court of Appeal of Antwerp rendered an intermediate ruling on February 4, 2013. The Court of Appeal rejected the claims of the collecting societies with regard to simulcasting and confirmed that direct injection is a single copyright relevant operation (royalties should therefore be paid only once). The case was reopened to allow the collecting societies to provide further proof of their actual claims. On January 20, 2014 and on May 5, 2014, respectively, Numéricable (previously Coditel) and Telenet appealed this intermediate ruling before the Supreme Court mainly because of the incorrect qualification of the fees to be paid for the communication to the public as if it would be "retransmission" rights. The Supreme Court has issued its judgment in this matter on September 30, 2016. The Supreme Court accepted the argument of Telenet that direct injection only involves a single communication to the public and therefore cannot constitute "retransmission" as this requires two communications to the public. The Supreme Court has referred the case to the Court of Appeal of Brussels, where the case has recently been activated upon request of Sabam. In the context of these proceedings Sabam now has filed a counterclaim for copyrights due as from 2005 to 2016 (all claims combined), withdrawing its claims that were pending before the Antwerp Commercial Court. In view of the complexity of the matter and the number of parties involved, it will take at least another year before a decision is rendered. Numéricable had reached a settlement with the collecting societies before, and has already withdrawn its appeal. Telenet does not expect the ultimate resolution of this matter to have a material impact on its results of operations or financial condition.

Pylon taxes

Since the second half of the 1990s, certain municipalities (mainly in the Brussels-Capital and Walloon Regions), provinces and the Walloon Region have levied local taxes, on an annual basis, on pylons, masts and/or antennas dedicated to mobile telecom services located on their territory, on the basis of various municipal, provincial and regional regulations. These taxes have systematically been contested by Telenet Group BVBA (formerly BASE Company NV) ("Telenet Group") before the Courts on various grounds.

In particular, Telenet Group has argued that such tax regulations are discriminatory because they apply only to pylons, masts and antennas dedicated to mobile telecom services and not to comparable equipment used for other purposes (whether telecom-related or not). Telenet believes that there is no objective and reasonable justification for such differentiated tax treatment. Telenet is therefore of the view that the contested tax regulations violate the general non-discrimination principle. The Courts have in a number of instances accepted this argument (cf. positive judgment of the Supreme Court of September 25, 2015).

There was also a question as to whether article 98 §2 of the Belgian law of March 21, 1991 on the reform of certain public economic companies (the "1991 Law") prohibits municipalities from taxing the economic activity of telecom operators on their territories through the presence (whether on public or private domain) of mobile telephone pylons, masts or antennas dedicated to this activity. The Belgian Constitutional Court held on December 15, 2011 that this was not the case. That interpretation was confirmed by the Belgian Supreme Court in its judgments of March 30, 2012.

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In the case between Telenet Group and the City of Mons, the European Court of Justice ruled on October 6, 2015 that the municipal tax on GSM pylons levied by the City of Mons, as disputed by Telenet Group, does not fall within the scope of Article 13 of Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorization of electronic communications networks and services (the “Authorization Directive”) and is therefore not prohibited on the basis van Article 13 of the Authorization Directive.

By Decree of December 11, 2013 (the “2014 Walloon Decree”), the Walloon Region implemented an annual tax on masts, pylons and antennas for mobile operators with effect of January 1, 2014. Under this Decree, all municipal taxes on pylons, mast and antennas in the Walloon Region have been abolished. The Decree does however allow municipalities to levy surcharges. The tax amounts to EUR 8,000 per ‘site’. Under the Decree all users of ‘sites’ are jointly liable towards the Walloon Region for the tax related to shared sites. On December 12, 2014, a Walloon Decree was adopted that maintains this tax for 2015 and subsequent years, with the same scope and tax payable (EUR 8,000 per ‘site’, subject to indexation as of 2015) (the “2015 Walloon Decree”). The three Belgian mobile network operators brought a request for annulment of these Decrees before the Constitutional Court.

On July 16, 2015, the Constitutional Court annulled the 2014 Walloon Decree, but decided to maintain its effects. By judgment of May 25, 2016, the Constitutional Court also annulled the 2015 Walloon Decree, without maintaining its effects. On December 22, 2016, Telenet and the other mobile operators concluded a settlement with the Walloon Region. In addition to payment of a settlement fee to end the dispute related with the 2014 Walloon Decree, this settlement also includes an undertaking from the Walloon Region not to levy any taxes on telecom infrastructure and a commitment for Telenet to invest EUR 20 million until 2019 on top of the investments already planned in the Walloon Region. Telenet intends to continue challenging any local tax regulations applicable to its mobile telecom equipment. As per June 30, 2017, Telenet has recognised a provision of €21.6 million in this respect. Telenet and the KPN Group have moreover agreed on certain recourse arrangements in respect of certain (pre-2015) pylon taxes in their sale and purchase agreement with respect to BASE Company NV (now Telenet Group BVBA). It can however not be excluded that other taxes on telecom equipment will in the future be imposed, which may have a significant negative financial impact on Telenet.

5.20 SUBSEQUENT EVENTS

Completion of the Extended Share Repurchase Program 2017

At October 27, 2017, the Company successfully completed the Extended Share Repurchase Program 2017, as announced on February 16, 2017 (the “Share Repurchase Program 2017”) and amended on August 2, 2017 (the “Extended Share Repurchase Program 2017”). Under the Extended Share Repurchase Program 2017, the Company could acquire up to 1.1 million ordinary shares until December 31, 2017. The share repurchases were subject to the terms and conditions approved by the Company’s extraordinary general shareholders’ meeting of April 30, 2014. Under the Extended Share Repurchase Program 2017, the Company acquired 1.1 million own shares for a total consideration of €61.6 million. At 27 November, 2017, the Company held 2,252,026 own shares, representing 1.92% of the total number of outstanding shares.

Acquisition of Belgian ICT integrator Nextel

On November 6, 2017, the Company announced that its direct subsidiary Telenet Group BVBA had entered into an agreement with the current shareholders of TelelinQ NV on October 31, 2017 concerning the acquisition of TelelinQ NV, and its subsidiaries Nextel NV, Nextel Telecom Solutions NV and TelelinQ Distribution & Finance NV (hereafter “Nextel”). In order to support the Company’s growth ambitions in the Belgian B2B market, this acquisition will provide the Telenet group with additional in-house expertise to design, construct and manage total solutions on behalf of other companies. As a Belgian integrator, Nextel currently works for major companies, SMEs, care institutions, non-profit organizations and government authorities. Nextel has offices in Wommelgem and Zaventem and to date has 315 permanent employees, having generated revenue of approximately €47.0 million in 2016. The acquisition will be submitted to the Belgian Competition Authority for approval, before it can be executed.

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Employee Share Purchase plan 2017

In 2016, the board of directors approved the issuance of a new Employee Share Purchase Plan (the “Employee Share Purchase Plan 2017” or “ESPP 2017”) within the limits of the authorized capital as approved by the extraordinary shareholder’s meeting of April 26, 2017, for a maximum amount of €5.0 million (excluding share premium). In September 2017, the board of directors offered to all of Telenet’s employees (excluding SFR Belux) the opportunity to purchase new shares of the Company under the terms of the ESPP 2017 at a discount of 16.67% to the average share purchase price over the 20 business day period starting 27 September 2017. Based on the average share price of €58.05 during this 20 business day period, the shares were offered to the personnel at a subscription price of €48.38.

Statutory auditor's report to the board of directors of Telenet Group Holding NV on the review of the condensed consolidated interim financial information as at 30 September 2017 and for the 9-month period then ended.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Telenet Group Holding NV as at 30 September 2017, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the 9-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 September 2017 and for the 9-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Brussels, 27 November 2017

KPMG Bedrijfsrevisoren
Statutory Auditor
represented by

Filip De Bock
Bedrijfsrevisor

Telenet Group Holding NV
consolidated financial statements

Telenet Group Holding NV

1. Consolidated statement of financial position

	Note	December 31, 2016	December 31, 2015
		(in thousands of euro)	
Assets			
Non-current assets:			
Property and equipment	5.4	2,046,824	1,411,933
Goodwill	5.5	1,540,946	1,241,813
Other intangible assets	5.6	709,175	241,061
Deferred tax assets	5.15	135,532	108,493
Investments in and loans to equity accounted investees	5.7.1	27,372	57,651
Other investments	5.7.2	1,757	—
Derivative financial instruments	5.14	49,658	7,556
Trade receivables	5.8.1	4,793	4,739
Other non-current assets	5.9.1	16,480	13,235
Total non-current assets		4,532,537	3,086,481
Current assets:			
Inventories	5.10	21,702	19,261
Trade receivables	5.8.2	205,979	145,907
Other current assets	5.9.2	125,209	68,622
Cash and cash equivalents	5.11	99,203	277,273
Derivative financial instruments	5.14	22,825	941
Total current assets		474,918	512,004
Total assets		5,007,455	3,598,485
Equity and Liabilities			
Equity:			
Share capital	5.12	12,758	12,751
Share premium and other reserves	5.12	966,132	1,001,302
Retained loss	5.12	(2,190,107)	(2,224,874)
Remeasurements	5.12	(14,798)	(9,286)
Total equity attributable to owners of the Company		(1,226,015)	(1,220,107)
Non-controlling interests	5.12	18,372	16,648
Total equity		(1,207,643)	(1,203,459)
Non-current liabilities:			
Loans and borrowings	5.13	4,642,485	3,683,320
Derivative financial instruments	5.14	94,695	57,786
Deferred revenue	5.19	675	648
Deferred tax liabilities	5.15	166,047	124,512
Other non-current liabilities	5.16	94,608	59,062
Total non-current liabilities		4,998,510	3,925,328
Current liabilities:			
Loans and borrowings	5.13	139,372	110,558
Trade payables		182,284	133,512
Accrued expenses and other current liabilities	5.18	559,230	350,313
Deferred revenue	5.19	101,731	73,572
Derivative financial instruments	5.14	16,015	6,181
Current tax liability	5.22	217,956	202,480
Total current liabilities		1,216,588	876,616
Total liabilities		6,215,098	4,801,944
Total equity and liabilities		5,007,455	3,598,485

The notes are an integral part of these consolidated financial statements.

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2. Consolidated statement of profit or loss and other comprehensive income

		For the years ended December 31,	
	Note	2016	2015 as represented (*)
		(in thousands of euro, except per share data)	
Profit for the period			
Revenue	5.19	2,429,120	1,821,848
Cost of services provided	5.20	(1,449,938)	(997,972)
Gross profit		979,182	823,876
Selling, general and administrative expenses	5.20	(493,750)	(280,790)
Operating profit		485,432	543,086
Finance income		6,518	16,543
Net interest income and foreign exchange gain	5.21	378	2,754
Net gain on derivative financial instruments	5.14	6,140	13,789
Finance expense		(376,403)	(280,239)
Net interest expense, foreign exchange loss and other finance expense	5.21	(330,752)	(249,392)
Loss on extinguishment of debt	5.21	(45,651)	(30,847)
Net finance expenses	5.21	(369,885)	(263,696)
Share in the profit (loss) of equity accounted investees	5.7.1	35	(4,076)
Impairment of investments in equity accounted investees	5.7.1	(31,000)	—
Profit before income tax		84,582	275,314
Income tax expense	5.22	(43,013)	(99,652)
Profit for the period		41,569	175,662
<u>Other comprehensive income (loss) for the period, net of income tax</u>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/(asset)	5.17	(5,512)	1,259
Other comprehensive income (loss) for the period, net of income tax		(5,512)	1,259
Total comprehensive income for the period		36,057	176,921
Profit attributable to:		41,569	175,662
Owners of the Company		41,815	175,639
Non-controlling interests		(246)	23
Total comprehensive income for the period, attributable to:		36,057	176,921
Owners of the Company		36,303	176,898
Non-controlling interests		(246)	23
Earnings per share			
Basic earnings per share in €	5.23	0.36	1.51
Diluted earnings per share in €	5.23	0.36	1.51

(*) We refer to Note 5.1.6 Reporting changes for detailed information regarding the reclassification of reminder fees and carriage fees.

The notes are an integral part of these consolidated financial statements.

Telenet Group Holding NV

3. Consolidated statement of changes in shareholders' equity

(in thousands of euro, except share data)	Note	Attributable to equity holders of the Company							
		Number of shares	Share capital	Share premium	Equity-based compensation reserve	Legal reserve	Reserve for own shares	Other reserves	Retained loss
January 1, 2016		117,278,706	12,751	61,271	71,346	79,269	(38,487)	827,903	(2,224,874)
Total comprehensive income for the period									
Profit for the period		—	—	—	—	—	—	—	41,815
Other comprehensive income (loss)		—	—	—	—	—	—	—	—
Total comprehensive income for the period		—	—	—	—	—	—	—	41,815
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Reallocation of prior year's profit to legal reserve		—	—	—	—	7,048	—	—	(7,048)
Recognition of share-based compensation	5.12	—	—	—	9,485	—	—	—	—
Cash settlement of PSP 2013 awards	5.12	—	—	—	(1,629)	—	—	—	—
Reclass Performance Share Plan to cash settled equity award liabilities	5.12	—	—	—	(3,931)	—	—	—	—
Cost of equity transactions		—	—	—	—	—	—	42	—
Own shares acquired	5.12	—	—	—	—	—	(47,800)	—	—
Own shares sold	5.12	—	—	—	—	—	520	—	—
Proceeds received upon exercise of Warrants	5.12	56,917	7	1,095	—	—	—	—	—
Total contribution by and distributions to owners of the Company		56,917	7	1,095	3,925	7,048	(47,280)	42	(7,048)
Changes in ownership interests in subsidiaries									
Capital contributions by NCI		—	—	—	—	—	—	—	—
Total transactions with owners of the Company		56,917	7	1,095	3,925	7,048	(47,280)	42	(7,048)
December 31, 2016		117,335,623	12,758	62,366	75,271	86,317	(85,767)	827,945	(2,190,107)

Telenet Group Holding NV

		Attributable to equity holders of the Company							
(in thousands of euro, except share data)	Note	Number of shares	Share capital	Share premium	Equity-based compensation reserve	Legal reserve	Reserve for own shares	Other reserves	Retained loss
January 1, 2015		116,908,039	12,711	55,565	62,691	74,396	(1,448)	827,903	(2,394,309)
Total comprehensive income for the period									
Profit for the period		—	—	—	—	—	—	—	175,639
Other comprehensive income		—	—	—	—	—	—	—	—
Total comprehensive income for the period		—	—	—	—	—	—	—	175,639
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Reallocation of prior year's profit to legal reserve	5.12	—	—	—	—	4,873	—	—	(4,873)
Recognition of share-based compensation	5.12	—	—	—	10,370	—	—	—	—
Performance shares	5.12	—	—	—	(1,715)	—	—	—	—
Own shares acquired	5.12	—	—	—	—	—	(50,017)	—	—
Own shares sold	5.12	—	—	—	—	—	12,978	—	(1,331)
Proceeds received upon exercise of Warrants and options	5.12	370,667	40	5,706	—	—	—	—	—
Total contribution by and distributions to owners of the Company		370,667	40	5,706	8,655	4,873	(37,039)	—	(6,204)
Changes in ownership interests in subsidiaries									
Capital contributions by NCI		—	—	—	—	—	—	—	—
Total transactions with owners of the Company		370,667	40	5,706	8,655	4,873	(37,039)	—	(6,204)
December 31, 2015		117,278,706	12,751	61,271	71,346	79,269	(38,487)	827,903	(2,224,874)

The notes are an integral part of these consolidated financial statements.

Telenet Group Holding NV

4. Consolidated statement of cash flows

		For the years ended December 31,	
	Note	2016	2015
		(in thousands of euro)	
Cash flows provided by operating activities:			
Profit for the period		41,569	175,662
Adjustments for:			
Depreciation, amortization, impairment and restructuring	5.20	616,693	382,828
Gain on disposal of property and equipment and other intangible assets	5.20	(5,081)	(2,362)
Income tax expense	5.22	43,013	99,652
Increase (decrease) in allowance for bad debt	5.8	(538)	5,154
Net interest income and foreign exchange gain	5.21	(378)	(2,754)
Net interest expense, foreign exchange loss and other finance expense	5.21	330,752	249,392
Net gain on derivative financial instruments	5.14 & 5.21	(6,140)	(13,789)
Loss on extinguishment of debt	5.21	45,651	30,847
Other income (loss)		(35)	4,076
Impairment of investments in equity accounted investees	5.7.1	31,000	—
Share based payments	5.12 & 5.20	11,655	10,370
Change in:			
Trade receivables		(25,603)	(44,136)
Other assets		46,230	19,939
Deferred revenue		(1,716)	(537)
Trade payables		(21,449)	19,135
Other liabilities		(4,652)	(35,443)
Accrued expenses and other current liabilities		(28,604)	46,835
Interest paid		(231,242)	(201,879)
Interest received		—	166
Income taxes paid		(92,026)	(77,623)
Net cash provided by operating activities		749,099	665,533
Cash flows used in investing activities:			
Purchases of property and equipment		(303,429)	(245,988)
Purchases of intangibles		(178,583)	(132,987)
Acquisitions of other investments	5.7.2	(1,757)	(57,218)
Acquisitions of and loans to equity accounted investees	5.7.1	(500)	—
Acquisitions of subsidiaries, net of cash acquired	5.24	(1,180,542)	—
Proceeds from sale of property and equipment and other intangibles		4,629	3,126
Purchases of broadcasting rights for resale purposes		(1,881)	(3,765)
Proceeds from the sale of broadcasting rights for resale purposes		1,881	3,765
Net cash used in investing activities		(1,660,182)	(433,067)
Cash flows used in financing activities:			
Repayments of loans and borrowings	5.13	(1,711,401)	(507,401)
Proceeds from loans and borrowings	5.13	2,589,565	542,740
Payments of finance lease liabilities		(37,025)	(35,498)
Payments for debt issuance costs		(44,648)	(29,244)
Payments for early termination of loans and borrowings		(9,939)	—
Payments for early termination of derivative financial instruments	5.14	(10,735)	(72,973)
Payments for other financing activities		(1,629)	(1,716)
Repurchase of own shares	5.12	(47,800)	(50,017)
Sale of own shares	5.12	520	2,025
Proceeds from exercise of warrants	5.12	1,102	5,746
Proceeds from capital transactions with equity participants		5,003	2,092
Proceeds from issuance of share capital through Employee Share Purchase Plan	5.12	—	—
Payments related to capital reductions and dividends		—	(23)
Net cash provided by (used in) financing activities		733,013	(144,269)
Net increase (decrease) in cash and cash equivalents		(178,070)	88,197
Cash and cash equivalents:			
at January 1	5.11	277,273	189,076
at December 31	5.11	99,203	277,273

The notes are an integral part of these consolidated financial statements.

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2016

5. Notes to the consolidated financial statements for the year ended December 31, 2016

5.1 Reporting entity and basis of preparation

5.1.1 Reporting entity

The accompanying consolidated financial statements present the operations of Telenet Group Holding NV, its subsidiaries and other consolidated companies (hereafter collectively referred to as the “Company” or “Telenet”). Through its broadband network, the Company offers basic and enhanced video services, including pay television services, broadband internet and fixed-line telephony services to residential subscribers in Flanders and certain communes in Brussels as well as broadband internet, data and voice services in the business market throughout Belgium and parts of Luxembourg. The Company also offers mobile telephony services through an MVNO Arrangement with Orange and through its own mobile network following the acquisition of BASE on February 11, 2016. Telenet Group Holding NV and its principal operating subsidiaries are limited liability companies organized under Belgian law. Subsidiaries and structured financing entities (“SEs”) have been incorporated in Luxembourg in order to structure the Company’s financing operations.

5.1.2 Basis of preparation

In accordance with the EU Regulation 1606/2002 of July 19, 2002, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“EU IFRS”). The financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. The methods used to measure fair values are discussed further in note 5.2.8. The principal accounting policies are set out in section 5.2 below.

5.1.3 Functional and presentation currency

These consolidated financial statements are presented in euro (“€”), which is the Company’s functional currency, rounded to the nearest thousand except when indicated otherwise.

5.1.4 Use of estimates and judgments

The preparation of financial statements in accordance with EU IFRS requires the use of certain critical accounting estimates and management judgment in the process of applying the Company’s accounting policies that affects the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following notes:

- note 5.3.6: Financial instruments: fair values
- note 5.4: Property and equipment
- note 5.5: Goodwill
- note 5.6: Other intangible assets
- note 5.7.1: Investments in and loans to equity accounted investees
- note 5.14: Derivative financial instruments
- note 5.15: Deferred taxes
- note 5.16: Other non-current liabilities—Asset Retirement obligation
- note 5.18: Accrued expenses and other current liabilities—Liabilities for tax on sites
- note 5.24: Acquisition of subsidiary—Purchase price allocation

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Notes to the Consolidated Financial Statements December 31, 2016

A number of the Company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, the Company uses market observable data to the extent available.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the fair value techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For further information about the assumptions made in measuring fair values we refer to note 5.3.6 Financial Instruments and note 5.12.2 Employee share based compensation.

5.1.5 Going Concern

The consolidated financial statements as of December 31, 2016 showed a negative consolidated equity amounting to €1,207.6 million, mainly as a result of the Company's historical shareholder disbursements policy, including various capital reductions.

The Company considers its most optimal equity structure on a consolidated level, based on a certain net leverage range as described in note 5.3.5, even in case of a negative equity on a consolidated level.

The board of directors has considered the Company's net equity position and has prepared the consolidated financial statements applying the accounting policies consistently on a going concern basis taking into account amongst others:

- the forecasted earnings for the next year;
- a projected steadily strong positive cash flow for the next year;
- maturities of financial obligations as disclosed in note 5.3.3.

5.1.6 Reporting changes

As of January 1, 2016, carriage fees are no longer recognized as revenue, but are netted off against direct expenses as Telenet considers charged carriage fees and the purchase of distributable content as a single transaction going forward. In addition, reminder fees are recognized as revenue from January 1, 2016 as these fees are considered to represent a separately identifiable revenue stream, whereas previously reminder fees were recognized net of the related costs in the indirect expense line. The two aforementioned changes in presentation favorably impacted Telenet's revenue and unfavorably impacted Telenet's cost of services provided for the year ended December 31, 2016 by €14.6 million and for the year ended December 31, 2015 by €13.4 million, but did not impact the Company's operating profit and cash flows.

5.1.7 Approval by board of directors

These consolidated financial statements were authorized for issue by the board of directors on March 20, 2017.

5.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

No changes to the significant accounting policies have been made, except as explained in note 5.2.19, which addresses new standards, interpretations, amendments and improvements.

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2016

5.2.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company. The consolidated financial statements include the accounts of Telenet Group Holding NV and all of the entities that it directly or indirectly controls. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance.

Structured Entities

The Company has established SEs for financing purposes. The Company does not have any direct or indirect shareholdings in these entities. An SE is consolidated if, based on an evaluation of the substance of its relationship with the Company and the SE's risks and rewards, the Company concludes that it controls the SE.

Associates and joint ventures

The Company's interest in equity-accounted investees comprises interests in associates and joint ventures.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint ventures are accounted for using the equity method and are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of the equity-accounted investees, until the date on which significant influence or joint control ceases.

5.2.2 Segment Reporting

Operating segments are the individual operations of a company that the chief operating decision maker ("CODM") reviews regularly in allocating resources to these segments and in assessing segment performance. Telenet's segment reporting is presented based on how Telenet's internal financial information is organized and reported to the CEO, who is Telenet's CODM, the Senior Leadership Team and the board of directors.

The CEO, the Senior Leadership Team and the board of directors of Telenet manage the Company's telecommunication business, inclusive of the recent acquisition of BASE as a single operation, driven by the Company's fixed and mobile convergence strategy for both the residential and business markets which is demonstrated in the Company's all-in offer called WIGO. They assess the Company's performance and make resource allocation decisions based on an overall Profit and Loss Statement. The Profit and Loss Statement is analyzed at least on a monthly basis with only revenue and direct costs allocated to separate product and service lines. The primary measure of profit within the Profit and Loss Statement used by the CODM to assess performance is Adjusted EBITDA, and the Profit and Loss Statement does not present Adjusted EBITDA for separate product and service lines. Notwithstanding that revenue and direct costs are allocated to the separate product and service lines, as a differentiated Profit and Loss Statement is not used

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2016

by the CODM to manage Telenet's operations, assess performance or make resource allocation decisions, Telenet has determined that its operations constitute one single segment.

In respect of the Company's 50% investment in De Vijver Media NV, the Company determined that the De Vijver Media business is a separate operating segment that is not a reportable segment.

5.2.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When components of an item of property and equipment have different useful lives, they are accounted for as separate components of property and equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Depreciation is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of property and equipment.

The following useful lives are used for the depreciation of property and equipment:

- Buildings and improvements 10-33 years
- Network 3-30 years
- Furniture, equipment and vehicles 2-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Government grants related to assets are recorded as a deduction from the cost in arriving at the carrying amount of the asset. The grant is recognized in the income statement over the life of a depreciable asset as a reduction of depreciation expense.

The Company includes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

The cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of repairs and maintenance of property and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

The fair value of property and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction. The market price of items of equipment is based on the quoted market prices for similar items.

It is the Company's policy to remove an asset's gross cost and accumulated depreciation at the end of an asset's useful life if the asset is no longer used by the Company, except when the asset is classified as held for sale.

5.2.4 Intangible assets

Intangible assets with finite useful lives are measured at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

- Network user rights Life of the contractual right
- Trade name 10 to 20 years
- Customer relationships and supply contracts 5 to 15 years
- Broadcasting rights Life of the contractual right
- Software development costs 3 to 4 years
- Out of market component on future lease obligations acquired as part
of a business combination Term of the lease agreement

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2016

Amortization methods, useful lives and residual values are reviewed at each reporting date and are adjusted if appropriate.

Costs associated with maintaining computer software are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets.

Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software and payroll and payroll-related costs for employees who are directly associated with and who devote time to the project. Capitalization of these costs ceases no later than the point at which the project is substantially complete and ready for its intended purpose. Internally-generated intangible assets are amortized on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognized, development expenditure is recognized as an expense in the period in which it is incurred.

Broadcasting rights are capitalized as an intangible asset when the value of the contract is measurable upon signing. For such broadcasting rights with respect to movies the amortization during the first three months of the license period are based on the actual number of runs to reflect the pattern of consumption of the economic benefits embodied in the content rights. As for the remaining months of the license period the pattern of consumption of the future economic benefits can no longer be determined reliable, the straight-line method is used until the end of the license period. Broadcasting rights with respect to sports contracts are amortized on a straight-line basis over the sports season.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated brands, is recognized in the statement of profit or loss and other comprehensive income as incurred.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of trade names acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the trade name being owned.

The fair value of mobile spectrum licenses acquired in a business combination is based on the market approach, using the price quote of the most recent relevant spectrum license auctions.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

It is the Company's policy to remove an asset's gross cost and accumulated amortization at the end of an asset's useful life if the asset is no longer used by the Company, except when the asset is classified as held for sale.

5.2.5 Impairment of financial and non-financial assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

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Notes to the Consolidated Financial Statements December 31, 2016

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of profit or loss and other comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

The Company's interest in equity-accounted investees are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence of impairment includes :

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis.

In respect of assets other than goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2016

5.2.6 Acquisition accounting and goodwill

Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date on which control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable.

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The cost of an investment in an equity-accounted investee comprises the purchase price and other costs directly attributable to the acquisition of the investment.

Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. Goodwill arising in a business combination is allocated to the acquirer's cash generating units that are expected to benefit from the synergies of the business combination in which goodwill arose. This is irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If the recoverable amount of the cash-generating unit is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets pro-rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

5.2.7 Foreign currency transactions

The Company's functional and presentation currency is the euro, which is also the functional currency of each of the Company's subsidiaries. Transactions in currencies other than the euro are translated at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising on translation are included in profit or loss for the period.

5.2.8 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, loans and borrowings, trade and other payables, and investments and loans to equity accounted investees.

Cash and cash equivalents

Cash equivalents consist principally of cash at bank and money market funds with remaining maturities at acquisition of 3 months or less. Except for money market funds, which are recognized at fair value with changes through the statement of profit or loss and other comprehensive income, cash and cash equivalents are carried at amortized cost using the effective interest rate method, less any impairment losses.

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those instruments.

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Trade receivables

Trade receivables do not carry any interest and are stated at their amortized cost less any allowance for doubtful amounts.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Loans and borrowings

Interest-bearing bank loans are recorded at the proceeds received, net of direct issuance costs. Finance charges, including premiums payable on settlement or redemption and direct issuance costs, are accounted for on an accrual basis using the effective interest method and are recorded as a component of the related debt to the extent that they are not settled in the period in which they arise.

The Company initially recognizes debt securities issued on the date that they are originated. Such liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

Deferred financing fees related to undrawn facilities are recognized as other non-current assets if it is probable that the facility will be drawn down.

In case of a modification or exchange of a debt instrument, a substantial modification is accounted for as an extinguishment. In order to determine if a modification is substantial, the Company compares the present value of the remaining cash flows of the old debt instrument to the present value of the cash flows on the modified instrument (including principal, interest, and other amounts paid to or received from the creditors). If the difference between these present values is greater than 10%, then the modification is deemed substantial. In such case, the associated unamortized deferred financing fees related to the old debt instrument is expensed as a loss on extinguishment of debt. If the exchange was not a substantial modification, then the remaining unamortized deferred financing fees of the old debt remain and are amortized over the term of the corresponding new debts, using the effective interest method. The modification or exchange of a debt instrument resulting in a new debt denominated in another currency is treated as a substantial modification.

Trade payables

Trade payables are not interest bearing and are stated at amortized cost. The carrying amounts of trade payables approximate fair value because of the short maturity of those instruments.

With certain suppliers a vendor financing program is entered into with a financial institution. Under such program, suppliers entering the system are paid by the bank earlier than their regular payment terms at a discount or at their regular payment terms without a discount while Telenet only has to pay the bank after 360 days. Consequently, the vendor financing liabilities are accounted for as current portion of loans and borrowings (note 5.13) on the balance sheet. With respect to the classification of vendor financing in the Company's consolidated statement of cash flows, the company records:

- for operational expense related invoices (OPEX) the Company records cash outflows from operations and a corresponding cash inflow in financing activities when the expenses are incurred. When the Company pays the bank, the Company records financing cash outflows;
- for capital expense related invoices (CAPEX) cash used in financing activities upon payment of the short term debt by the Company to the bank after 360 days.

Derivative financial instruments

The Company's activities are exposed to changes in foreign currency exchange rates and interest rates.

The Company seeks to reduce its exposure through the use of certain derivative financial instruments in order to manage its exposure to exchange rate and interest rate fluctuations arising from its operations and funding.

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The use of derivatives is governed by the Company's policies approved by the board of directors, which provides written principles on the use of derivatives consistent with the Company's risk management strategy.

Derivatives are measured at fair value. The Company does not apply hedge accounting to its derivative instruments. Accordingly, changes in the fair values of derivative instruments are recognized immediately in the statement of profit or loss and other comprehensive income.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value through the statement of profit or loss and other comprehensive income.

For (cross currency) interest rate derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity in the consolidated statement of cash flows.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are presented in the reserve for own shares. When own shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

5.2.9 Revenue recognition

Subscription fees for telephony, internet and premium cable television are prepaid by subscribers on a monthly basis and recognized in revenue as the related services are provided, i.e. in the subsequent month. Subscription fees for analog cable television are prepaid by subscribers predominantly on an annual basis and recognized in revenue on a straight-line basis over the following twelve months. Revenue from usage based premium television, mobile and fixed telephone and internet activity is recognized on actual usage.

Installation fees charged to residential customers are recognized as revenue by reference to the stage of completion of the installation. As installation ordinarily does not take long, installation fees are recognized generally as revenue on completion of the installation. Due to the specific characteristics of a business transaction, upfront installation fees charged to business customers are considered part of an integrated solution. The installation is not considered to have stand-alone value and revenue from installation fees charged to business customers is recognized on a straight-line basis as the ongoing services are provided, i.e. deferred and recognized over the term of the arrangement.

Together with subscription fees, basic cable television subscribers are charged a copyright fee for the content received from public broadcasters that is broadcasted over the Company's network. These fees contribute to the cost the Company bears in respect of copyright fees paid to copyright collecting agencies for certain content provided by the public broadcasters and other copyright holders. The Company reports copyright fees collected from cable subscribers on a gross basis as a component of revenue due to the fact that the Company is acting as a principal in the arrangement between the public broadcaster and other copyright holders which does not represent a pass-through arrangement. Indeed, the Company bears substantial risk in setting the level of copyright fees charged to subscribers as well as in collecting such fees.

For multiple element arrangements, the recognition criteria of revenue are applied to the separately identifiable components of the transaction. A component within an arrangement is separated if it has stand-alone value to the customer and if its fair value can be measured reliably. The fair value of the consideration received or receivable is allocated to the separate components of the arrangement using the

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residual fair value method. The allocation of arrangement consideration to delivered items is limited to amounts of revenue that are not contingent on the Company's future performance.

Revenue from prepaid mobile phone cards is recognized at facial value as deferred income at the time of sale and recognized in revenue upon usage of the call value.

Revenue from termination fees is recognized at the time of the contract cancellation, if and only if collectability of the fee is reasonably assured. If collectability of the termination fee is not reasonably assured at the time of billing, revenue is deferred until cash is received.

Customers may be charged a downgrade fee when they switch to a lower tier service. Generally, the downgrade is not considered to have stand-alone value to the customer and downgrade fees are therefore deemed to be part of the overall consideration for the ongoing service. Revenue from downgrade fees is recognized on a straight-line basis over the longer period of (i) the related subscription contract or (ii) the expected remaining length of the customer relationship.

Digital television customers may rent a set-top box from Telenet. When customers elect to change the type of set-top box that they rent from Telenet, they may be charged a swap fee. The swap to a different type of set-top box is not considered to have stand-alone value to the customer and revenue from swap fees is recognized on a straight-line basis over the shorter period of (i) the expected remaining length of the customer relationship or (ii) the useful life of the set-top box.

Amounts billed for certain premium voice and SMS content are not presented as revenues but are netted against the corresponding expenses, because Telenet carries no legal responsibilities for the collection of these services and acts solely on behalf of the third-party content providers.

Revenue from mobile handset sales transactions, for which the customer entered into a consumer credit agreement with the Company and for which distinct service and payment obligations are applicable from those related to an airtime service contract, is recognized at the time of the sale of the handset as the customer takes full legal title to the handset and realization of the revenue with respect to the mobile handset is not contingent on the satisfactory delivery of future (airtime) services. This revenue is recognized upon the sale of the handset, if and only if collectability of all monthly payments is reasonably assured.

Wholesale revenue earned under MVNO agreements is billed on a monthly basis and recognized in accordance with the usage of the services provided in accordance with the specifications as contractually agreed upon.

Interconnection revenue paid by other telecommunication operators for use of our network, as well as roaming revenue resulting from receiving or making calls abroad is recognized upon usage.

Revenue from reminder fees are considered to represent a separately identifiable revenue stream and are therefore recognized as revenue.

5.2.10 Operating expenses

Operating expenses consist of interconnection and roaming costs, network operations, maintenance and repair costs and cable programming costs, including employee costs and related depreciation and amortization charges. The Company capitalizes most of its installation costs, including direct labor costs. Copyright and license fees paid to the holders of those rights and their agents are the primary component of the Company's cable programming costs. Other direct costs include costs that the Company incurs in connection with providing its residential and business services, such as interconnection charges as well as bad debt expense. Network costs consist of costs associated with operating, maintaining and repairing the Company's broadband network and customer care costs necessary to maintain its customer base.

Certain municipalities and provinces levy local taxes on an annual basis on masts, pylons and antennas. These taxes do not qualify as income taxes and are recorded as operational taxes. Given the uncertainties surrounding the lawfulness, the Company continues to account for this as a risk in accordance with IAS 37. As the levy is triggered based on the pylons at the beginning of each fiscal year, a liability and the related expense are recognized in accordance with IFRIC 21 at the beginning of each year. Interest charges related to the non-payment of this tax are recognized and recorded on a monthly basis.

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5.2.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the amount can be reliably measured. Provisions are measured at the Company's best estimate of the expenditure required to settle its liability and are discounted to present value where the effect is material.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced to those affected. Future operating losses are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

The obligation related to dismantling network sites is recognized as a tangible asset and a corresponding liability which is measured by using appropriate inflation and discount rates.

5.2.12 Leases

At inception of an arrangement, including arrangements that convey to the Company the right to use equipment, fibers or capacity for an agreed period of time in return for a series of payments, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the Company. Property and equipment acquired by way of a finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and any impairment losses. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in long-term debt with the interest element of the finance cost charged to the statement of profit or loss and other comprehensive income over the lease period. All other leases are classified as operating lease payments and recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case they are depreciated over their useful lives.

5.2.13 Income taxes

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit, and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it

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is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that is not a business combination and that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Current and deferred tax is charged or credited to the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also dealt with in equity.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

5.2.14 Employee benefits

Pension and other post-employment benefit obligations

The Company provides both defined benefit and defined contribution plans to its employees, directors and certain members of management.

For defined contribution plans, the Company pays fixed contributions into a separate entity. The Company has no obligation to pay further amounts in case the plan assets are insufficient to pay all employee benefits relating to current and prior service. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

As a result of minimum guaranteed rates of return imposed by law, there is a risk that the Company has to pay additional contributions. Therefore, the Belgian defined contribution plans classify as defined benefit plans. Due to a change in legislation regarding the minimum guaranteed rates of return at the end of 2015, the Company accounts for its defined contribution plans as defined benefit plans as from 2016 onwards

A defined benefit plan is a post-employment benefit plan that is not a defined contribution plan. For defined benefit pension plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The discount rate is based on the yield at the reporting date on high quality corporate bonds (average yield on AA corporate bonds in euro, benchmarked against the iBoxx € AA Corporates index) taking into account the duration of the Company's obligations.

For the defined contribution plans subject to minimum guaranteed rates of return, the defined benefit obligation is based on the higher of the contributions increased by the minimum guaranteed rates of return

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and the actual accumulated reserves (plans funded through a pension fund) or the paid-up insured benefits (insured plans). For plans whereby the contributions increase by age, the prospective benefits are attributed on a straight line basis over the employee's career.

The net defined benefit liability/(asset) recognized in the balance sheet corresponds to the difference between the defined benefit obligation and the fair value of the plan assets. In case of a surplus, the net defined benefit (asset) is limited to the present value of future economic benefits available in the form of a reduction in contributions or a cash refund.

For insured plans, the fair value of the insurance policies is based on the insurance reserves.

Remeasurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses on the defined benefit obligation, the return on plan assets (excluding interest income) and changes in the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI).

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense is recognized in profit or loss.

Past service cost resulting from plan amendments or curtailments is recognized immediately in profit or loss.

The Company also provides post-retirement health care benefits to certain employees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans.

Other long term employee benefit obligations

The Company provides long term service awards to its employees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognized immediately in profit or loss.

Share-based payments

The Company issues equity-settled share-based payments to certain employees which are measured at fair value at the date of grant. The grant date fair value of options granted to employees is calculated using a Black-Scholes pricing model and recognized as share-based payments expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. Measurement inputs for the Black-Scholes model include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognizes the cumulative impact of the revision of original estimates, if any, in the statement of profit or loss and other comprehensive income, and a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The Company also issues cash-settled share-based payments to certain employees which are measured at fair value and recognized as share-based payments expense, with a corresponding increase in long term and short term other liabilities, over the period that the employees become unconditionally entitled to the options.

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Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5.2.15 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

5.2.16 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise warrants and options granted to employees and the CEO.

5.2.17 Finance income and expenses

Finance income mainly comprises interest income on funds invested, changes in the fair value of financial instruments, net gains on financial instruments and foreign exchange gains. Interest income is recognized as it accrues in the statement of profit or loss and other comprehensive income, using the effective interest method.

Finance expense mainly comprises interest expense on loans and borrowings, changes in the fair value of financial instruments, net losses on financial instruments and foreign exchange losses.

Foreign currency gains and losses are reported on a net basis.

5.2.18 Customer acquisition costs

Customer acquisition costs are the directly attributable costs incurred in signing up a new customer. These include, but are not limited to, incentives paid to retailers, commissions paid to external dealers or agents, and sales commissions to the Company's staff.

Customer acquisition costs paid to a party other than the customer are capitalized as intangible assets if and only if the definition and recognition criteria are met, the costs are incremental to the subscriber contracts, and can be measured reliably. As these criteria are generally not met, customer acquisition costs are generally expensed as incurred.

Cash incentives given to customers are not viewed as customer acquisition costs, but are recognized as a deduction from revenue.

Benefits in kind given to customers, to the extent they do not represent a separate component of the arrangement, are recognized as an expense in the appropriate periods.

5.2.19 Changes in accounting policies

The following changes in accounting policies are reflected in the Company's consolidated financial statements as of and for the year ending December 31, 2016.

- *Amendments to IFRS 11—Accounting for Acquisitions of Interests in Joint Operations* (effective for annual periods beginning on or after January 1, 2016) clarify that the acquirer of an interest in a joint

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operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11.

- *Annual Improvements to IFRS 2012-2014 cycle* is a collection of minor improvements to 4 existing standards (effective for annual periods beginning on or after January 1, 2016).
- *The disclosure initiative (Amendments to IAS 1)* are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. The narrow-focus amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments relate to the following: materiality; order of the notes; subtotals; accounting policies; and disaggregation. The amendments are effective for annual periods beginning on or after 1 January 2016.

The adoption of this amendment did not have a material impact on the Company's financial position, statement of profit or loss and other comprehensive income or cash flows.

5.2.20 Forthcoming requirements

Standards, annual improvements, amendments and interpretations to existing standards that are not yet effective for the year ended December 31, 2016 and have not been early adopted by the Company

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after January 1, 2017, or later periods, but the Company has not early adopted them. The adoption of these standards, amendments and interpretations, except for IFRS 9, IFRS 15 and IFRS 16, is not expected to have a material impact on the Company's financial result or financial position:

Amendments to IAS 7 Statement of Cash Flows: requiring disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities (effective for annual periods beginning on or after January 1, 2017). These amendments have not yet been endorsed by the EU.

IFRS 9 Financial Instruments (effective for annual periods beginning on or after January 1, 2018) includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements, which align hedge accounting more closely with risk management. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. With respect to the provision for impairment of trade receivables, the Company will apply under IFRS 9 a new forward looking impairment model based on an expected credit loss model rather than the currently applied actual credit loss model.

IFRS 15 Revenue from Contracts with Customers, requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers Operations (effective for annual periods beginning on or after January 1, 2018). The Company has made a detailed analysis of its various revenue streams. We expect the revenues from installation and activation services, as well as the revenues related to subsidized handset to be impacted by IFRS 15. The financial impact on the aforementioned revenue streams is estimated at -€5.4 million and +€8.4 million respectively for 2018.

IFRS 16 Leases (effective for annual periods beginning on or after January 1, 2019) makes a distinction between a service contract and a lease based on whether the contract conveys the right to control the use of an identified asset and introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. With respect to the impact of IFRS 16, we refer to note 5.26.3 and note 5.3. The Company is in the process of analyzing its operational lease agreements and corresponding obligations in order to apply IFRS 16. The conversion approach that will be applied is not yet determined.

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Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12) clarifies the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. Further, the amendments provide guidance on estimating probable future taxable profits when assessing the recognition of deferred tax assets when there are insufficient taxable temporary differences relating to the same taxation authority and the same taxable entity. The amendments are effective for annual periods beginning on or after 1 January 2017, with earlier adoption permitted. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2) issued on 20 June 2016 covers three accounting areas: the measurement of cash-settled share-based payments; the classification of share-based payments settled net of tax withholdings; and the accounting for a modification of a share-based payment from cash-settled to equity-settled. The amendments are effective for annual periods commencing on or after 1 January 2018. As a practical simplification, the amendments can be applied prospectively so that prior periods do not have to be restated. Retrospective, or early, application is permitted if companies have the required information. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

IFRIC 22 Foreign currency transactions and Advance consideration issued on 8 December 2016, clarifies the transaction date to be used to determine the exchange rate for translating foreign currency transactions involving an advance payment or receipt. The interpretation is effective for annual periods beginning on or after 1 January 2018, with earlier adoption permitted. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

Annual improvements to IFRSs 2014-2016 Cycle, issued on 8 December 2016, covers the following minor amendments:

- *IFRS 1 First-time Adoption of IFRS*: Outdated exemptions for first-time adopters of IFRS are removed (effective for annual periods beginning on or after 1 January 2018);
- *IFRS 12 Disclosure of Interests in Other Entities*: Also applies to interests that are classified as held for sale or distribution (effective for annual periods beginning on or after 1 January 2017) and
- *IAS 28 Investments in Associates and Joint Ventures*: A venture capital organization, or other qualifying entity, may elect to measure its investments in an associate or joint venture at fair value (effective for annual periods beginning on or after 1 January 2018, with earlier adoption permitted).

The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

5.3 Risk management

5.3.1 General

The Company is exposed to various risks within the context of its normal business activities, which could have a material adverse impact on its business, prospects, results of operations and financial condition. Therefore, controlling these risks is very important for the management of the Company. To support its growth and help the management and the Audit Committee to deal with the challenges the Company faces, the Company has set up a risk management and internal control system. The purpose of the internal control and risk management framework is to enable the Company to meet its objectives. The most important components of this system are described in our Corporate Governance Statement under 7.4 Internal control and risk management systems.

The Company conducts its business in a rapidly changing environment that gives rise to numerous risks and uncertainties that it cannot control. Please refer to 3 Risk factors for more detailed information.

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Telenet is involved in a number of legal procedures risen in the normal course of operations, as Telenet operates within a highly competitive environment. Legal proceedings may arise in connection with such as intellectual property, advertising campaigns, product offerings and acquisition opportunities. Telenet discusses in note 5.26.1 certain procedures, which are still pending and to which the Company is involved. Outside the procedures described in note 5.26.1, Telenet does not expect the legal proceedings in which it is a party or by which it is threatened to have a material adverse effect on the activities or consolidated financial position. However, the Company notes that the outcome of legal proceedings can be extremely difficult to predict, and Telenet offers therefore no guarantees.

The Company applies a decentralized risk management approach built upon the three lines of defense model. The Company has introduced a risk governance layer to strengthen its risk oversight by identifying the key supporting risk management functions (2nd line of defense), creating an oversight on the maturity thereof and by implementing a common risk management framework to align processes for risk identification, risk analysis, risk evaluation, risk treatment, monitoring and reporting across the key risk areas.

An overview of the different risk domains is maintained in the risk assurance map, which is organized around four risk groups:

- Governance, Risk & Compliance
- Strategy & Planning
- Operations
- Reporting

Governance, Risk & Compliance captures various topics such as the board structure, ethics, corporate social responsibility, Telenet's 2nd line of defense and compliance with laws and regulations.

Strategy & Planning focuses on external factors (competition, credit rating, capital, economic conditions, .), strategy (M&A, innovation, technology, ...) and business planning.

All operational processes (marketing to sales, order to bill, bill to cash, customer service, infrastructure operations) and all supporting processes (build, content, finance & administration, HR, Legal, ...) fall into the risk group Operations.

And finally, the risk group Reporting covers all risks related to internal and external, financial and non-financial reporting.

The risk assurance map is used to prioritize the internal audits performed by the internal audit function (3rd line of defense) and the reviews performed by Telenet's risk managers, and to visualize the results. All issues and action plans resulting from these reviews are maintained and followed up in a central repository. The resolution of the open issues is monitored through management self-assessment and a quarterly follow-up for issues with high or medium priority. The SLT and the Audit Committee receive a quarterly status update on all open issues.

5.3.2 Credit risk

Qualitative disclosures

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to the Company in relation to lending, hedging, settlement and other financial activities. The Company is exposed to credit risk from its operating activities and treasury activities.

The largest share of the gross assets subject to credit risk from operating activities are trade receivables from residential and small business customers located throughout Belgium and parts of Luxembourg, and outstanding receivables towards BASE's wholesale, interconnect and roaming partners. Accordingly, the Company has no significant concentration of credit risk. The risk of material loss from non-performance from these customers is not considered likely. The Company establishes reserves for doubtful accounts receivable to cover the potential loss from non-payment by these customers.

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As for credit risk on financial instruments, the Company maintains credit risk policies with regard to its counterparties to minimize overall credit risk. These policies include an assessment of a potential counterparty's financial condition, credit rating and other credit criteria and risk mitigation tools as deemed appropriate. The Company maintains a policy of entering into such transactions only with highly rated European and US financial institutions. To minimize the concentration of counterparty credit risk, the Company enters into derivative transactions with a portfolio of financial institutions. Likewise, cash and cash equivalents are placed with highly rated financial institutions and only highly rated money market funds are used.

Quantitative disclosures

The Company considers its maximum exposure to credit risk to be as follows:

	December 31, 2016	December 31, 2015
	(in thousands of euro)	
Cash and cash equivalents (including money market funds, certificates of deposits)	99,203	277,273
Trade receivables	220,431	157,762
Derivative financial instruments	72,483	8,496
Receivables from sale of sports broadcasting rights	7,198	1,691
Outstanding guarantees to third parties for own liabilities (cash paid)	1,102	987
Loans to equity accounted investees	1,269	1,035
Total	401,686	447,244

More detailed financial information has been disclosed under the respective notes to the consolidated financial statements of the Company.

5.3.3 Liquidity risk

Qualitative disclosures

The principal risks to the Company's sources of liquidity are operational risks, including risks associated with decreased pricing, reduced subscriber growth, increased marketing costs and other consequences of increasing competition, new regulations and potentially adverse outcomes with respect to the Company's litigations as described in note 5.26.1. Telenet's ability to service its debt and to fund its ongoing operations will depend on its ability to generate cash. Although the Company anticipates generating positive cash flow after deducting interest and taxes, the Company cannot assure that this will be the case. The Company may not generate sufficient cash flow to fund its capital expenditures, ongoing operations and debt obligations.

Telenet Group Holding NV is a holding company with no source of operating income. It is therefore dependent on capital raising abilities and dividend payments from subsidiaries to generate funds. The terms of the 2015 Amended Senior Credit Facility contain a number of significant covenants that restrict the Company's ability, and the ability of its subsidiaries to, among other things, pay dividends or make other distributions, make capital expenditures, incur additional debt and grant guarantees. The agreements and instruments governing its debt contain restrictions and limitations that could adversely affect the Company's ability to operate its business.

The Company believes that its cash flow from operations and its existing cash resources, together with available borrowings under the 2015 Amended Senior Credit Facility, will be sufficient to fund its currently anticipated working capital needs, capital expenditures and debt service requirements.

The 2015 Amended Senior Credit Facility is discussed in greater detail in note 5.13.1 of the consolidated financial statements of the Company.

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The Company has implemented a policy on financial risk management, which has been reviewed and approved by the Audit Committee in March 2015. With respect to liquidity and funding risks, the key objectives can be summarized as:

- ensure that at all times the Company has access to sufficient cash resources to meet its financial obligations as they fall due and to provide funds for capital expenditure and investment opportunities as they arise;
- ensure that the Company has sufficient excess liquidity to ensure that the Company can meet its non-discretionary financial obligations in the event of unexpected business disruption;
- ensure compliance with borrowing facilities covenants and undertakings.

A minimum level of cash and cash equivalents is maintained in order to meet unforeseen cash expenses. In addition, the Company has entered into a €25.0 million bank overdraft facility in order to allow for a more aggressive cash management policy within the context of continued negative short-term interest rates. A limit has also been set regarding the maximum amount that can be deposited and invested per banking counterparty. The Company's funding requirements and funding strategy are reviewed annually.

A limit has been set regarding the maximum amount that can be invested per derivative product type. On top of this limit, the authorized financial counterparties have been determined and limits have been set for each counterparty by reference to their long-term credit rating.

Quantitative disclosures

The Company's aggregate contractual obligations as at December 31, 2016 and 2015 were as follows:

		Payments due by period (in thousands of euro)					
Situation as per December 31, 2016		Less than	2 years	3 years	4 years	5 years	After
Contractual obligations	Total	1 year					5 years
Long term debt ⁽¹⁾⁽³⁾	6,178,462	224,286	193,724	201,963	196,305	194,922	5,167,262
Finance lease obligations ⁽¹⁾⁽³⁾	470,112	61,486	59,519	50,539	47,725	46,131	204,712
Operating lease obligations	183,394	50,491	37,433	31,356	25,781	17,858	20,475
Other contractual obligations ⁽²⁾	1,438,248	366,062	151,088	83,221	59,777	47,596	730,504
Interest Rate Derivatives ⁽³⁾	(20,801)	(1,268)	10,467	10,604	10,567	10,484	(61,655)
Foreign Exchange Derivatives	41,515	41,515	—	—	—	—	—
Accrued expenses and other							
current liabilities ⁽⁴⁾	461,432	461,432	—	—	—	—	—
Trade payables	182,284	182,284	—	—	—	—	—
Total contractual obligations	8,934,646	1,386,288	452,231	377,683	340,155	316,991	6,061,298

		Payments due by period (in thousands of euro)					
Situation as per December 31, 2015		Less than	2 years	3 years	4 years	5 years	After
Contractual obligations	Total	1 year					5 years
Long term debt ⁽¹⁾⁽³⁾	5,121,487	205,929	194,903	194,217	202,394	196,566	4,127,478
Finance lease obligations ⁽¹⁾⁽³⁾	455,612	58,499	55,518	53,555	44,775	42,162	201,103
Operating lease obligations	44,174	17,781	8,086	6,230	3,741	2,398	5,938
Other contractual obligations ⁽²⁾	1,259,836	241,252	113,828	60,475	54,975	36,615	752,691
Interest Rate Derivatives ⁽³⁾	125,591	5,365	9,683	22,109	22,091	22,097	44,246
Foreign Exchange Derivatives	45,080	45,080	—	—	—	—	—
Accrued expenses and other							
current liabilities ⁽⁴⁾	281,542	281,542	—	—	—	—	—
Trade payables	133,512	133,512	—	—	—	—	—
Total contractual obligations	7,466,834	988,960	382,018	336,586	327,976	299,838	5,131,456

1 Interest included.

2 Represents fixed minimum commitments under certain programming and purchase agreements, amounts associated with certain operating costs resulting from the Interkabel acquisition as well as commitments related to the 3G spectrum (Note 5.6).

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- 3 Contractual obligations with a floating interest rate are based on the rate outstanding as at December 31. The contractual obligations also reflect the euro value of nominal exchanges due at maturity of the Company's cross currency interest rates swaps.
- 4 Excluding compensation and employee benefits, VAT and withholding taxes.

5.3.4 Market risk

The Company is exposed to market risks relating to fluctuations in interest rates and foreign exchange rates, primarily between the US dollar and euro. The Company uses financial instruments to manage its exposure to interest rate and foreign exchange rate fluctuations. Each of these risks is discussed below.

Qualitative disclosures on foreign exchange risk

The Company undertakes certain transactions in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The Company's functional currency is the euro. However, the Company conducts, and will continue to conduct, transactions in currencies other than the euro, particularly the US dollar. About 2.6% (2015: 3.9%) of the Company's costs of operations (primarily the costs of network hardware equipment, software and premium cable television rights) were denominated in US dollars, while all of its revenue was generated in euros. The Company has significant US dollar obligations with respect to the contracts it is party to for the supply of premium content. Decreases in the value of the euro relative to the US dollar would increase the cost in euro of the Company's US dollar denominated costs and expenses, while increases in the value of the euro relative to the US dollar would have the reverse effect.

The Company has historically covered a portion of its US dollar cash outflows arising on anticipated and committed purchases through the use of foreign exchange derivative instruments. The Company uses forward foreign exchange contracts to manage the exchange rate risk arising from:

- purchases of goods and services in foreign currency;
- capital equipment priced in foreign currency or subject to price changes due to movements in exchange rates;
- payments of royalties, franchise or license fees denominated in a foreign currency.

Although the Company takes steps to protect itself against the volatility of currency exchange rates, there is a residual risk that currency risks due to volatility in exchange rates could have a material adverse effect on the Company's financial condition and results of operations.

In May 2016, the Company issued a USD 850.0 million Term Loan ("Term Loan AD") due June 2024 through Telenet Financing LLC, a US company fully owned by Telenet International Finance S.à r.l. to issue the Term Loan in the US debt markets for this purpose. In November 2016, the Company issued a USD 1,500 million Term Loan ("Term Loan AF") due January 2025 through Telenet Financing LLC. The net proceeds of this issuance were among other items used to redeem the outstanding amounts under certain Term Loans, including the aforementioned Term Loan AD. As a result of the November 2016 debt issuance, the Company is increasingly exposed to both USD-denominated and floating interest rate risks, for which adequate hedging policies have been put in place. For this, the Company has entered into cross-currency interest rate swaps of which USD 850.0 million is maturing at the end of June 2024 and the remaining USD 650.0 million will mature until January 2025.

The outstanding forward foreign exchange derivatives as of December 31, 2016 and 2015, are disclosed in more detail in note 5.14 to the consolidated financial statements of the Company.

Qualitative disclosures on interest rate risk

The Company is mainly exposed to interest rate risk arising from borrowings at floating interest rates, interest bearing investments and finance leases. The Company limits its exposure to floating interest rates through the use of derivative instruments.

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The risk is managed by maintaining an appropriate mix of (cross-currency) interest rate swap contracts, interest rate cap contracts, interest rate collar contracts.

The Company implemented a policy on financial risk management, which has been reviewed and approved by the Audit Committee in March 2015. With respect to interest rate risk, the key objectives can be summarized as:

- only long term interest exposures (+ 1 year) are managed;
- all derivative instruments used are designated to actual interest exposures and are authorized under the policy.

As referred to above, the outstanding interest rate derivatives as of December 31, 2016 and 2015, are disclosed in more detail in note 5.14 to the consolidated financial statements of the Company.

Under the 2015 Amended Senior Credit Facility, there is a 0% floor. As a result, if EURIBOR is below zero, then EURIBOR is deemed to be zero. The same mechanism applies to the Company's USD-denominated exposure.

Quantitative disclosures

Interest rate sensitivity testing

For interest rate derivatives, the Company has used a sensitivity analysis technique that measures the change in the fair value of these financial instruments for hypothetical changes in the relevant base rate applicable at year-end, holding all other factors constant.

A change of 25 basis points in interest rates at the reporting date would have changed the fair values of the Company's interest rate derivatives as set out in the table below:

(in thousands of euro)	2016		2015	
	+0.25 %	-0.25 %	+0.25 %	-0.25 %
Changes in fair value				
Swaps	80,572	(80,572)	30,852	(30,852)
Caps	—	—	61	—
Collars	3	(3)	—	—
Total	80,575	(80,575)	30,913	(30,852)

The following table summarizes the Company's interest obligations under the outstanding floating rate indebtedness and interest rate derivatives. The amounts generated from this sensitivity analysis are forward-looking estimates of market risk assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets.

Situation as per December 31, 2016 +0.25 % (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2015 Amended SCF Term Loan AE	51,278	52,722	52,722	52,722	52,578	171,889
2015 Amended SCF Term Loan AF	57,013	61,089	60,590	60,756	60,756	190,258
Finance Lease	—	—	—	—	—	—
Interest Derivatives	(9,486)	2,251	2,414	2,367	2,299	5,413
Total	98,805	116,062	115,726	115,845	115,633	367,560

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Situation as per December 31, 2016 -0.25% (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2015 Amended SCF Term Loan AE	51,278	52,722	52,722	52,722	52,578	171,889
2015 Amended SCF Term Loan AF	49,804	53,840	53,400	53,546	53,546	167,680
Finance Lease	—	—	—	—	—	—
Interest Derivatives	5,878	17,611	17,715	17,699	17,597	52,133
Total	106,960	124,173	123,837	123,967	123,721	391,702

Situation as per December 31, 2015 +0.25% (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2015 Amended SCF Term Loan W	16,592	16,506	16,506	16,506	16,506	27,496
2015 Amended SCF Term Loan Y	33,150	32,978	32,978	32,978	32,978	87,914
€400 million Senior Secured Notes due 2021	16,252	16,210	16,293	16,168	16,210	8,084
Finance Lease	8	4	—	—	—	—
Interest Derivatives	917	5,233	17,656	17,638	17,644	35,771
Total	66,919	70,931	83,433	83,290	83,338	159,265

Situation as per December 31, 2015 -0.25% (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2015 Amended SCF Term Loan W	15,707	15,622	15,622	15,622	15,622	26,022
2015 Amended SCF Term Loan Y	31,503	31,331	31,331	31,331	31,331	83,521
€400 million Senior Secured Notes due 2021	14,224	14,182	14,266	14,141	14,943	7,070
Finance Lease	1	1	—	—	—	—
Interest Derivatives	9,814	14,132	26,563	26,545	26,551	52,722
Total	71,249	75,268	87,782	87,639	88,447	169,335

For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not the Company's earnings or cash flows. The Company does not currently have any obligation to redeem fixed rate debt prior to maturity and, accordingly, interest rate risk and changes in fair market value should not have a significant effect on the fixed rate debt until the Company would be required to refinance such debt.

Foreign currency sensitivity testing

The following table details the Company's sensitivity to a 10% increase and decrease of the relevant foreign exchange rate. The Company utilizes 10% as the sensitivity rate when reporting foreign currency risk internally as it represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis primarily includes the effect on Telenet's US dollar denominated payables (primarily payables associated with network hardware equipment, software and premium cable television rights) and the Company's USD-denominated debt. As described under 5.3.4 *Market risk—Qualitative disclosures on foreign exchange risk*, the Company's USD-denominated debt is hedged through cross-currency interest rate swaps. This offsets part of the foreign currency sensitivity on our Term Loan AF as outlined in the table below based on the hedged position (if any).

December 31, 2016	Foreign currency	Amount in foreign currency	10% increase		10% decrease	
Trade payables	USD	12,142	(1,041)	On profit or loss	1,273	On profit or loss
2015 Amended SCF Term Loan AF	USD	1,500,000	(158,023)	On profit or loss	129,291	On profit or loss
December 31, 2015	Foreign currency	Amount in foreign currency	10% increase		10% decrease	
Trade payables	USD	7,724	(564)	On profit or loss	689	On profit or loss

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5.3.5 Capital Risk

The Company manages its capital to ensure that the Company and its subsidiaries will be able to continue as a going concern in order to provide sustainable and attractive returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital risk on the basis of the net leverage ratio. The net leverage ratio is calculated as per the 2015 Amended Senior Credit Facility definition, using net total debt, excluding (a) subordinated shareholder loans, (b) capitalized elements of indebtedness under the Clientele and Annuity Fees, (c) any finance leases entered into on or prior to August 1, 2007, and (d) any indebtedness incurred under the network lease entered into with the pure intermunicipalities up to a maximum aggregate amount of €195.0 million, divided by last two quarters' annualized EBITDA.

As of December 31, 2016, the outstanding balance of the Company's consolidated total borrowings and total cash and cash equivalents—as defined under the 2015 Amended Senior Credit Facility—resulted in a Net Total Debt to Consolidated Annualized EBITDA ratio of 3.5x. As per the 2015 Amended Senior Credit Facility, the Company's Consolidated Annualized EBITDA includes certain unrealized synergies with regards to the BASE acquisition. Telenet's net leverage ratio ticked up slightly from 3.4x at December 31, 2015 to 3.5x at December 31, 2016. Telenet's net leverage ratio as per December 31, 2016 did not yet reflect the impact of the proposed acquisition of Altice's operations in Belgium and Luxembourg ("SFR BeLux") which is pending regulatory approval. The current net leverage ratio is significantly below the covenant of 6.0x and the availability test of 5.0x.

5.3.6 Financial instruments: fair values

Carrying amount versus fair value

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position and their levels in the fair value hierarchy are summarized in the table below. The fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation techniques.

December 31, 2016 (in thousands of euro)	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Money market funds	5.14	82,000	82,000	82,000	—	—
Derivative financial assets	5.14	72,483	72,483	—	72,483	—
Total financial assets carried at fair value		154,483	154,483	82,000	72,483	—
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.14	110,710	110,710	—	110,710	—
Total financial liabilities carried at fair value		110,710	110,710	—	110,710	—
Financial liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities (excluding deferred financing fees)	5.13					
—2015 Amended Senior Credit Facility		3,032,638	3,132,411	—	3,132,411	—
—Senior Secured Fixed Rate Notes		1,258,913	1,341,013	1,341,013	—	—
—Overdraft facility		35	35	—	35	—
—Global Handset Finco Ltd Loan		12,740	12,740	—	12,740	—
—Vendor financing		34,652	34,652	—	34,652	—
—Finance lease obligations		358,815	319,075	—	319,075	—
—Clientele fee > 20 years		106,008	98,564	—	98,564	—
—3G Mobile Spectrum		23,680	20,821	—	20,821	—
Total financial liabilities carried at amortized cost ..		4,827,481	4,959,311	1,341,013	3,618,298	—

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December 31, 2015 (in thousands of euro)	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Money market funds	5,110	196,000	196,000	196,000	—	—
Derivative financial assets	5,140	8,496	8,496	—	8,496	—
Total financial assets carried at fair value		204,496	204,496	196,000	8,496	—
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5,140	63,967	63,967	—	63,967	—
Total financial liabilities carried at fair value ...		63,967	63,967	—	63,967	—
Financial liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities						
(excluding deferred financing fees)	5,130					
—2015 Amended Senior Credit Facility		1,381,726	1,352,713	—	1,352,713	—
—Senior Secured Fixed Rate Notes		1,565,776	1,619,243	1,619,243	—	—
—Senior Secured Floating Rate Notes		400,708	401,208	401,208	—	—
—Global Handset Finco Ltd Loan		12,779	12,779	—	12,779	—
—Finance lease obligations		346,042	306,569	—	306,569	—
—Clientele fee > 20 years		97,743	88,945	—	88,945	—
—3G Mobile Spectrum		31,079	26,735	—	26,735	—
Total financial liabilities carried at amortized cost		3,835,853	3,808,192	2,020,451	1,787,741	—

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Unobservable inputs	Inter-relationship between unobservable inputs and fair value measurements
Interest rate derivatives	Discounted cash flows : the fair value of the cross-currency and interest rate derivatives is calculated by the Company based on swap curves flat, taking into account the credit risk of both the Company and the respective counterparties to the instruments. The Company also compares the fair values thus calculated to the respective instruments' fair value as provided by the counterparty.	The credit risk of both the Company and the respective counterparties to the instruments.	The estimated fair value would increase (decrease) if : —the credit risk of the company were lower (higher) —the credit risk of the countercompany were higher (lower).
Foreign exchange forwards and embedded derivatives	Discounted cash flows : the fair value of forward exchange contracts is calculated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate. This calculation is compared to the listed market price, if available.	Not applicable.	Not applicable.

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Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Loans, borrowings and finance lease liabilities : —2015 Amended Senior Credit Facility —Senior Secured Fixed rate notes —Money market funds —Overdraft facilities	Market comparison technique : The fair values are based on broker quotes. The brokers providing the quotes are among the most active in the trading of the Senior Credit Facility, and regularly provide quotes to the market. No adjustments to this pricing are needed.	Not applicable.	Not applicable.
Loans, borrowings and finance lease liabilities : —Finance lease obligations —Clientele fee > 20 years —3G Mobile spectrum —Global handset loan —Vendor financing	Discounted cash flows.	Discount rate.	The estimated fair value would increase (decrease) if : —the discount rate were lower (higher).

During the year ended December 31, 2016, no financial assets or liabilities measured at fair value have been transferred between the levels of the fair value hierarchy.

5.4 Property and equipment

(in thousands of euro)	Note	Land, buildings, and leasehold improvements	Network	Construction in progress	Furniture, equipment, and vehicles	Total
Cost						
At January 1, 2015		115,204	2,433,269	65,350	50,340	2,664,163
Additions		447	977	265,002	32	266,458
Transfers		5,510	238,376	(251,481)	7,621	26
Disposals		—	(8,624)	(345)	(2,083)	(11,052)
Write off of fully depreciated assets		(515)	(222,337)	—	(4,699)	(227,551)
At December 31, 2015		120,646	2,441,661	78,526	51,211	2,692,044
Additions		2,798	115,435	287,737	135	406,105
Acquisition of BASE	5.24	19,770	591,688	5,707	4,181	621,346
Asset retirement obligation		—	1,807	—	—	1,807
Transfers		7,078	205,678	(227,919)	15,163	—
Disposals		(629)	(10,162)	—	(476)	(11,267)
Write off of fully depreciated assets		—	(167,767)	—	(14,934)	(182,701)
At December 31, 2016		149,663	3,178,340	144,051	55,280	3,527,334
Accumulated Depreciation						
At January 1, 2015		45,774	1,162,283	—	38,567	1,246,624
Depreciation charge for the year		7,119	258,002	—	5,677	270,798
Disposals		—	(7,695)	—	(2,065)	(9,760)
Write off of fully depreciated assets		(515)	(222,337)	—	(4,699)	(227,551)
At December 31, 2015		52,378	1,190,253	—	37,480	1,280,111
Depreciation charge for the year		8,937	377,137	—	7,927	394,001
Disposals		(629)	(10,073)	—	(199)	(10,901)
Write off of fully depreciated assets		—	(167,767)	—	(14,934)	(182,701)
At December 31, 2016		60,686	1,389,550	—	30,274	1,480,510
Carrying Amount						
At December 31, 2016		88,977	1,788,790	144,051	25,006	2,046,824
At December 31, 2015		68,268	1,251,408	78,526	13,731	1,411,933
Carrying Amount of Finance Leases included in Property and Equipment						
At December 31, 2016		21,416	253,116	—	—	274,532
At December 31, 2015		24,073	286,528	—	—	310,601

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Accrued capital expenditures for property and equipment reached €406.1 million for the year ended December 31, 2016, (€266.5 million for the year ended December 31, 2015) representing the following additions:

- accrued capital expenditures for both the broadband and the mobile network growth and upgrades for an amount of €250.6 million (2015 : €142.4 million);
- capital expenditures for customer installations for an amount of €73.3 million (2015 : €63.6 million);
- refurbishments and replacements of network equipment for an amount of €57.3 million (2015 : €47.9 million); and
- set-top box related capital expenditures for an amount of €24.9 million (2015 : €12.6 million).

For the year ended December 31, 2016, the Company removed €182.7 million of gross cost and accumulated depreciation related to fully depreciated assets which are no longer used by the Company. (€227.6 million for the year ended December 31, 2015).

The Company recognized a gain on disposal of assets of €5.1 million for the year ended December 31, 2016, mainly attributable to modems and set-up boxes (€2.7 million) and the sale of scrap material (€2.4 million).

Disposals of property and equipment for the year ended December 31, 2015 had a total carrying value at €1.3 million and resulted in a net gain on disposal of €2.3 million and consisted mainly of:

- End of life replacements of network equipment with a loss on disposal equal to the remaining net book value amounting to €1.0 million;
- Write-off of guarantees, resulting in a gain amounting to €0.6 million;
- Sale of set-top boxes with no net book value and scrap material with €0.3 million net book value, resulting in a gain on disposal of respectively €1.1 million and €1.6 million.

The Company assesses the estimated useful lives of its property and equipment each reporting period to determine whether events or circumstances warrant a revision of these estimated useful lives. In the third quarter of 2016, the Company started a modernization project of the mobile network whereby certain radio equipment will be replaced by new(er) generation radio equipment. This project is expected to be completed by the end of the first quarter of 2018. The Company determined that a total net book value of €197.0 million related to such assets will be removed from the network during the project and started accelerated depreciation in order to reduce their net book value to zero by the first quarter of 2018. The Company thus recorded €32.0 million accelerated depreciations in 2016 (note 5.20).

Based on the results of the Company's periodic review of the useful lives of its assets, the Company changed the useful life for its settop boxes from 4 to 5 years and for its NIU's from 6 to 7 years, prospectively as from January 1, 2017.

For further information regarding finance lease obligations, we refer to note 5.13.5 to the consolidated financial statements of the Company.

For further information regarding assets pledged as security, we refer to note 5.13.4.

5.5 Goodwill

The total amount of goodwill as of December 31, 2016 amounted to € 1,540.9 million (December 31, 2015: €1,241.8 million). The increase of €299.1 million was integrally attributable to the acquisition of BASE.

<u>(in thousands of euro)</u>	<u>December 31, 2016</u>
January 1, 2016	1,241,813
Acquisition of subsidiaries	299,133
December 31, 2016	<u>1,540,946</u>

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For detailed information regarding the acquisition of BASE, we refer to note 5.24.

The Company performed its annual review for impairment during the third quarter of 2016 and 2015, respectively. Following the acquisition of BASE, the Company has identified two cash-generating units, being Telenet (excluding BASE) and BASE. Goodwill arising in a business combination is allocated to the acquirer's cash generating units that are expected to benefit from the synergies of the business combination in which goodwill arose. This is irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Based on analysis of a synergy report and the valuation report used for the purchase price allocation, management concluded that the goodwill arising from the BASE acquisition represents synergies (primarily MVNO savings) that will be realized by Telenet. As a result, the entire goodwill balance of €1,540.9 million has been allocated to the cash-generating unit Telenet (excluding BASE).

The recoverable amount of the cash generating unit Telenet was based on its value in use and was determined by discounting the future cash flows to be generated from its continuing use (Discounted Cash Flow method). The value in use of the cash generating unit Telenet for the year ended December 31, 2016 was determined in a similar manner to the year ended December 31, 2015.

The key assumptions for the value in use calculations used to determine the recoverable amount of the Telenet cash generating unit are those regarding the discount rates and expected changes to selling prices, product offerings, direct costs, EBITDA margins and terminal growth rates. The discount rate used is a pre-tax measure estimated based on past experience, and industry average weighted cost of capital. Changes in selling practices and direct costs are based on past practices and expectations of future changes in the market. The calculation uses cash flow projections based on financial budgets approved by management, the Company's Long-Range Plan through 2020, and a pre-tax discount rate of 9.4% (8.8% for the year ended December 31, 2015) based on current market assessments of the time value of money and the risks specific to the Company. The development of the Long-Range Plan relies on a number of assumptions, including:

- market growth, the evolution of the Company's market share and the resulting trends in the number of subscribers;
- the product mix per subscriber;
- the average revenue per subscriber;
- the expected evolution of various direct and indirect expenses;
- the expected evolution in other variable and fixed costs;
- the estimated future capital expenditure (excluding capital expenditure that improves or enhances the Company's assets' performance).

The assumptions were derived mainly from:

- available historic data;
- external market research and observations with respect to e.g. inflation, changes in the remuneration index, evolutions of the number of households, connection points, etc.;
- internal market expectations based on trend reports, the current state of important negotiations, etc.

For the year ended December 31, 2016, cash flows beyond the four-year period have been extrapolated using no growth rate, based on historical data and macro-economic conditions. This growth rate does not exceed the long-term average growth rate for the industry as published periodically in the Bulletins of the European Central Bank (ECB). The Discounted Cash Flow calculation for determining the value in use and net recoverable amount mentioned above was reviewed for reasonableness by comparing the result of the calculation to the market capitalization of the Company. The key assumptions used are reviewed and updated on a yearly basis by the Company's management. Taking into account the considerable excess of the Telenet cash generating unit's recoverable amount over its carrying amount, and based on sensitivity testing performed, management is of the opinion that any reasonably possible changes in key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount at December 31, 2016.

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5.6 Other intangible assets

(in thousands of euro)	Note	Network user rights	Trade name	Software	Customer relationships	Broadcasting rights	Other	Subtotal	Broadcasting rights for resale purposes	Total
Cost										
At January 1,										
2015		102,222	121,514	415,974	212,776	77,480	21,125	951,091	—	951,091
Additions		—	—	69,803	—	47,242	—	117,045	1,360	118,405
Transfers		—	—	(26)	—	—	—	(26)	—	(26)
Disposals		(71,525)	—	(3,256)	—	—	—	(74,781)	(1,360)	(76,141)
Write-off of fully amortized assets ...		—	—	(4,165)	—	(46,032)	—	(50,197)	—	(50,197)
At December 31,										
2015		30,697	121,514	478,330	212,776	78,690	21,125	943,132	—	943,132
Additions		—	—	128,861	—	91,998	—	220,859	16,769	237,628
Acquisition of BASE	5.24	230,392	35,934	94,812	101,528	—	—	462,666	—	462,666
Disposals		—	—	(3,802)	—	—	—	(3,802)	(16,769)	(20,571)
Write-off of fully amortized assets ...		—	—	(62,039)	—	(61,120)	—	(123,159)	—	(123,159)
At December 31,										
2016		261,089	157,448	636,162	314,304	109,568	21,125	1,499,696	—	1,499,696
Accumulated Amortization										
At January 1,										
2015		102,222	111,420	296,986	153,950	35,055	3,072	702,705	—	702,705
Amortization charge of the year		—	8,076	46,859	17,729	49,008	290	121,962	—	121,962
Disposals		(71,525)	—	(874)	—	—	—	(72,399)	—	(72,399)
Write-off of fully amortized assets ...		—	—	(4,165)	—	(46,032)	—	(50,197)	—	(50,197)
At December 31,										
2015		30,697	119,496	338,806	171,679	38,031	3,362	702,071	—	702,071
Amortization charge of the year		39,601	3,729	84,451	30,899	55,813	324	214,817	—	214,817
Disposals		—	—	(3,210)	—	—	—	(3,210)	—	(3,210)
Write-off of fully amortized assets ...		—	—	(62,037)	—	(61,120)	—	(123,157)	—	(123,157)
At December 31,										
2016		70,298	123,225	358,010	202,578	32,724	3,686	790,521	—	790,521
Carrying Amount										
At December 31,										
2016		190,791	34,223	278,152	111,726	76,844	17,439	709,175	—	709,175
At December 31,										
2015		—	2,018	139,524	41,097	40,659	17,763	241,061	—	241,061

The Company's intangible assets other than goodwill each have finite lives and are comprised primarily of network user rights (mainly mobile spectrum), trade name, software development and acquisition costs, customer relationships, broadcasting rights, out of market component of future leases and contracts with suppliers.

The Company acquired intangible assets through the BASE acquisition amounting to €462.7 million and consisting largely of BASE's 2G, 3G and 4G mobile spectrum licenses, customer lists and trade names. For more information on the purchase price allocation, we refer to Note 5.24.

The Company assesses the estimated useful lives of its finite-lived intangible assets each reporting period to determine whether events or circumstances warrant a revision of these estimated useful lives. The

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assessments performed in 2016 and 2015 did not result in any revision to the estimated useful lives of intangible assets.

Following a tendering procedure in June 2014, the Company acquired the non-exclusive broadcasting rights of the Belgian football championship for three seasons starting July 2014. The rights related to the third season (2016-2017) met the recognition criteria for intangible assets in 2016. The Company also acquired the exclusive broadcasting rights of the UK Premier League for the three seasons starting August 2016 until 2019. The aforementioned acquired rights represent the majority of the total additions regarding broadcasting rights of €92.0 million. The broadcasting rights for resale purposes amount to €16.8 million and mainly consists of the aforementioned broadcasting rights of the UK Premier League for the seasons 2016 until 2019. The write-off of fully depreciated assets regarding broadcasting rights (€61.1 million) are mainly related to the 2015-2016 season of the Jupiler Pro League and the 2013-2016 seasons of the UK Premier League, which were written-off upon the end of the season end-May 2016.

Following an auction launched in March 2011 by the BIPT, Telenet Tecteo BidCo NV, a subsidiary of the Company in which the Walloon cable operator Tecteo SCRL owns a 25% stake, acquired the fourth 3G mobile spectrum license in Belgium. The Company recognized the acquired spectrum as an intangible asset for an amount of €71.5 million, equal to the net present value at the acquisition date of the yearly installments. In December 2013, the Company's management determined that it would not be able to utilize the spectrum rights and that the recoverable amount was to be considered zero. Consequently, the 3G mobile spectrum license was fully impaired at year-end 2013. Upon return of the 3G mobile spectrum license to the BIPT, the Company removed the fully impaired asset from its books (€71.5 million) in 2015.

For information regarding finance leases of intangible assets, see note 5.13.5 to the consolidated financial statements of the Company.

5.7 Investments in and loans to equity accounted investees and other investments

5.7.1 Investments in and loans to equity accounted investees

The following table shows the components of the Company's investments in equity accounted investees:

<u>(in thousands of euro)</u>	<u>De Vijver Media NV</u>	<u>Other</u>	<u>Total</u>
Investments in Associates			
At January 1, 2016	59,013	1,734	60,747
Additions	—	—	—
Impairment of investments in equity accounted investees	(31,000)	—	(31,000)
Direct Acquisition Costs	349	210	559
At December 31, 2016	28,362	1,944	30,306
Share in the result of Associates			
At January 1, 2016	(4,093)	(144)	(4,237)
Share in the result	(115)	149	34
At December 31, 2016	(4,208)	5	(4,203)
Loans granted to Associates			
At January 1, 2016	—	1,141	1,141
New loans granted	—	200	200
Repayments of loans	—	(80)	(80)
Accrued interest	—	8	8
At December 31, 2016	—	1,269	1,269
Carrying Amount			
At December 31, 2016	24,154	3,218	27,372
At January 1, 2016	54,920	2,731	57,651

In February 2015, the Company acquired, through a combination of share purchases (€26.0 million) and share subscription (€32.0 million), 50% of the capital of De Vijver Media NV, a Belgian media company active in free-to-air broadcasting and content production (through its production company "Woestijnvis"). The remaining 50% of the shares of De Vijver Media is held by Waterman & Waterman (the holding

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company of Wouter Vandenhaute and Erik Watté) and Corelio NV (a Belgian print and online media group).

The 50% investment in De Vijver Media qualifies as a joint venture and is accounted for using the equity method. The initial carrying amount of the investment was €59.0 million, and included €1.0 million directly attributable transaction costs.

During the twelve months ended December 31, 2016 Telenet recognized its €0.1 million share in the net loss of De Vijver Media (€4.2 million for the period beginning on the transaction closing date until December 31, 2015).

Based on an analysis of De Vijver Media's new three year plan established during the fourth quarter of 2016 against the financial projections in the initial buyer case, the Company concluded that there was objective evidence of a measurable decrease in the estimated future cash flows of the De Vijver Media investment and determined that this constituted a trigger for impairment testing under the guidance in IAS 39. The Company tested the investment in question for impairment in the last quarter of 2016, comparing its recoverable amount (value-in-use) against its remaining net book value, in accordance with the guidance in IAS 36 (using the cash flows from the three year plan) and using a 1% growth rate in the terminal value) and applying a 8.6% pre-tax discount rate. The difference between value-in-use and the net book value of the investment in De Vijver Media was determined at €31.0 million. The Company recorded an impairment charge accordingly in 2016.

The recognition in 2015 and 2016 of the Company's share in the net result of De Vijver Media and the in 2016 recognized impairment loss result in a carrying value of the investment of €24.2 million on December 31, 2016 (December 31, 2015: €54.9 million).

The following table summarizes the financial information of De Vijver Media NV as included in its own financial statements, adjusted for fair value adjustments at acquisition, impairment losses and differences in accounting policies.

The table also reconciles the summarized financial information to the carrying amount of the Company's interest in De Vijver Media NV.

<u>(in thousands of euro)</u>	<u>2016</u>	<u>2015</u>
Net assets		
Non-current assets	116,641	120,084
Current assets	71,541	59,419
Non-current liabilities	(77,840)	(77,737)
Current liabilities	(81,135)	(73,029)
Net assets (100%)	29,207	28,737
Group's share of the net assets (50%)		
Group's share of the net assets (50%)	14,603	14,369
Goodwill	9,551	40,551
Carrying amount of interest in joint venture	24,154	54,920
Profit and total comprehensive income		
Revenue	123,182	101,052
Depreciation and amortisation	(5,031)	(7,416)
Interest expense	(2,472)	(4,679)
Other comprehensive income	—	—
Total comprehensive loss (100%) (*)	(229)	(8,186)
Group's share of the total comprehensive income (50%)	(115)	(4,093)

(*) for 12 months ended December 31, 2016 compared to 10 months ended December 31, 2015

The remaining goodwill mainly relates to future advertising revenues to be realized and future revenues related to new formats.

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5.7.2 Other investments

On June 29, 2016, Telenet participated in a capital increase of Belgian Mobile Wallet NV for an amount of €1.8 million representing a stake of 16.67%. Belgian Mobile Wallet NV launched a Belgian standard for payments via smartphones in spring 2014 allowing consumers to use their smartphones in the future to pay for goods and services, exchange coupons, or use their customer cards.

5.8 Trade receivables

5.8.1 Non-current

	December 31, 2016	December 31, 2015
	(in thousands of euro)	
Trade receivables	4,793	4,841
Less : allowance for bad debt	—	(102)
Trade receivables, net	4,793	4,739

Non-current trade receivables comprise of Installment sales relating to the long-term receivables on handset financing contracts with external customers.

5.8.2 Current

	December 31, 2016	December 31, 2015
	(in thousands of euro)	
Trade receivables	215,638	153,023
Less: allowance for bad debt	(9,659)	(7,116)
Trade receivables, net	205,979	145,907

At December 31, 2016 and 2015, respectively, the aging of the Company's current trade receivables can be detailed as follows:

		Past due					
(in thousands of euro)	Not due	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	Total
December 31, 2016	143,037	43,250	6,959	2,783	1,842	17,767	215,638
December 31, 2015	95,264	29,727	8,596	1,972	1,468	15,996	153,023

All invoices related to residential customers are due within 20 days. Invoices related to BASE residential mobile customers are due within 8 to 12 days. For other clients, the payment due date is set at 30 or 60 days. In accordance with the Company's accounting policies and based on historical experience, trade receivables that are less than 120 days past due are not considered impaired. At December 31, 2016, a total amount of €54.8 million (2015: €41.8 million) was past due but not considered impaired for these reasons. With respect to these trade receivables, there are no indications that the debtors will not meet their payment obligations.

Outstanding trade receivables past due for more than 120 days are considered as potentially impaired and are subject to detailed analysis at the customer level, and a provision for impairment of trade receivables is established based upon objective evidence that the Company will not be able to collect the amounts. Significant financial difficulties of the debtor, defaults in payments, and other adverse debtor circumstances are considered indicators that the trade receivable is impaired. Based on the necessary and appropriate underlying documentation, receivables more than 120 days past due for which it is likely that the amount due will be recovered, are excluded from the calculation of the allowance for bad debts. For the remaining receivables more than 120 days past due, a bad debt allowance is provided for at 100%. A gradually increasing bad debt provision is recognized on BASE residential mobile receivables when they become overdue and are fully provided upon when they are 180 days overdue.

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At December 31, 2016 current and non-current receivables related to handset sales with a customer credit agreement amount to €12.4 million (2015 : €5.7 million) and €4.8 million (2015 : €4.7 million) respectively.

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Company believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The following table shows the development of the provision for impairment of trade receivables:

	December 31, 2016	December 31, 2015
	(in thousands of euro)	
Provision for impairment of trade receivables at the beginning of the year	(7,116)	(1,961)
BASE acquisition	(3,081)	—
Additions	(5,163)	(4,938)
Reductions and write-offs	5,701	(217)
Provision for impairment of trade receivables at the end of the year	(9,659)	(7,116)

When a trade receivable is uncollectible, it is written off against the provision for impairment of trade receivables. Trade receivables impairment losses have been included in cost of services provided in the consolidated statement of profit or loss and other comprehensive income. The Company does not hold any receivables in foreign currency.

5.9 Other assets

5.9.1 Non-current

	December 31, 2016	December 31, 2015
	(in thousands of euro)	
Outstanding guarantees to third parties for own liabilities (cash paid)	1,102	982
Long-term prepaid expense for Time Based Licence	—	2,025
Deferred financing fees	5,064	10,228
Receivables from sale of sports broadcasting rights	6,130	—
Other	4,184	—
Other non-current assets	16,480	13,235

The Company presents the deferred financing fees related to the undrawn Term Loans and Revolving Credit Facilities as other non-current assets. At year end 2016 the Revolving Credit Facilities Z and AG were undrawn, whereas at year end 2015, the Term Loan AA and Revolving Credit Facility X and Z were undrawn.

5.9.2 Current

	December 31, 2016	December 31, 2015
	(in thousands of euro)	
Recoverable withholding taxes	291	284
Prepaid content	7,506	7,455
Prepayments	18,547	15,663
Unbilled revenue	71,387	40,811
Receivables from sale of sports broadcasting rights	7,057	1,446
Indemnification receivable for pylon taxes (see Note 5.26)	4,687	—
Settlement receivables	9,940	—
Other	5,794	2,963
Other current assets	125,209	68,622

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Unbilled revenue generally represents revenue for which the Company has already provided a service or product in accordance with the customer agreement but for which the customer has not yet been invoiced.

5.10 Inventories

As of December 31, 2016, inventories amounted to €21.7 million (2015: €19.3 million).

This total includes Telenet inventory with a net book value of €13.0 million consisting of mobile handsets, tablets, wireless modems, powerline adaptors and other DTV materials and includes impairments of €0.5 million (2015 : €1.1 million).

The increase of €2.4 million is due to the additional inventory of handsets and other accessories of BASE, with a net book value of €8.7 million (including impairments of €1.4 million), partly compensated by a decrease in the mobile handsets and tablets inventory of Telenet of €5.4 million and €2.8 million.

For the year ended December 31, 2016, Telenet and BASE recognized €65.4 million (2015: €73.3 million), respectively €55.1 million inventory as “costs related to sold inventory”.

5.11 Cash and cash equivalents

	December 31, 2016	December 31, 2015
	(in thousands of euro)	
Cash at bank and on hand	17,203	80,083
Certificates of deposit	—	1,190
Money market funds	82,000	196,000
Total cash and cash equivalents	99,203	277,273

At December 31, 2016, the Company held €99.2 million of cash and cash equivalents .

The decrease in the cash balance compared to December 31, 2015 was primarily due to the acquisition of BASE, partly offset by proceeds of loans and borrowings.

To minimize the concentration of counterparty risk, the Company’s cash equivalents are placed with highly rated European and US financial institutions.

On December 31, 2016, the Money Market funds with a daily liquidity had an average interest rate of - 0.31% and was representing 83% of the total consolidated cash. The investments of our cash and cash equivalents at December 31, 2016 and 2015 were in compliance with the Company’s Risk Management policies

At December 31, 2016, the Company had access to €545.0 million liquidity ;

- €400.0 million of available commitment under Revolving Credit Facility AG,
- €120.0 million of available commitment under Revolving Credit Facility Z,

subject to compliance with the covenants mentioned above and €25.0 million available under the banking overdraft facility.

5.12 Shareholders’ equity

5.12.1 Shareholders’ equity

On December 31, 2016, Telenet Group Holding NV had the following shares outstanding, all of which are treated as one class in the earnings per share calculation:

117,335,623 ordinary shares (2015: 117,278,706 shares), including:

- 94,843 Liquidation Dispreference Shares (2015: 94,843 shares), held by Interkabel and Binan Investments B.V. (a subsidiary of Liberty Global Plc), which have the same rights as the ordinary shares except that they are subject to an €8.02 liquidation dispreference, such that in any liquidation of Telenet

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Group Holding NV the Liquidation Dispreference Shares would only participate in the portion of the proceeds of the liquidation that exceed €8.02 per share. Liquidation Dispreference Shares may be converted into ordinary shares at a rate of 1.04 to 1; and

- 30 Golden Shares (2015: 30 shares) held by the financing intermunicipalities The financing intermunicipalities, currently holding the Golden Shares, are: IFIGGA, FINEA, FINGEM, IKA, FINILEK, FINIWO and FIGGA. , which have the same rights as the ordinary shares and which also give their holders the right to appoint representatives to the Regulatory Board, which oversees the public interest guarantees related to Telenet's offering of digital television.

As of December 31, 2016, the Company's share capital amounted to €12.8 million (2015: €12.8 million).

Own shares

On February 10, 2016, the Company announced the initiation of a share repurchase program, referred to as the "Share Repurchase Program 2016". Under this program, the Company could acquire from time to time up to a maximum of 1.1 million of its outstanding ordinary shares, for a maximum consideration of €50.0 million, within a six months period as from February 15, 2016. The Company purchased a total of 1,100,000 shares under the Share Repurchase Program 2016, for a total amount of €47.8 million. All repurchased shares are being held by the Company to cover the Company's obligations under existing stock option plans. In 2015, a total of 989,381 shares were purchased for a total amount of €50.0 million under a similar share repurchase program.

After the delivery of 13,800 own shares by the Company to the beneficiaries following the exercise of stock options under the ESOP 2013 primo and the ESOP 2014 plans, and the purchase of 1,100,000 shares during the year ended December 31, 2016, the Company owned 1,852,052 own shares at year end 2016.

5.12.2 Employee share based compensation

Warrant Plan 2010

Under the aforementioned plan, the warrants vested in equal parts per quarter over a period of four years and each warrant gave the holder the right to subscribe to one new share of the Company.

As of September 5, 2016, there were no more warrants outstanding under the Warrant Plan 2010 .

Employee Stock Option Plan 2013

On April 22, 2013, the board of directors approved a general stock option plan for the employees, for a total number of 1,200,000 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 24, 2013 (the "Employee Stock Option Plan 2013" or "ESOP 2013"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

In 2013, the board of directors authorized two grants under this plan ("ESOP 2013 primo" and "ESOP 2013 bis") to certain beneficiaries.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

During 2016, beneficiaries of the ESOP 2013 plan exercised a total of 9,600 stock options, resulting in the delivery of a total of 9,600 own shares held by the Company.

Employee Stock Option Plan 2014

On December 5, 2014, the board of directors approved a general stock option plan for the employees, for a total number of 830,500 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 24, 2013 (the "Employee Stock Option Plan 2014" or "ESOP 2014"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

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On December 12, 2014, the board of directors authorized a grant under this plan to certain beneficiaries. On January 31, 2015, a total of 766,500 stock options were accepted.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

During 2016, beneficiaries of the ESOP 2014 plan exercised a total of 4,200 stock options, resulting in the delivery of a total of 4,200 own shares held by the Company.

Employee Stock Option Plan 2015

On October 27, 2015, the board of directors approved a general stock option plan for the employees for a total number of 873,000 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 29, 2015 (the "Employee Stock Option Plan 2015" or "ESOP 2015"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On November 2, 2015, the board of directors authorized a grant under this plan to certain beneficiaries. On December 15, 2015, a total of 402,350 stock options were accepted.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

No stock options under the ESOP 2015 plan were exercised during the twelve months ended at December 31, 2016.

Specific Performance based Stock Option Plan 2015 bis

On July 24, 2015, the board of directors approved a specific performance based stock option plan for a selected employee for a total number of 18,750 stock options on existing shares (the "Specific Performance based Stock Option Plan 2015 bis" or "SSOP 2015 bis"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 18,750 stock options, with an exercise price of €48.83 per option, was offered to the selected beneficiary on December 28, 2015, who accepted this offer on January 15, 2016.

The vesting of the stock options under the Performance based ESOP 2015 bis is contingent upon the achievement of certain performance criteria over a period of three years in a first tranche of 75% or 14,055 options and a second tranche of the remaining 25% or 4,693 stock options.

Any stock options that vest under the Performance based ESOP 2015 bis become exercisable during defined exercise periods following December 28, 2018 for the first tranche and February 11, 2019 for the second tranche and have an expiration date of December 28, 2020.

Employee Stock Option Plan 2016

On March 22, 2016, the board of directors approved a general stock option plan for the Company's Senior Leadership Team, one other manager and the CEO for a total number of 741,806 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 29, 2015 (the "Employee Stock Option Plan 2016" or "ESOP 2016"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On April 14, 2016, the board of directors authorized a grant under this plan to certain beneficiaries. On June 14, 2016, a total of 695,631 stock options were accepted.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

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No stock options under the ESOP 2016 plan were exercised during the twelve months ended at December 31, 2016.

Employee Stock Option Plan 2016 bis

On October 25, 2016, the board of directors approved a new general stock option plan for the employees for a total number of 467,000 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 29, 2015 (the "Employee Stock Option Plan 2016 bis" or "ESOP 2016 bis"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On November 7, 2016, the board of directors authorized a grant under this plan to certain beneficiaries. On January 6, 2017, a total of 359,000 stock options were accepted.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

CEO Stock Option Plan 2013

On April 22, 2013, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 200,000 options on existing shares (the "CEO Stock Option Plan 2013" or "CEO SOP 2013"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company. On April 24, 2013, the extraordinary shareholders' meeting of the Company approved upfront certain terms and conditions of the CEO Stock Option Plan 2013.

The grant of these 200,000 stock options, with an exercise price of €34.33 per option, was effectively made to the CEO on July 4, 2013, who accepted this offer on October 2, 2013.

The vesting of the stock options under the CEO SOP 2013 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria on October 3, 2013, and it is the Remuneration Committee that will decide whether these criteria have been met. As the applicable performance criteria have been achieved for 2013, 2014 and 2015, the first tranche of 50,000 stock options vested on July 4, 2014, the second tranche of 100,000 stock options vested on July 4, 2015 and the last tranche of 50,000 stock options vested on July 4, 2016.

Any stock options that vest under the CEO SOP 2013 became exercisable during defined exercise periods following July 4, 2016. All options under the CEO SOP 2013 have an expiration date of July 4, 2018.

No stock options under the CEO SOP 2013 were exercised during the twelve months ended at December 31, 2016.

CEO Stock Option Plan 2014

On November 8, 2013, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 185,000 options on existing shares (the "CEO Stock Option Plan 2014" or "CEO SOP 2014"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 185,000 stock options, with an exercise price of €38.88 per stock option, was effectively made to the CEO on November 8, 2013 and was accepted on February 5, 2014.

The vesting of the stock options under the CEO SOP 2014 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria and it is the Remuneration Committee that will decide whether these criteria have been met.

On February 10, 2015, the Remuneration Committee decided that the applicable performance criteria for 2014 have been achieved and on February 9, 2016, it confirmed the achievement of the cumulative

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performance criteria for 2014 and 2015, as determined in the CEO SOP 2014 Plan. The first tranche of 138,750 stock options vested on June 26, 2016. On February 14, 2017, the Remuneration Committee determined that the second tranche of 46,250 stock options will vest on March 1, 2017 as the applicable performance criteria for 2016 have been achieved.

Any stock options that vest under the CEO SOP 2014 become exercisable during defined exercise periods following June 26, 2016. All options under the CEO SOP 2014 have an expiration date of June 26, 2020.

No stock options under the CEO SOP 2014 were exercised during the twelve months ended at December 31, 2016.

CEO Stock Option Plan 2014 bis

On June 26, 2014, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 180,000 options on existing shares (the "CEO Stock Option Plan 2014 bis" or "CEO SOP 2014 bis"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 180,000 stock options, with an exercise price of €39.38 per stock option, was effectively made to the CEO on July 15, 2014, who accepted this offer on September 13, 2014.

The vesting of the stock options under the CEO SOP 2014 bis is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria on June 26, 2014, and it is the Remuneration Committee that will decide whether these criteria have been met. As the applicable performance criteria were achieved for 2014, the first tranche of 45,000 stock options vested on July 15, 2015. Following the achievement of the performance criteria for 2014 and 2015, the second tranche of 67,500 stock options vested on July 15, 2017.

On February 14, 2017, the Remuneration Committee determined that the third tranche of 67,500 stock options will vest on July 15, 2017 as the performance criteria for 2014, 2015 and 2016 have been achieved.

Any stock options that vest under the CEO SOP 2014 bis become exercisable during defined exercise periods following July 15, 2017. All options under the CEO SOP 2014 bis have an expiration date of July 15, 2019.

CEO Stock Option Plan 2015

On February 10, 2015, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 180,000 options on existing shares (the "CEO Stock Option Plan 2015" or "CEO SOP 2015"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 180,000 stock options with an exercise price of €50.57 per stock option, was effectively made to the CEO on March 13, 2015, who accepted this offer on 11 May 2015.

The vesting of the stock options under the CEO SOP 2015 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Operating Cash (under USGAAP). The Remuneration Committee, in consultation with the CEO, determined for each installment the performance criteria on February 10, 2015, and it is the Remuneration Committee that will decide whether these criteria have been met. As the applicable performance criteria were achieved for 2015, the first tranche of 55,000 stock options vested on March 13, 2016. On February 14, 2017, the Remuneration Committee decided that the applicable (cumulative) performance criteria for 2015 and 2016 have been achieved hence, the second tranche of 63,000 stock options vested on March 13, 2017.

Subject to the achievement of the (cumulative) performance criteria for 2017 as determined by the Remuneration Committee, the last tranche of 62,000 stock options can vest on March 13, 2018 if the performance criteria for 2015, 2016 and 2017 are achieved.

Any stock options that vest under the CEO SOP 2015 become exercisable during defined exercise periods following March 13, 2018 and have an expiration date of March 13, 2020.

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The details regarding the stock option plans issued by the Company are summarized in the table below:

Stock Option Plan	Issuance of stock options		Stock options granted				
	Date approved by the board of directors	Total number of stock options issued	Name of the grant	Date offered	Number of stock options offered	Number of stock options accepted	Beneficiaries
Employee Stock Option Plan 2013	April 22, 2013	1,200,000	ESOP 2013 primo	July 4, 2013	985,000	741,448	certain employees
			ESOP 2013 bis	October 22, 2013	58,000	58,000	certain employees
CEO Stock Option Plan 2013	April 22, 2013	200,000	CEO SOP 2013	July 4, 2013	200,000	200,000	CEO
CEO Stock Option Plan 2014	November 8, 2013	185,000	CEO SOP 2014	November 8, 2013	185,000	185,000	CEO
CEO Stock Option Plan 2014 bis ...	June 26, 2014	180,000	CEO SOP 2014 bis	July 15, 2014	180,000	180,000	CEO
Employee Stock Option Plan 2014	December 5, 2014	830,500	ESOP 2014	December 12, 2014	830,500	766,500	certain employees
CEO Stock Option Plan 2015	February 10, 2015	180,000	CEO SOP 2015	March 13, 2015	180,000	180,000	CEO
Employee Stock Option Plan 2015	October 27, 2015	873,000	ESOP 2015	November 2, 2015	873,000	402,350	certain employees
Specific Performance based Stock Option Plan 2015 bis	July 24, 2015	18,750	SSOP 2015 bis	December 28, 2015	18,750	18,750	certain employee
Employee Stock Option Plan 2016	April 15, 2016	741,806	ESOP 2016	March 22, 2016	741,806	695,631	CEO and certain employees
Employee Stock Option Plan 2016 bis	October 25, 2016	467,000	ESOP 2016 bis	November 7, 2016	467,000	359,000	certain employees

For accounting purposes, the grant dates of all of the above mentioned grants were defined as the date the beneficiaries accepted the offer, except for the CEO SOP 2014bis, the CEO SOP 2015 and the Specific Performance based Stock Option Plan 2015 bis, due to applicable discretion by the Remuneration & Nomination Committee to determine the performance criteria of the plan. For these latter plans the grant date is not deemed to be achieved and therefore the fair value of the options is re-measured periodically until the discretion clause is removed.

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The grant dates for accounting purposes, as well as the underlying assumptions for determining the grant date fair value can be summarized as follows:

	Grant date (for accounting purposes)	Fair value at grant date (in euro)	Share price (in euro)	Exercise price (in euro)	Expected volatility	Expected option life	Expected dividends	Risk-free interest rate
				Initially Adjusted				
ESOP 2013 primo								
Stock Options . .	July 31, 2013	5.99-8.45	36.4	34.33	— 21.0%-23.3%	4.4 years	0.0%	0.47%-1.07%
ESOP 2013 bis								
Stock Options . .	November 30, 2013	7.25-9.81	40.5	36.75	— 20.2%-22.6%	4.4 years	0.0%	0.36%-0.89%
ESOP 2014 Stock								
Options	January 31, 2015	8.54-10.57	49.21	45.27	— 20.9%-22.1%	4.3 years	0.0%	-0.01%-0.00%
ESOP 2015 Stock								
Options	December 15, 2015	4.58-6.63	46.89	50.87	— 20.7%-21.8%	4.3 years	0.0%	-0.25%-0.01%
CEO SOP 2013								
Stock Options . .	October 2, 2013	7.91-10.01	36.85-39.13	34.33	— 20.5%-22.6%	4.0 years	0.0%	1.03%-1.07%
CEO SOP 2014								
Stock Options . .	February 5, 2014	12.12	44.13	38.88	— 22.3%	5.0 years	0.0%	1.05%
“	March 11, 2014	12.31	45.64	38.88	— 22.2%	5.2 years	0.0%	1.06%
CEO SOP 2014 bis								
Stock Options . .	February 10, 2015	13.41	49.32	39.38	— 21.8%	3.9 years	0.0%	0.02%
“	February 9, 2016	7.86	42.52	39.38	— 23.6%	2.7 years	0.0%	(0.3)%
“	December 31, 2016 (*)	14.49(*)	52.72(*)	39.38	— 23.8%(*)	1.9 years (*)	0.0%(*)	-0.59%(*)
CEO SOP 2015								
Stock Options . .	February 9, 2016	4.31	42.52	50.57	— 23.0%	3.4 years	0.0%	-0.24%
“	December 31, 2016 (*)	8.25(*)	52.72(*)	50.57	— 23.0%(*)	2.5 years (*)	0.0%(*)	-0.56%(*)
“	December 31, 2016 (*)	8.25(*)	52.72(*)	50.57	— 23.0%(*)	2.5 years (*)	0.0%(*)	-0.56%(*)
SSOP 2015 bis								
Stock Options . .	December 31, 2016 (*)	10.77(*)	52.72(*)	48.83	— 24.9%(*)	3.3 years (*)	0.0%(*)	-0.52%(*)
“	December 31, 2016 (*)	10.77(*)	52.72(*)	48.83	— 24.9%(*)	3.3 years (*)	0.0%(*)	-0.52%(*)
“	December 31, 2016 (*)	10.35(*)	52.72(*)	48.83	— 23.6%(*)	3.4 years (*)	0.0%(*)	-0.52%(*)
ESOP 2016 Stock								
Options	June 14, 2016	3.40-4.99	39.46	45.48	— 21.5%-23.3%	4.3 years	0.0%	-0.44%-0.33%
ESOP 2016 bis								
Stock Options . .	January 6, 2017	10.01-11.53	52.85	46.97	— 21.3%-23.9%	4.3 years	0.0%	-0.60%-0.39%

* The Board of Directors has significant discretion to allow a deviation of 5% on the determined absolute performance criteria. As a result, grant date is not achieved from accounting perspective and therefore is re-measured periodically until the discretion clause is removed. The assumptions included in the table above reflect the fair value calculation based on grant dates as per December 31, 2016.

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All plans

A summary of the activity in the Company's stock option and warrant plans for the years ended December 31, 2016, and 2015 is as follows:

	Outstanding Options and warrants	
	Number of Options and Warrants	Average Exercise Prices (in euro)
January 1, 2015	1,647,322	30.69
Granted		
Employee Stock Option Plan 2014 Stock Options	766,500	45.27
Employee Stock Option Plan 2015	402,350	50.87
CEO Stock Options Plan 2015	180,000	50.57
Exercised		
Warrant Plan 2007 septies warrants exercised	(38,414)	15.21
Warrant Plan 2010 primo warrants exercised	(304,539)	15.21
Warrant Plan 2010 bis warrants exercised	(5,962)	18.23
Warrant Plan 2010 ter warrants exercised	(21,752)	19.37
Stock Option Plan 2013 primo stock options exercised	(52,500)	34.33
Stock Option Plan 2013 bis stock options exercised	(2,000)	36.75
Stock Option Plan 2014 stock options exercised	(3,300)	45.27
Forfeited		
Stock Option Plan 2013 primo stock options forfeited	(4,250)	34.33
Stock Option Plan 2014 stock options forfeited	(3,100)	45.27
Lapsed		
Warrant Plan 2010 primo warrants lapsed	(1,540)	15.21
December 31, 2015	2,558,815	41.71
Granted		
SSOP 2015 bis Stock Options	18,750	48.83
ESOP 2016	695,631	45.48
Exercised		
Warrant Plan 2010 ter warrants exercised	(56,917)	19.37
Stock Option Plan 2013 primo stock options exercised	(9,600)	34.33
Stock Option Plan 2014 stock options exercised	(4,200)	45.27
Forfeited		
Stock Option Plan 2013 primo stock options forfeited	(750)	34.33
Stock Option Plan 2014 stock options forfeited	(8,350)	45.27
Stock Option Plan 2015 stock options forfeited	(2,400)	50.87
December 31, 2016	3,190,979	42.98

The options and warrants in the table below were exercised resulting in the receipt of payments of €1.6 million during the year ended December 31, 2016. Warrant Plan 2010 warrants were exchanged on a one for one basis for newly issued ordinary shares. ESOP 2013 and ESOP 2014 stock options were

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exchanged on a one-for-one basis for existing ordinary shares of the Company. Options and warrants exercised during the year ended December 31, 2015 resulted in the receipt of €7.8 million.

<u>Class of options and warrants</u>	<u>Number of options and warrants exercised</u>	<u>Exercise date</u>	<u>Exercise price at exercise date (in euro)</u>	<u>Share price at exercise date (in euro)</u>
Warrant Plan 2010 ter warrants	6,801	11/04/2016	19.37	44.84
	18,180	12/07/2016	19.37	41.65
	31,936	5/09/2016	19.37	43.41
ESOP 2013 primo stock options	2,000	03/10/2016	34.33	46.52
	7,600	20/12/2016	34.33	52.78
ESOP 2014 stock options	4,200	20/12/2016	45.27	52.78
Total	70,717			

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2016:

<u>Class of options</u>	<u>Number of options outstanding</u>	<u>Number of options exercisable</u>	<u>Weighted average remaining contractual life</u>	<u>Current exercise prices (in euro)</u>
ESOP 2013 primo stock options	542,398	443,274	18 months	34.33
ESOP 2013 bis stock options	41,700	27,200	22 months	36.75
ESOP 2014 stock options	747,550	455,150	35 months	45.27
ESOP 2015 stock options	399,950	162,540	46 months	50.87
SSOP 2015 bis stock options	18,750	—	40 months	48.83
CEO SOP 2013 stock options	200,000	200,000	18 months	34.33
CEO SOP 2014 stock options	185,000	185,000	42 months	38.88
CEO SOP 2014 bis stock options	180,000	—	30 months	39.38
CEO SOP 2015 stock options	180,000	—	38 months	50.57
ESOP 2016 stock options	695,631	139,126	46 months	45.48
TOTAL OUTSTANDING	3,190,979			

Total compensation expense associated with the Company's option and warrant plans amounted to €5.4 million in 2016 (2015: €9.2 million).

Performance shares

In October 2013, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 28,949 performance shares ("the 2013 Telenet Performance Shares"). The performance target applicable to the 2013 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Adjusted EBITDA, when comparing the Adjusted EBITDA during the period started as of January 1, 2013 and ending on December 31, 2015 to the Adjusted EBITDA for the period started on January 1, 2012 and ended on December 31, 2012. A performance range of 75% to 150% of the target Adjusted EBITDA CAGR would generally result in award recipients earning between 50% to 150% of their 2013 Telenet

Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. On February 9, 2016, The Remuneration & Nomination Committee and the Board of Directors decided that the performance criteria for the 2013 Telenet Performance Shares have been achieved, and as a consequence, the earned 2013 Telenet Performance Shares vested at 110.95% on October 25, 2016. The Remuneration and Nomination Committee of October 25, 2016 decided to settle the vested performance shares in cash instead of in shares of the Company. This particular performance share plan was paid out in cash for an amount of €1.6 million following the specific decision of the Remuneration

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Committee. As this was the second year in a row that a similar performance share plan has been settled in cash, it was decided upon that the historical track record of cash settlements of these particular equity awards did trigger a modification of the equity classification of all performance shares outstanding. As a result, all similar performance share plans have been considered to be cash settled share base payment plans and as a result, the Company represented the related share based compensation expense recognized as liability and no longer in equity. As the performance shares have been fair-valued, the cash paid to settle the 2013 performance share plan did not exceed the fair value of the award on the settlement date, the amount of cash paid to repurchase the equity award was charged to equity and consequently has been presented as a cash outflow from financing activities in the consolidated statement of cash flows.

In May 2014, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 27,694 performance shares (“the 2014 Telenet Performance Shares”). The performance target applicable to the 2014 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Adjusted EBITDA, when comparing the Adjusted EBITDA during the period started as of January 1, 2014 and ending on December 31, 2016 to the Adjusted EBITDA for the period started on January 1, 2013 and ended on December 31, 2013. A performance range of 75% to 150% of the target Adjusted EBITDA CAGR would generally result in award recipients earning 50% to 150% of their 2014 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. On February 14, 2017, the Remuneration & Nomination Committee and the Board of Directors decided that the performance criteria for the 2014 Telenet Performance Shares have been achieved, and as a consequence, the earned 2014 Telenet Performance Shares will vest at 62.37% on May 22, 2017. Any compensation costs attributable to the 2014 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in compensation expense in Telenet’s consolidated statement of profit or loss and other comprehensive income.

In June 2015, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 26,104 performance shares (“the 2015 Telenet Performance Shares”). The performance target applicable to the 2015 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Operating Cash Flow (under USGAAP), when comparing the Operating Cash Flow during the period started as of January 1, 2015 and ending on December 31, 2017 to the Operating Cash Flow for the period started on January 1, 2014 and ended on December 31, 2014. A performance range of 75% to 150% of the target Operating Cash Flow CAGR would generally result in award recipients earning 50% to 150% of their 2015 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2015 Telenet Performance Shares will vest on June 18, 2018. Any compensation costs attributable to the 2015 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in compensation expense in Telenet’s consolidated statement of profit or loss and other comprehensive income.

On April 15, 2016, the Company granted its Senior Leadership Team members (including its chief executive officer) and one other manager a total of 119,842 performance shares (“the 2016 Telenet Performance Shares”). The performance target applicable to the 2016 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Operating Cash Flow (under USGAAP), when comparing the Operating Cash Flow during the period started as of January 1, 2016 and ending on December 31, 2018 to the Operating Cash Flow for the period started on January 1, 2015 and ended on December 31, 2015. A performance range of 75% to 160% of the target Operating Cash Flow CAGR would generally result in award recipients earning 75% to 300% of their 2016 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2016 Telenet Performance Shares will vest on April 15, 2019. Any compensation costs attributable to the 2016 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in compensation expense in Telenet’s consolidated statement of profit or loss and other comprehensive income.

In 2016, Telenet recognized €6.3 million of compensation expense in respect of the Telenet Performance Shares plans (2015: €1.2 million).

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5.13 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Company's exposure to risks, including interest rate and liquidity risk, see note 5.3.

The balances of loans and borrowings specified below include accrued interest as of December 31, 2016 and 2015.

	December 31, 2016	December 31, 2015
	(in thousands of euro)	
2015 Amended Senior Credit Facility:		
Revolving Credit Facility X	—	943
Revolving Credit Facility Z	61	240
Revolving Credit Facility AG	477	—
Term Loan W	—	476,781
Term Loan Y	—	888,323
Term Loan AA	—	15,439
Term Loan AD	—	—
Term Loan AE	1,607,511	—
Term Loan AF	1,424,589	—
Senior Secured Fixed Rate Notes:		
€300 million Senior Secured Notes due 2021	—	307,508
€450 million Senior Secured Notes due 2022	460,625	460,625
€250 million Senior Secured Notes due 2024	256,375	256,375
€530 million Senior Secured Notes due 2027	541,913	541,268
Senior Secured Floating Rate Notes:		
€400 million Senior Secured Notes due 2021	—	400,708
Overdraft Facility	35	—
Global Handset Finco Ltd Loan	12,740	12,779
Vendor financing	34,652	—
Finance lease obligations	358,815	346,042
3G Mobile Spectrum	23,680	31,079
Clientele fee > 20 years	106,008	97,743
	4,827,481	3,835,853
Less: deferred financing fees	(45,624)	(41,975)
	4,781,857	3,793,878
Less: current portion	(139,372)	(110,558)
Total non-current loans and borrowings	4,642,485	3,683,320

As of December 31, 2016 and 2015, all loans and borrowings were denominated in euro except for Term Loan AF which is denominated in USD. Fixed interest rates applied to 34.68% of the total loans and borrowings (2015: 52.09%). The weighted average interest rates at December 31, 2016, were 5.83% on fixed rate loans (2015: 5.92%) and 3.38% on floating rate loans (2015: 3.49%).

5.13.1 2015 Amended Senior Credit Facility

Throughout the years ended December 31, 2015 and 2016 the Company modified the 2010 Senior Credit Facility including, amongst others, changes to certain guarantees and covenants.

In March 2014, the Company launched an extension offer for Term Loans Q, R and T under its 2015 Amended Senior Credit Facility and the redemption of its Senior Secured Notes due 2016 ("Facility N").

As a result of the aforementioned refinancing, which was completed in April 2014, the Company issued a new €474.1 million floating rate Term Loan under the 2015 Amended Senior Credit Facility

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("Term Loan W") due June 30, 2022 carrying a margin of 3.25% over EURIBOR. In addition, the Company issued a new €882.9 million floating rate Term Loan under the 2015 Amended Senior Credit Facility ("Term Loan Y") due June 30, 2023 carrying a margin of 3.50% over EURIBOR. The net proceeds of these new issuances, together with available cash and cash equivalents, were used to fully redeem the outstanding amounts under Term Loans Q, R and T and the €100.0 million Senior Secured Notes due 2016.

In addition, as part of the 2015 Senior Credit Facility amendments, lenders under Revolving Credit Facility S ("Facility S") were asked to renew and extend their commitments into a new Revolving Credit Facility ("Facility X"), resulting in a reduction of the existing Facility S (with availability up to December 31, 2016) to €36.9 million and a new Facility X (with availability up to September 30, 2020) of €286.0 million.

The unamortized deferred financing fees related to Term Loan Q, R and T (€3.9 million) and related to the €100.0 million Senior Secured Notes due 2016 (€3.5 million) were accounted for in 2014 as a loss on extinguishment of debt upon early redemption. In April 2015, Telenet issued two new debt facilities under the 2015 Amended Senior Credit Facility for an aggregate amount of €1,000 million linked to the acquisition of BASE Company. Through Telenet International Finance S.à r.l., which acts as the group's financing center, Telenet issued a floating rate €800.0 million Term Loan ("Term Loan AA") with a maturity of June 30, 2023 and a 3.50% margin over EURIBOR. In addition, Telenet secured an additional €200.0 million Revolving Credit Facility ("Facility Z") with a maturity of June 30, 2018 and a margin of 2.25% over EURIBOR. Term loan AA and Facility Z were undrawn at December 31, 2015.

In July 2015, the Company upsized the available commitments under its Facility X by €95.0 million to an aggregate of €381.0 million by transferring €10.0 million of its commitment under Facility S and generating €85.0 extra commitments. The remaining €26.9 million commitment available under Facility S was canceled in September 2015.

In February 2016, Telenet drew three debt facilities under the 2015 Amended Senior Credit Facility for the financing of the BASE acquisition for an aggregate amount of €1,217.0 million, including (i) €800.0 million under Term Loan AA with a maturity of June 30, 2023 and a 3.50% margin over EURIBOR, (ii) €217.0 million under Revolving Credit Facility X with a maturity of September 30, 2020 and a 2.75% margin over EURIBOR, and (iii) €200.0 million under Revolving Credit Facility Z with a maturity of June 30, 2018 and a 2.25% margin of EURIBOR.

In April and May 2016, Telenet repaid €130.0 million and €87.0 million, respectively, under Revolving Credit Facility X, fully repaying the amounts it had drawn in February 2016. In June, July, September and October 2016, the Company subsequently repaid €80.0 million, €20.0 million, €65.0 million and €35.0 million under Revolving Credit Facility Z, leaving no outstanding balance at December 31, 2016.

In May 2016, the Company successfully issued a USD 850.0 million Term Loan ("Facility AD") due June 30, 2024. Facility AD bears interest at 3.50% over LIBOR (with a 75 basis points floor) and was issued at 99.5% of par. Telenet drew Term Loan AD on June 14, 2016 and entered into several cross-currency interest swap transactions at that time to hedge both the underlying currency and floating interest rate exposure.

Telenet used the net proceeds from these transactions on June 15, 2016 to prepay the following credit facilities under the existing Senior Credit Facility: (i) Facility O, of which Telenet Finance III Luxembourg S.C.A. ("TFL III") was the lender, and (ii) Facility P, of which Telenet Finance IV Luxembourg S.C.A. ("TFL IV") was the lender. TFL III and TFL IV in turn used the proceeds from the prepayment of Facility O and Facility P to redeem the associated €300.0 million Senior Secured Notes due 2021 and the €400.0 million Senior Secured notes due 2021, respectively. The Company recorded a loss on extinguishment of debt of €16.9 million of which € 6.9 million related to the early redemption of unamortized deferred financing fees and €10.0 million related to the make whole premium (note 5.21).

In November 2016, the Company issued a €1.6 billion Term Loan ("Facility AE") and a USD 1.5 billion Term Loan ("Facility AF"), both due January 31, 2025. Facility AE carries a margin of 3.25% over EURIBOR with a 0% floor and was issued at par. Facility AF carries a margin of 3.00% over LIBOR with a 0% floor and was issued at 99.50% of par. The net proceeds from these issuances were used to entirely

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prepay the following credit facilities under Telenet's 2015 Amended Senior Credit Facility: (i) Facility W (€474.1 million due June 2022, EURIBOR +3.25%, 0% floor), (ii) Facility Y (€882.9 million due June 2023, EURIBOR + 3.50%, 0% floor), (iii) Facility AA (€800.0 million due June 2023, EURIBOR + 3.50%, 0% floor) and (iv) Facility AD (USD 850.0 million due June 2024, LIBOR + 3.50%, 0.75% floor). Through this transaction, the Company was able to extend the average tenor of our debt maturities at attractive market conditions from 7 years to just over 8 years post-refinancing, while ensuring increased covenant flexibility going forward. In conjunction with the aforementioned refinancing, the Company also upsized and extended the outstanding commitments under its undrawn revolving credit facility (previously under Facility X, which was cancelled and replaced with Facility AG) from €381.0 million to €400.0 million and extended the maturity to June 2023 from September 2020. Hence, the Company faces no debt amortizations prior to August 2022, taking into account the fact that the outstanding amounts under the revolving credit facilities have been repaid in full. The unamortized deferred financing fees related to Term Loan W, Y, AA and AD were accounted for as a loss on extinguishment of debt upon early redemption for €28.8 million (Note 5.21). All new fees related to the refinancing transaction are capitalized as deferred financing fees for a total of €8.6 million and USD9 million and deferred over the term of the new loans.

5.13.2 Senior Secured Notes

Issuance of €300.0 million Senior Secured Fixed Rate Notes due 2021

Telenet Finance III Luxembourg S.C.A. (further referred to as "TFL III") was incorporated on January 28, 2011 under the laws of the Grand Duchy of Luxembourg as a structured finance entity company for the primary purpose of facilitating the offering of Senior Secured Notes.

On February 9, 2011 TFL III entered into a Global Note offering (the "Senior Secured Notes due 2021"). TFL III was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance III Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL III is an SE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL III is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Fixed Rate Notes due 2021 (being €300.0 million) the Company are used by TFL III to fund an additional facility under the 2015 Amended Senior Credit Facility, (the "Finco Loan" or "Facility O"), denominated in euro, borrowed by Telenet International Finance S.à r.l. ("TIF").

The Senior Secured Fixed Rate Notes due 2021 were issued on February 9, 2011 and all cash was received on February 15, 2011. The Senior Secured Fixed Rate Notes due 2021 have a principal value of €300.0 million and were issued at par. The interest rate on the Senior Secured Fixed Rate Notes due 2021 amounts to 6.625% annually and accrued interest is paid semi-annually on February 15 and August 15 commencing August 15, 2011. The final maturity of these Senior Secured Fixed Rate Notes is February 15, 2021.

The net proceeds from this offering were partially used to redeem before maturity the outstanding Term Loans K and L1 under the Company's 2015 Amended Senior Credit Facility for an aggregate of €286.5 million.

On June 15, 2016, Telenet used the proceeds of USD 850.0 million Term Loan ("Facility AD") to repay the €300.0 million Senior Secured Fixed Rate Notes due 2021.

Issuance of €400.0 million Senior Secured Floating Rate Notes due 2021

Telenet Finance IV Luxembourg S.C.A. (further referred to as "TFL IV") was incorporated on May 23, 2011 under the laws of the Grand Duchy of Luxembourg as a structured finance entity company for the primary purpose of facilitating the offering of Senior Secured Notes.

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On June 8, 2011 TFL IV entered into a Global Note offering (the “Senior Secured Notes due 2021”). TFL IV was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance IV Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL IV is an SE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL IV is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Floating Rate Notes due 2021 (being €400.0 million) were used by TFL IV to fund an additional facility under the 2015 Amended Senior Credit Facility, (the “Proceeds Loan” or “Facility P”), denominated in euro, borrowed by Telenet International Finance S.à r.l. (“TIF”).

The Senior Secured Floating Rate Notes due 2021 were issued on June 8, 2011 and the cash was received on June 15, 2011. These Senior Secured Floating Rate Notes due 2021 have a principal value of €400.0 million and were issued at par. The interest rate on the Senior Secured Floating Rate Notes due 2021 is the 3M Euribor +3.875% and accrued interest is paid quarterly on March 15, June 15, September 15 and December 15 commencing September 15, 2011. The final maturity of these Senior Secured Notes is June 15, 2021.

The net proceeds from this offering were used to redeem €400.1 million on the outstanding Term Loan G and J under the Company’s 2015 Amended Senior Credit Facility

On June 15, 2016, Telenet used the proceeds of USD 850.0 million Term Loan (“Facility AD”) to repay the €400.0 million Senior Secured Floating Rate Notes due 2021.

Issuance of €450.0 million Senior Secured Fixed Rate Notes due 2022 and €250.0 million Senior Secured Fixed Rate Notes due 2024

Telenet Finance V Luxembourg S.C.A. (further referred to as “TFL V”) was incorporated on November 16, 2011 under the laws of the Grand Duchy of Luxembourg as a structured finance entity company for the primary purpose of facilitating the offering of Senior Secured Notes.

On August 13, 2012 TFL V entered into two Global Note offerings (the “Senior Secured Notes due 2022” and the “Senior Secured Notes due 2024”). TFL V was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance V Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL V is an SE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL V is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Fixed Rate Notes due 2022 (being €450.0 million) and the Senior Secured Fixed Rate Notes due 2024 (being €250.0 million) were used by TFL V to fund two additional facilities under the 2015 Amended Senior Credit Facility, (the “Finco Loan” or “Facilities U and V”), denominated in euro, borrowed by Telenet International Finance S.à r.l. (“TIF”).

The Senior Secured Fixed Rate Notes due 2022 and 2024 were issued on August 13, 2012 and the cash was received on August 16, 2012. These Senior Secured Fixed Rate Notes due 2022 and 2024 have a principal value of €450.0 million and €250.0 million, respectively, and were issued at par.

The interest rate on the Senior Secured Fixed Rate Notes due 2022 is 6.25% annually and accrued interest is paid semi-annually on August 15 and February 15 commencing February 15, 2013. The final maturity of these Senior Secured Notes is August 15, 2022. The interest rate on the Senior Secured Fixed Rate Notes due 2024 is 6.75% annually and accrued interest is paid semi-annually on August 15 and February 15 commencing February 15, 2013. The final maturity of these Senior Secured Notes is August 15, 2024.

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The net proceeds of this offering were envisioned to be used entirely to fund the proposed share repurchases under a Self Tender Offer. Due to the cancellation of the Self Tender Offer on September 20, 2012, the proceeds from this offering were still available as cash and cash equivalents as at December 31, 2012.

Issuance of €530.0 million Senior Secured Fixed Rate Notes due 2027

Telenet Finance VI Luxembourg S.C.A. (further referred to as “TFL VI”) was incorporated on August 14, 2012 under the laws of the Grand Duchy of Luxembourg as a structured finance entity company for the primary purpose of facilitating the offering of Senior Secured Notes.

On July 21, 2015 TFL VI entered into a Global Note offering (the “Senior Secured Notes due 2027”). TFL VI was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance VI Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL VI is an SE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL VI is included in the consolidated financial statements of the Company.

In July 2015, TFL VI issued €530.0 million 4.875% Senior Secured Fixed Rate Notes due 2027. The net proceeds of this issuance were used in August 2015 to prepay €500.0 million of Senior Secured Notes due 2020. This resulted in a loss on extinguishment of debt amounting to €30.8 million consisting of unamortized deferred financing fees related to the €500.0 million Senior Secured Notes due 2016 of €30.8 million and a make whole premium of €23.1 million

The interest rate on the Senior Secured Fixed Rate Notes due 2027 is 4.875% annually and accrued interest is paid semi-annually on January 15 and July 15. The final maturity of these Senior Secured Notes is July 15, 2027.

The bond was issued below par (98.55%) but the difference between the discount and the par value was paid by the underwriters resulting in nominal proceeds of €530.0 million.

5.13.3 Repayment schedule

Aggregate future principal payments on the total borrowings under all of the Company’s loans and borrowings other than finance leases, vendor financing, 3G spectrum and global handset financing loans as of December 31, 2016 are shown in the following table:

	<u>Total Facility as per</u>	<u>Drawn amount</u>	<u>Undrawn amount</u>	<u>Maturity Date</u>	<u>Interest rate</u>	<u>Interest payments due</u>
	<u>December 31, 2016</u>					
	(in thousands of euro)					
2015 Amended Senior Credit Facility:						
Term Loan AE (1.6mio EUR)	1,600,000	1,600,000	—	January 31, 2025	Floating 3-month Euribor + 3.25%	Quarterly (Jan., April, July, Oct.)
Term Loan AF (1.5mio USD)	1,422,206	1,422,206	—	January 31, 2025	Floating Libor + 3.00%	Quarterly (March, June, Sept., Dec.)
Revolving Credit Facility (Facility AG)	400,000	—	400,000	June 30, 2023	Floating 1-month Euribor + 2.75%	Not applicable
Revolving Credit Facility (Facility Z)	120,000	—	120,000	June 30, 2018	Floating 1-month Euribor + 2.25%	Not applicable
BNP Overdraft Facility						
BNP Overdraft Facility	25,000	—	25,000	December 31, 2017	Floating 1-month EURIBOR (0% floor) + 1.60%	Not applicable

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	Total Facility as per	Drawn amount	Undrawn amount	Maturity Date	Interest rate	Interest payments due
	December 31, 2016					
	(in thousands of euro)					
Senior Secured Fixed Rate Notes:						
€450 million Senior Secured Notes due 2022	450,000	450,000	—	August 15, 2022	Fixed 6.25%	Semi-annually (Feb. and Aug.)
€250 million Senior Secured Notes due 2024	250,000	250,000	—	August 15, 2024	Fixed 6.75%	Semi-annually (Feb. and Aug.)
€530 million Senior Secured Notes due 2027	530,000	530,000	—	July 15, 2027	Fixed 4.875%	Semi-annually (Jan. and Jul.)
Total notional amount	4,797,206	4,252,206	545,000			

5.13.4 Guarantees and covenants

As at 31 December 2016, Telenet BVBA, Telenet Group BVBA, Telenet International Finance S.à r.l. and Telenet Financing USD LLC guaranteed (and continue to guarantee) the obligations of each of Telenet BVBA, Telenet Group BVBA, Telenet International Finance S.à r.l. and Telenet Financing USD LLC under the 2015 Amended Senior Credit Facility, to the extent permitted by law and subject to any applicable guarantee limitations.

In addition, security has been granted under the 2015 Amended Senior Credit Facility by Telenet Group Holding NV, Telenet BVBA, Telenet Group BVBA, Telenet Vlaanderen NV, Telenet International Finance S.à r.l. and Telenet Financing USD over substantially all their assets.

The above-mentioned security interests include:

- pledges of all shares of Telenet BVBA, Telenet Group BVBA, Telenet Vlaanderen NV and Telenet International Finance S.à r.l.;
- mortgages of (i) €800 million granted by the former Telenet Operaties NV (succeeded by Telenet BVBA), (ii) €625 million granted by the former MixtICS NV (succeeded by Telenet BVBA), (iii) €625 million granted by Telenet Vlaanderen NV, and (iv) €50 million granted by the former Telenet Solutions NV (succeeded by Telenet BVBA); a portion of the mortgages have been granted in a non-joined (non-cumulative) manner with certain other mortgages and certain floating charges;
- non-exercised mortgage mandates of (i) €650 million granted by Telenet BVBA (formerly called Telenet NV and Telenet BidCo NV), (ii) €450 million granted by the former Telenet Operaties NV (succeeded by Telenet BVBA), (iii) €450 million granted by the former MixtICS NV (succeeded by Telenet BVBA) and (iv) €450 million granted by Telenet Vlaanderen NV;
- floating charges (pand op handelszaak) of (i) €1.25 billion granted by the former Telenet Operaties NV (succeeded by Telenet BVBA), (ii) €135 million granted by Telenet BVBA (formerly called Telenet NV and Telenet BidCo NV), (iii) €250 million granted by Telenet BVBA (formerly called Telenet NV and Telenet BidCo NV), (iv) €865 million granted by the former MixtICS NV (succeeded by Telenet BVBA), (v) €865 million granted by Telenet Vlaanderen NV, (vi) €75 million granted by the former PayTVCo NV (succeeded by Telenet BVBA) and (vii) €75 million granted by the former Codenet NV (afterwards renamed to Telenet Solutions NV and succeeded by Telenet BVBA); a portion of the floating charges have been granted in a non-joined manner (non-cumulative) with certain other floating charges and certain mortgages;
- a non-exercised floating charge mandate of €865 million granted by Telenet BVBA, which is granted in a non-joined (non-cumulative) manner with the floating charges referred to in (i), (iv), (vi) and (vii) above;
- a non-exercised floating charge mandate of €800 million granted by Telenet Group BVBA;
- pledges of all present and future receivables owed to Telenet Group Holding NV, Telenet BVBA, Telenet Group BVBA and Telenet Vlaanderen NV;

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- pledges of all present and future securities (other than shares in subsidiaries) held by Telenet BVBA and Telenet Vlaanderen NV;
- a pledge over all present and future notes issued by Finance Center Telenet S.à r.l. and owned by Telenet International Finance S.à r.l.;
- pledges of all present and future intercompany receivables owed to Telenet International Finance S.à r.l. by Telenet BVBA, Telenet Luxembourg Finance Center S.à r.l, Finance Center Telenet S.à r.l. and Telenet Group BVBA;
- pledges on all present and future bank accounts of Telenet Group Holding NV, Telenet BVBA, Telenet Group BVBA, Telenet Vlaanderen NV and Telenet International Finance S.à r.l.;
- pledge on all present and future shares (and other equity interests) of Telenet Financing USD LLC owned by Telenet International Finance S.à r.l.;
- security granted by Telenet Financing USD LLC over present and future assets, including inter alia, accounts, equipment, inventory, documents, securities, intellectual property and immaterial assets; and
- pledge of receivables owed to Telenet Group Holding NV by Finance Center Telenet S.à r.l. under a subordinated shareholder loan and all receivables owed by other group members to Telenet Group Holding NV under future subordinated shareholder loans.

The total executable principal amount under the mortgages and floating charges, taking into account non-cumulation within and between floating charges and mortgages, was €2,375,000,000 on December 31, 2016.

As of December 31, 2016, the Company was in compliance with all of its financial covenants.

In respect of the obligations under the notes issued by Telenet Finance V Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance V Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance V S.à r.l. (Telenet Finance V Luxembourg S.C.A.'s general partner);
- all of Telenet Finance V Luxembourg S.C.A.'s rights, title and interest under the 2015 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007 (as amended and restated from time to time and most recently on 2 November 2015), the additional facility U accession agreement and the additional facility V accession agreement pursuant to which Telenet Finance V Luxembourg S.C.A. has become a lender under the 2015 Amended Senior Credit Facility;
- all of Telenet Finance V Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance V Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet BVBA to Telenet Finance V Luxembourg S.C.A.

In respect of the obligations under the notes issued by Telenet Finance VI Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance VI Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance VI S.à r.l. (Telenet Finance VI Luxembourg S.C.A.'s general partner);
- all of Telenet Finance VI Luxembourg S.C.A.'s rights, title and interest under the 2015 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007 (as amended and restated from time to time and most recently on 2 November 2015), the additional facility AB accession agreement and the additional facility VI accession agreement pursuant to which Telenet Finance VI Luxembourg S.C.A. has become a lender under the 2015 Amended Senior Credit Facility;

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- all of Telenet Finance VI Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance VI Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet BVBA to Telenet Finance VI Luxembourg S.C.A.

5.13.5 Finance lease obligations

Finance lease liabilities are payable as follows:

(in thousands of euro)	Future minimum lease payments		Interest		Present value of future minimum lease payments	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Within one year	61,486	58,499	20,472	21,230	41,014	37,269
In the second to fifth year, inclusive	251,543	196,009	68,414	58,462	183,129	137,547
Thereafter	157,081	201,104	26,601	34,518	130,480	166,586
Total minimum lease payments	470,110	455,612	115,487	114,210	354,623	341,402

The following table summarizes the obligations per type of finance leases:

(in thousands of euro)	Future minimum lease payments		Interest		Present value of future minimum lease payments	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Buildings	17,329	20,261	2,246	3,377	15,083	16,884
Canon	452,781	435,351	113,241	110,833	339,540	324,518
Total minimum lease payments	470,110	455,612	115,487	114,210	354,623	341,402

Canon, Clientele and Annuity agreements

In 1996, the Company acquired the exclusive rights to offer point-to-point services including broadband internet and telephony services, as well as the rights to partly use the capacity of the broadband network owned and controlled by the Pure Intercommunales ("PICs"). In return for this access to a part of the PICs' network, the company paid the so-called Clientele and Annuity Fees. The present value of the Clientele and Annuity Fee payments over the first 20 years (being the life of the longest lived assets that were part of the HFC Upgrade) was initially accounted for as network user rights under intangible assets, and was amortized over 10 or 20 years depending on the useful life of the underlying assets that make up the HFC Upgrade.

Upon completion of the Interkabel acquisition in 2008, the company obtained the ownership and control over the entire network, including the obligation beyond 20 years under the original 50 year Clientele fee agreement and now has the right to use the full capacity of the PICs' network. The term of the Canon Lease Agreement is 38 years (of which still 31 years remained at the end of 2015). Under this agreement, the Company pays recurring Canon Fees which together with the Clientele and Annuity Fees grant full access to the PICs' network. The assets capitalized under the Canon Agreement are depreciated over a period of 15 years. The full access rights acquired under the Canon, Clientele and Annuity agreements are recorded as property and equipment (network) as from October 2008 onwards (see Note 5.4).

On the additional rights of use on the Telenet PICs Network, acquired under the Canon agreement, a contractual interest rate was agreed upon which was favorable in comparison with the market interest rate at that moment. Therefore, this favorable component on the initial Canon lease was separated in the purchase price allocation and recognized as a debit to the liability of the underlying existing Canon Lease. The favorable Out of Market component on the future Canon leases acquired as part of the business combination was recognized as network user rights under other intangible assets (see Note 5.6).

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For the year ended December 31, 2016, the average effective borrowing rate for the three above mentioned fees was 6.28% (2015: 6.32%).

The Clientele fees payable beyond 20 years are recognized as a non-lease related debt.

As per December 31, 2016 and 2015, the outstanding liabilities related to the Interkabel agreements, as well as the net book value of the intangible asset can be summarized as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
	<u>(in thousands of euro)</u>	
Outstanding lease debt Annuity / Clientele / Canon		
Annuity agreement	10,009	12,621
Clientele agreement	11,080	15,757
Canon agreement	321,146	299,774
Out of Market Component on initial Canon leases acquired as part of a business combination	(2,695)	(3,634)
	339,540	324,518
Outstanding non-lease related Clientele debt Clientele fee > 20 years	106,008	97,743
Intangible asset related to Canon agreement		
Out of Market Component on future Canon leases acquired as part of a business combination	17,437	17,762

Other leases

The Company leases certain assets under finance leases including buildings and certain vehicles with average lease terms of 20 and 5 years, respectively.

For the year ended December 31, 2016, the average effective borrowing rate was 4.17% (2015: 4.30%). All leases are on a fixed repayment schedule and no arrangements include contingent rental payments. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

5.13.6 3G and 2G mobile spectrum

Following an auction launched in March 2011 by the BIPT, Telenet Tecteo BidCo NV, a subsidiary of the Company in which the Walloon cable operator Tecteo SCRL holds a 25% stake, acquired the fourth 3G mobile spectrum license in Belgium (see note 5.6). For the years ended December 31, 2016 and 2015, the average effective borrowing rate for the 3G mobile spectrum was 2.25% (2015 : 2.75%).

5.13.7 Global Handset Finco Loan

On December 4, 2015 Telenet Finance BVBA borrowed €12.7 million from Global Handset Finco Limited to fund its handset financing activity through the "Global Handset Finco Loan" which is due December 4, 2017.

5.13.8 Vendor Financing

In the third quarter of 2016, the Company entered into a vendor financing program with a financial institution for a total amount of €34.7 million. Under such program, suppliers entering the system are paid by the bank earlier than their regular payment terms at a discount or at their regular payment terms without a discount while Telenet has 360 days to pay the bank. Consequently, the vendor financing liabilities are accounted for as loans and borrowings on the balance sheet. As in 2016 no payments occurred on these debts, the outstanding liabilities with respect to vendor financing (€34.7 million) consist of:

- €28.5 million capex related invoices, and
- €6.2 million operational expense related invoices.

As a result of the capex-related vendor financing, the Company's net cash used in investing activities was favorably impacted for the equivalent amount. Upon payment of the short term debt by Telenet to the bank after 360 days, the Company will record cash used in financing activities.

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For operational expense related invoices (OPEX) the Company records cash outflows from operations and a corresponding cash inflow in financing activities when the expenses are incurred. When the Company pays the bank, the Company records financing cash outflows.

5.14 Derivative financial instruments

The Company has entered into various derivative instruments to manage interest rate and foreign currency exposure.

As of December 31, 2016 and 2015, the outstanding forward foreign exchange derivatives were as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
	(in thousands of euro)	
Forward Purchase Contracts		
Notional amount in US dollar	47,100	49,550
Weighted average strike price (US dollar per euro)	1.135	1.099
Maturity	From January to November 2017	From January to December 2016

In June 2016, the Tranche O—€300.0 million 6.625% due in 2021 and the tranche P—€400.0 million Floating rate due 2021 were repaid and refinanced by the Term Loan AD—Usd 850.0 million floating rate due 2024. The company paid €10.7 million to terminate the interest derivatives hedging the tranche P.

The Company entered into several Cross currency interest rates swaps (CCIRS) to hedge the Foreign exchange exposure of the USD Term loan AF nominal repayment and to transform the USD payable floating rate into a Euro payable fixed rate.

As of December 31, 2016 and 2015, the outstanding interest rate derivatives and Cross currency interest rates swaps (CCIRS) as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
	(in thousands of euro)	
Interest Rate Swaps EUR		
Notional amount	4,557,000	2,557,000
Average pay interest rate	0.80%	0.76%
Average receive interest rate	Euribor 3M	EURIBOR 3M
Maturity	From 2017 to 2025	From 2015 to 2023
Notional amount	557,000	
Average pay interest rate	Euribor 3M	
Average receive interest rate	0.04%	
Maturity	2023	
Interest Rate Swaps USD		
Notional amount	1,500,000	
Average pay interest rate	USD 3M + 2,83%	
Average receive interest rate	USD 1M +3,00%	
Maturity	2017	
Cross currency interest rate swap		
Notional amount USD	1,500,000	
Average receive interest rate	USD 3M + 3,28%	
Notional amount EUR	1,330,371	
Average pay interest rate	3.33%	
Maturity	2025	
Notional amount USD	850,000	
Average receive interest rate	0.50%	
Notional amount EUR	743,308	
Average pay interest rate	0.47%	
Maturity	2024	

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	<u>December 31, 2016</u>	<u>December 31, 2015</u>
	(in thousands of euro)	
Caps		
Notional amount	50,000	50,000
Average cap interest rate	4.50%	4.50%
Maturity	2017	2017
Collars		
Notional amount	804	1,389
Average floor interest rate	6.00%	5.50%
Average cap interest rate	6.00%	6.50%
Maturity	2017	2017

The following tables provide details of the fair value of the Company's financial and derivative instrument assets (liabilities), net:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
	(in thousands of euro)	
Current assets	22,825	940
Non-current assets	49,658	7,556
Current liabilities	(16,015)	(6,181)
Non-current liabilities	(94,695)	(57,786)
	(38,227)	(55,471)
Interest rate derivatives	(105,391)	(55,737)
Cross Currency Interest Rate Swaps	64,405	—
Foreign exchange forwards	2,835	307
Embedded derivatives	(76)	(41)
	(38,227)	(55,471)

Realized and unrealized gains (losses) on financial and derivative instruments comprise the following amounts:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
	(in thousands of euro)	
Early termination of derivative financial instruments (note 5.21)	(10,735)	(72,973)
Change in fair value (note 5.21)		
Cross Currency Interest Rate Swaps	72,242	—
Interest rate derivatives	(57,534)	86,410
Foreign exchange forwards	2,154	307
Embedded derivatives	13	45
Total change in fair value	16,875	86,762
Net gain on derivative financial instruments	6,140	13,789

5.15 Deferred taxes

Telenet Group Holding NV and its consolidated subsidiaries each file separate tax returns, except for Telenet International Finance S.à r.l., Finance Center Telenet S.à r.l. and Telenet Luxembourg Finance Center S.à r.l, which form a Luxembourg fiscal unity, in accordance with applicable local tax laws. For financial reporting purposes, Telenet Group Holding NV and its subsidiaries calculate their respective tax assets and liabilities on a separate-return basis, except for Telenet International Finance S.à r.l., Finance Center Telenet S.à r.l. and Telenet Luxembourg Finance Center S.à r.l. These assets and liabilities are combined in the accompanying consolidated financial statements.

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The movement in deferred tax assets and liabilities during the current and the prior year, without taking into consideration the offsetting of balances within the same tax entity, is as follows:

<u>(in thousands of euro)</u>	<u>January 1, 2016</u>	<u>BASE acquisition</u>	<u>(Charged) credited to the statement of profit or loss and other comprehensive income</u>	<u>December 31, 2016</u>
Deferred tax assets:				
Financial instruments	16,297	—	(6,540)	9,757
Provisions	(19,838)	(2,438)	31,558	9,282
Receivables	7,273	—	(5,847)	1,426
Tax loss carry-forwards	85,861	18,775	90,327	194,963
Other	8,670	—	11,334	20,004
Total Deferred tax assets	<u>98,263</u>	<u>16,337</u>	<u>120,832</u>	<u>235,432</u>
Deferred tax liabilities:				
Lease obligation	(464)	—	319	(145)
Property and equipment	(67,542)	(36,844)	(1,706)	(106,092)
Goodwill	(27,422)	3,863	(565)	(24,124)
Intangible assets	(11,508)	(62,591)	1,033	(73,066)
Deferred Financing Fees	(6,886)	—	372	(6,514)
Other	(460)	—	(55,546)	(56,006)
Total Deferred tax liabilities	<u>(114,282)</u>	<u>(95,572)</u>	<u>(56,093)</u>	<u>(265,947)</u>
 <u>(in thousands of euro)</u>			<u>Statement of profit or loss and other comprehensive income</u>	<u>Statement of financial position</u>
Deferred tax assets			120,832	235,432
Deferred tax liabilities			(56,093)	(265,947)
			<u>64,739</u>	<u>(30,515)</u>
Statement of profit or loss and comprehensive income (see Note 5.22)				
Deferred tax expense in profit or loss (see Note 5.22)			(64,739)	
Total deferred tax expense			<u>(64,739)</u>	
Current tax expense (see Note 5.22)			107,752	
Total Comprehensive Income			<u>43,013</u>	
Total profit or loss			<u>43,013</u>	
Balance Sheet				
Deferred tax assets				135,532
Deferred tax liabilities				(166,047)
				<u>(30,515)</u>

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<u>(in thousands of euro)</u>	<u>January 1, 2015</u>	<u>(Charged) credited to the statement of profit or loss and other comprehensive income</u>	<u>December 31, 2015</u>
Deferred tax assets:			
Financial instruments	41,796	(25,499)	16,297
Lease obligation	7,272	(7,272)	—
Receivables	—	7,273	7,273
Tax loss carry-forwards	51,726	34,135	85,861
Other	9,990	(1,320)	8,670
Total Deferred tax assets	<u>110,784</u>	<u>7,317</u>	<u>118,101</u>
Deferred tax liabilities:			
Lease obligation	—	(464)	(464)
Property and equipment	(60,766)	(6,776)	(67,542)
Provisions	(45,229)	25,391	(19,838)
Goodwill	(27,028)	(394)	(27,422)
Intangible assets	(1,130)	(10,378)	(11,508)
Receivables	(1,178)	1,178	—
Deferred Financing Fees	(6,311)	(575)	(6,886)
Other	(605)	145	(460)
Total Deferred tax liabilities	<u>(142,247)</u>	<u>8,127</u>	<u>(134,120)</u>
 <u>(in thousands of euro)</u>		<u>Statement of profit or loss and other comprehensive income</u>	<u>Statement of financial position</u>
Deferred tax assets		7,317	118,101
Deferred tax liabilities		8,127	(134,120)
		<u>15,444</u>	<u>(16,019)</u>
Statement of profit or loss and comprehensive income (see Note 5.22)			
Deferred tax expense in profit or loss (see Note 5.22)		(15,444)	
Deferred tax expense in OCI		—	
Total deferred tax expense		(15,444)	
Current tax expense (see Note 5.22)		115,096	
Total Comprehensive Income		99,652	
Less: Deferred tax expense in OCI		—	
Total profit or loss		<u>99,652</u>	
Balance sheet			
Deferred tax assets			108,493
Deferred tax liabilities			(124,512)
			<u>(16,019)</u>

As of December 31, 2016, Telenet Group Holding NV and its subsidiaries had available combined cumulative tax loss carry forwards of €1227.6 million (2015: €819.9 million). Under current Belgian and Luxembourg tax laws, these loss carry forwards have an indefinite life and may be used to offset the future taxable income of Telenet Group Holding NV and its subsidiaries.

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Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable.

Telenet did not recognize deferred tax assets of €185.3 million (2015: €171.7 million) in respect of losses amounting to €545.3 million (2015: €505.2 million) that can be carried forward against future taxable income because it is not considered more likely than not that these net deferred tax assets will be utilized in future years.

5.16 Other non-current liabilities

	<u>Note</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
		(in thousands of euro)	
Employee benefit obligations	5.17	23,596	15,640
Other personnel related obligations		893	829
Long service awards	5.17	8,079	8,060
Interkabel out of market opex		15,135	14,604
Asset retirement obligations		8,700	1,913
Liabilities regarding sports broadcasting rights	5.6	24,718	4,192
Restructuring liability Norkring		11,343	12,412
Other		2,144	1,412
Total Other non-current liabilities		94,608	59,062

The impact of the BASE acquisition on the other non-current liabilities amounts to €8.4 million and consists mainly of the asset retirement obligation related to the dismantling of mobile network sites and the employee benefit obligations.

At the end of 2013, the Company decided to discontinue the provision of DTT services which occurred in the six months ended June 30, 2014. Following this decision, the Company determined that its obligations under the DTT capacity agreement with Norkring België NV constituted an onerous contract and recognized accordingly a provision measured as the net present value of the remaining payments due under this DTT capacity agreement related to the so called “MUX 2 and MUX 3 capacity”.

As a result of the amendment to the DTT capacity agreement signed in 2016 whereby the Company waived its exclusive rights on the “MUX 1 capacity”, the previously recognized lease liability related to this capacity did not longer qualify as a lease liability and was consequently represented as and added to the existing restructuring liability. The restructuring liability was re-measured at end of December 2015 reflecting the net present value of the remaining re-negotiated payments due under the contract. The remaining non-current and current liabilities related to the capacity of the 3 non-exclusive MUXes thus amounted to respectively €11.3 million and €3.4 million at December 31, 2016 (2015: respectively €12.4 million and €25.8 million) (note 5.18).

Total non-current and current liabilities regarding sports broadcasting rights amounted to €24.7 million and €38.4 million, respectively (see note 5.18) at December 31, 2016 (2015: €4.2 million and €17.4 million, respectively). The increase in liabilities regarding sports broadcasting rights can mainly be explained by the recognition of football broadcasting rights in 2016 for the 2016-2017 season of the Jupiler Pro League and the next three seasons of the UK Premier League as of August 2016.

The operational expenses charged to Telenet by Interkabel for the maintenance of its network are higher than the Company’s benchmark expenses for similar operations and therefore reflects an unfavorable out of market element. In the Interkabel acquisition, this out of market element was recorded at fair value. The underlying liability at December 31, 2016 amounted to €15.1 million (2015: €14.6 million).

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5.17 Employee benefit plans

Assets and liabilities carried on the consolidated statement of financial position, related to the Company's benefit plans can be summarized as follows:

(in thousands of euro)	Note	December 31, 2016			December 31, 2015		
		Total employee benefit plan	of which Defined benefit pension plans	of which Other post retirement plans	Total employee benefit plans	of which Defined benefit pension plans	of which Other post retirement plans
			note 5.17			note 5.17	
Defined benefit pension plans		7,509	7,509	—	2,351	2,351	—
Other post-retirement plans		16,087	—	16,087	13,289	—	13,289
Total LT employee benefit obligations	5.16	23,596	7,509	16,087	15,640	2,351	13,289
Total LT service awards	5.16	8,079	—	—	8,060	—	—
Total employee benefit plans liability/(asset)		31,675	7,509	16,087	23,700	2,351	13,289

Long service awards

The Company has also recognized a liability of €8.1 million at December 31, 2016 (2015: € 8.1million) for long service awards, which have the form of jubilee benefits.

Defined benefit pension plans and other post-retirement benefit plans

The majority of Telenet's employees participate in a defined contribution plan reclassified to defined benefit plan funded through the pension fund IBP Telenet OFP. The contributions are based on the employee's salary.

Telenet Group (formerly known as Base) employees also benefit from a defined contribution pension plan funded through a group insurance, whereby the insurance company guarantees a minimum interest rate on the contributions. The contributions are based on the employee's salary.

By law, employers are required to provide average minimum guaranteed rates of return over the employee's career with the Company. As from 1 January 2016 onwards, the minimum rate is annually recalculated based on the average yield of 10-year government bonds, with a minimum of 1.75% and a maximum of 3.75%. For 2016, the minimum guaranteed rate of return was equal to 1.75% (for 2015, 3.25% on employer contributions and 3.75% on employee contributions). For the main plan funded through the pension fund, the annually recalculated minimum rate of return is used to increase the minimum reserves during the year, while for the insured plans, each minimum rate of return applies to the contributions paid during the year up to the employee's date of leaving.

Hence, there is a risk that the Company may have to pay additional contributions related to past service. Any such additional contributions will depend on the actual investment returns as well as the future evolution of the minimum guaranteed rates of return. Therefore, those plans are classified as defined benefit plans. The application of defined benefit accounting had no impact on Telenet's main plan funded through the Company's pension fund as the benefit obligations were equal to the plan assets at both 31 December 2015 and 31 December 2016.

The Company's pension fund is actively managed by two independent asset management firms. The investment strategy is based on a balanced neutral risk profile with a long-term investment horizon. The pension fund's performance is monitored and analyzed on a monthly basis by the pension fund's in-house investment specialist and discussed and reviewed on a quarterly basis by the pension fund's board of directors.

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Former Electrabel (ICS) employees, as well as a limited group of other employees, are covered by defined benefit pension plans, which provide retirement benefits based on the employees' final salaries and their years of service. In accordance with local practice, the benefits are normally paid out in the form of a lump sum.

The defined benefit pension plans are financed through insurance contracts, whereby the insurance company guarantees a minimum interest rate on the contributions. The pension plans are subject to a minimum funding requirement, which is based on the vested reserves to which the plan participants are entitled in case of leaving.

Telenet also provides post-retirement health care benefits and early retirement benefits to former Electrabel (ICS) employees. These obligations are financed directly by the Company. A past service cost was recognized during 2016 with respect to the early retirement scheme.

All these plans expose the Company to various risks such as interest rate risk (a decrease of bond yields will increase the benefit obligations), investment risk (a lower return on plan assets will decrease the funded status), longevity risk (an increase in life expectancy will increase the benefit obligations for the post-retirement health care plan) and inflation risk (higher than expected salary increases or medical cost increases will increase the benefit obligations).

The defined benefit obligation, the fair value of the plan assets and the net defined benefit liability/(asset) reconcile as follows :

(in thousands of euro)	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit liability (asset)	
	2016	2015	2016	2015	2016	2015
At January 1	29,475	30,956	(13,835)	(14,772)	15,640	16,184
Reclassification DC plan	60,251	—	(60,251)	—	—	—
Adjusted opening amount	89,726	30,956	(74,086)	(14,772)	15,640	16,184
Components of defined benefit cost included in profit or loss						
Current service cost (incl. administration costs)	8,183	1,934	—	—	8,183	1,934
Past service cost	1,401	—	—	—	1,401	—
Interest cost / (income)	2,468	609	(2,106)	(267)	362	342
	12,052	2,543	(2,106)	(267)	9,946	2,276
Components of defined benefit cost included in OCI						
Remeasurements						
Actuarial loss (gain) arising from:						
changes to demographic assumptions	(101)	(238)	—	—	(101)	(238)
changes to financial assumptions	5,877	(1,317)	—	—	5,877	(1,317)
experience adjustments	845	(1,626)	—	—	845	(1,626)
Return on plan assets excluding interest income	—	—	(1,109)	1,922	(1,109)	1,922
	6,621	(3,181)	(1,109)	1,922	5,512	(1,259)
Other						
Contributions paid by the employee	1,916	200	(1,916)	(200)	—	—
Contributions paid by the employer (incl. taxes)	—	—	(7,251)	(1,428)	(7,251)	(1,428)
Benefits paid (incl. taxes)	(2,896)	(1,043)	2,749	910	(147)	(133)
Business combination / divestitures	16,696	—	(16,800)	—	(104)	—
	15,716	(843)	(23,218)	(718)	(7,502)	(1,561)
At December 31	124,115	29,475	(100,519)	(13,835)	23,596	15,640

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Represented by:	2016	2015
Defined Benefit Pension Plans	7,509	2,351
Other post-retirement plans	16,087	13,289
Total	23,596	15,640

The principal actuarial assumptions used for the purpose of the actuarial valuations are as follows:

Actuarial assumptions at December 31

	Defined Benefit Pension Plans		Other post-retirement plans	
	2016	2015	2016	2015
Discount rate	1.75%	2.25%	1.75%	2.25%
Rate of compensation increase	2.95%	2.75%	2.75%	—
Underlying inflation rate	1.75%	1.75%	1.75%	1.75%
Increase of medical benefits	—	—	4.00%	4.00%
Mortality tables	IA/BE	IA/BE	IA/BE	IA/BE

The following table shows a sensitivity analysis for the key assumptions:

Sensitivity analysis (in %)	Change	Change in Defined Benefit Obligation	
	(-)/(+)	decrease(-)	increase (+)
Discount rate	0.25%	4.44%	(4.25)%
Rate of compensation increase	0.25%	(2.47)%	2.53%
Increase of medical benefits	0.25%	(1.33)%	1.35%
Mortality tables	1 year	(1.32)%	1.34%

The sensitivity analysis reflects the impact of a change in one assumption while keeping all other assumptions constant. In practice, this is unlikely to be the case as some assumptions may be correlated.

The weighted average duration of the benefit obligations equals 17 years.

The plan assets consist of:

Defined Benefit Pension Plans	2016	2015
Bonds	30.0%	35.0%
Equities	31.0%	41.0%
Insurance policies	32.0%	19.0%
Other	7.0%	6.0%
Total	100.0%	100.0%

All investments of the Company's pension fund are quoted securities.

The plan assets do not include any direct investments in shares issued by Telenet or property occupied by Telenet.

The contributions towards defined benefit plans for the year ended December 31, 2016 (including the defined contribution plans accounted for as defined benefit plans) are estimated at €9.2 million.

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5.18 Accrued expenses and other current liabilities

	<u>Note</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
		<u>(in thousands of euro)</u>	
Customer deposits		21,046	21,984
Compensation and employee benefits		73,921	55,302
VAT and withholding taxes		23,877	13,469
Dividend payable to shareholders		986	989
Accrued programming fees		52,036	54,199
Accrued capital expenditure		116,543	28,661
Accrued other liabilities—invoices to receive regarding:			
Goods received and services performed		39,858	37,710
Professional fees		14,732	10,408
Warehouse items received		4,310	3,480
Interconnect		28,254	21,383
Advertising, marketing and public relations		3,673	3,818
Infrastructure		9,579	7,128
Facilities		6,490	1,624
Opex		37,205	4,212
Credit notes to issue		13,797	1,726
Accrued Stock Compensation		690	—
Non-income tax contingencies (IFRS 3)	5.24	5,933	—
Liabilities regarding pylon taxes	5.26	29,135	—
Accrued interest on derivatives		1	516
Accrued deferred financing costs		560	7,781
Accounts receivable with credit balance		18,419	21,460
Restructuring liability Norkring		3,360	25,750
Liabilities regarding sports broadcasting rights		38,426	17,430
Other current liabilities		16,399	11,283
Total Accrued expenses and other current liabilities		<u>559,230</u>	<u>350,313</u>

Compared to December 31, 2015, total accrued expenses and other current liabilities increased by €208.9 million to €559.2 million as of December 31, 2016, which is mainly due to the impact of the BASE acquisition.

Compared to December 31, 2015, accrued capital expenditures increased €87.9 million and accrued other liabilities related to invoices to receive increased €54.3 million as a result of the BASE acquisition. The significant increase in capital expenditures is the result of the major upgrade and new build activities with respect to the acquired mobile network. The increase in the liabilities regarding sports broadcasting rights are the result of the in 2016 acquired intangible assets (note 5.6).

Following the amendment to the DTT capacity agreement with Norkring België NV in December 2015, and the agreed upon upfront payment in the first six months of 2016 amounting to €23.5 million, the restructuring liability decreased to €3.4 million as of December 31, 2016.

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5.19 Revenue

The Company's revenue is comprised of the following:

	For the years ended December 31,	
	2016	2015 as represented (*)
	(in thousands of euro)	
Subscription revenue		
Video	566,361	552,138
Broadband internet	572,914	546,096
Fixed-line telephony	243,031	226,950
Cable Subscription revenue	1,382,306	1,325,184
Mobile telephony	564,475	203,408
Total Subscription revenue	1,946,781	1,528,592
Business services	122,199	113,746
Other	360,140	179,510
Total Revenue	2,429,120	1,821,848

(*) We refer to Note 5.1.6 Reporting changes for detailed information regarding the reclassification of reminder fees and carriage fees

For the year ended December 31, 2016, the Company generated revenue of €2,429.1 million, representing a 33% increase compared to the year ended December 31, 2015 when the Company produced revenue of €1,821.8 million. The reported revenue increase was primarily driven by the contribution from BASE, which was acquired on February 11, 2016.

The cable business delivered solid mid-single-digit revenue growth for the year ended December 31, 2016 driven by a 4% increase in cable subscription revenue and higher business services revenue generated by security, hosting and mobile wholesale business lines. Growth in cable subscription revenue was primarily driven by (i) a larger share of triple-play subscribers, (ii) continued growth for premium entertainment propositions and (iii) the favorable impact from the February 2016 price adjustments, partially offset by a growing proportion of bundle-related discounts and a modest decline in the total number of unique customer relationships. The continued robust performance of the cable business was partly offset by continued pressure on the acquired mobile business, impacted by (i) structural challenges within the prepaid business as reflected in the declining number of prepaid subscribers, (ii) lower roaming revenue due to caps imposed by the new EU regulation and (iii) lower interconnection revenue.

The Company also had deferred revenue as follows:

(in thousands of euro)	December 31, 2016	December 31, 2015
Subscription revenue		
Video	20,796	25,752
Broadband internet	13,920	12,657
Fixed-line telephony	8,139	7,870
Cable Subscription revenue	42,855	46,279
Mobile telephony	38,305	6,961
Total Subscription revenue	81,160	53,240
Business services	14,092	10,936
Other	7,154	10,044
Total Deferred Revenue	102,406	74,220

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Deferred revenue is generally fees prepaid by the customers and, as discussed in note 5.2.9 to the consolidated financial statements of the Company, is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the related service period.

5.20 Expenses by nature

		For the years ended December 31,	
	Note	2016	2015 as represented (*) (in thousands of euro)
Network operating expenses		142,901	68,034
Direct costs (programming, copyrights, interconnect and other)		607,799	425,013
Staff-related expenses		258,399	180,300
Sales and marketing expenses		97,650	74,215
Outsourced labor and Professional services		50,130	41,804
Other indirect expenses		155,144	88,825
Operating expenses		1,312,023	878,191
Restructuring gain (loss)		2,525	(9,932)
Operating charges related to acquisitions or divestitures		8,398	9,736
Share-based payments granted to directors and employees	5.12	11,655	10,370
Depreciation	5.4	394,001	270,799
Amortization	5.6	159,004	72,954
Amortization of broadcasting rights	5.6	55,813	49,006
Impairment of assets held for sale		5,350	—
Gain on disposal of property and equipment		(5,081)	(2,362)
Non-cash and non-recurring items		631,665	400,571
Total costs and expenses		1,943,688	1,278,762

(*) We refer to Note 5.1.6 Reporting changes for detailed information regarding the reclassification of reminder fees and carriage fees

For the year ended December 31, 2016, Telenet incurred total operating expenses of €1,943.7 million, representing an increase of 52% compared to the year ended December 31, 2015 when total operating expenses amounted to €1,278.7 million and reflecting the impact from the BASE acquisition since mid-February 2016.

The direct costs include direct expenses such as (i) costs related to interconnection, (ii) handset sales and subsidies and (iii) programming and copyrights. For the full year 2016, the direct costs were €607.8 million, up 43% compared to the €425.0 million of prior year, mainly impacted by the BASE acquisition.

Total expenses for the year ended December 31, 2016 included a €6.0 million benefit linked to the resolution of certain operational contingencies associated with the settlement of the Full-MVNO Arrangement with Orange Belgium in the 3 months ended June 30, 2016. In addition, the Company incurred €8.3 million integration and transformation costs for the full year 2016 linked to the BASE acquisition. The expenses for the year ended December 31, 2015 included a net €17.5 million favorable impact resulting from a €13.8 million favorable impact from the reversal of restructuring charges as a result of a settlement with Norkring België related to the DTT spectrum license and a €7.6 million favorable impact from the resolution of a contingency associated with universal service obligations in the 3 months ended June 30, 2015, partially offset by the unfavorable impact of a €3.9 million settlement with the Belgian telecoms regulator BIPT with regards to the 2G mobile spectrum license in the 3 months ended December 31, 2015.

Total operating expenses represented approximately 80% of the revenue for the year ended December 31, 2016. Cost of services provided as a percentage of revenue represented approximately 60% of total revenue for the year ended December 31, 2016, while selling, general and administrative expenses represented approximately 20% of total revenue.

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The increase in depreciation expense compared to prior year is due to the assets acquired in the BASE acquisition valued at fair value. As a result of the modernization project of the acquired mobile network, the company incurred €32 million accelerated depreciations (note 5.4). The increase in amortization expense compared to prior year is due to the assets acquired in the BASE acquisition, comprising spectrum licenses, software, tradenames and customer lists (note 5.6).

The number of full-time equivalents employed by the Company at December 31, 2016 was 3,387 (2015: 2,318), including 859 full-time equivalents of BASE.

5.21 Finance income / expense

		For the years ended	
		December 31,	
	Note	2016	2015
(in thousands of euro)			
Recognized in the statement of profit or loss and comprehensive income			
Finance income			
Net interest income and foreign exchange gain			
Interest income on bank deposits and commercial paper		374	561
Interest income on receivables		4	93
Net foreign exchange gain		—	2,100
		378	2,754
Net gain on derivative financial instruments			
Change in fair value	5.14	16,875	86,762
Early termination of derivative financial instruments		(10,735)	(72,973)
		6,140	13,789
Finance expense			
Net interest expense, foreign exchange loss and other finance expense			
Interest expense on financial liabilities measured at amortized cost, and other finance expense		(228,743)	(242,608)
Amortization of financing cost		(7,557)	(6,784)
Net foreign exchange loss		(94,452)	—
		(330,752)	(249,392)
Loss on extinguishment of debt		(45,651)	(30,847)
Net finance expenses		(369,885)	(263,696)

For the year ended December 31, 2016, net finance expenses totaled €369.9 million compared to €263.7 million of net finance expenses incurred for the year ended December 31, 2015. For the full year 2016, we incurred a €45.7 million loss on the extinguishment of debt following the June 2016 refinancing of certain Senior Secured Notes due 2021 for an aggregate amount of €700.0 million and the November 2016 refinancing of certain Term Loans for an aggregate amount of €2,962.9 million, as compared to a €30.8 million loss on the extinguishment of debt in 2015. Our net interest expense, foreign exchange loss and other finance expense increased 33% from €249.4 million for the full year 2015 to €330.8 million for the full year 2016, largely due to debt incurred in connection with the BASE acquisition and a higher exposure to USD-denominated debt versus 2015.

5.22 Income tax expense

	For the years ended December 31,	
	2016	2015
	(in thousands of euro)	
Current tax expense	107,752	115,096
Deferred tax expense (Note 5.15)	(64,739)	(15,444)
Income tax expense	43,013	99,652
Effective Tax Rate	50.85 %	36.20 %

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The effective tax rate was 50.85% for the year ended December 31, 2016, which was above the effective tax rate of 36.20% for the year ended December 31, 2015. The tax expenses as shown above have been calculated in conformity with Belgian and international tax laws.

The tax on the Company's profit (loss) before tax differs from the theoretical amount that would arise using the Belgian statutory tax rate applicable to profits (losses) of the consolidated companies as follows:

	For the years ended December 31,	
	2016	2015
	(in thousands of euro)	
Profit before tax	84,582	275,314
Income tax expense at the Belgian statutory rate of 33.99%	28,749	93,579
Income not taxable	(34,155)	(41,251)
Expenses not deductible for tax purposes (incl. prior year adjustments)	25,627	9,861
Notional interest deduction	(140)	—
Benefit of the investment deduction	(5,654)	(6,464)
Tax losses and temporary differences for which no deferred tax asset was recognized	14,638	42,080
Expiration of tax losses	1,089	908
Adjustments recognized in the current year in relation to the filings for prior years	(704)	3,648
Impact of different tax rates	(3,340)	(3,993)
Impact of change enacted tax rate Luxembourg	10,741	—
Tax on capital gain on shares	5,012	—
Penalty for insufficient prepayments	1,150	1,284
Tax expense for the year	43,013	99,652

The tax losses and temporary differences for which no deferred tax asset is recognized amounted to €14.6 million for the year ended December 31, 2016 (€42.1 million for the year ended December 31, 2015) and consisted of positions resulting in a deferred tax asset which is nevertheless not recognized as it is not deemed probable that taxable profit will be available against which the unused tax losses can be utilized in future years.

In December 2016 the Luxembourg parliament has adopted the bill of law on tax reform including a reduction of the corporate income tax. The rate will decrease from 29.22% to 27.08% in 2017 and to 26.01% as from 2018.

5.23 Earnings per share

5.23.1 Basic

The earnings and weighted average number of shares used in calculating basic earnings per share are:

	For the years ended December 31,	
	2016	2015
	(in thousands of euro, except share and per share data)	
Net profit attributable to the equity holders of the Company	41,815	175,639
Weighted average number of ordinary shares	115,829,407	116,492,339
Weighted average number of shares used in the calculation of basic earnings per share	115,829,407	116,492,339
Basic earnings per share in €	0.36	1.51

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5.23.2 Diluted

Diluted earnings per share are calculated by using the treasury stock method by adjusting the weighted average number of shares used in the calculation of basic earnings per share to assume full conversion of all dilutive potential ordinary shares.

For the year ended December 31, 2016, the Company had one category of dilutive potential ordinary shares:

- Warrant Plan 2010 ter

For the year ended December 31, 2015, the Company had four categories of dilutive potential ordinary shares:

- Warrant Plan 2007 septies
- Warrant Plan 2010 primo
- Warrant Plan 2010 bis
- Warrant Plan 2010 ter

The earnings used in the calculation of diluted earnings per share measures are the same as those for the basic earnings per share measures, as outlined above.

	For the years ended December 31,	
	2016	2015
Weighted average number of shares used in the calculation of basic earnings per share	115,829,407	116,492,339
Adjustment for:		
Warrant Plan 2007 septies Warrants	—	19,048
Warrant Plan 2010 primo Warrants	—	130,044
Warrant Plan 2010 bis Warrants	—	3,704
Warrant Plan 2010 ter Warrants	18,961	44,156
Weighted average number of shares used in the calculation of diluted earnings per share	115,848,368	116,689,291
Diluted earnings per share in €	0.36	1.51

5.24 Acquisition of subsidiaries

5.24.1 Base company nv

On February 11, 2016, pursuant to a definitive agreement and following regulatory approval, Telenet acquired BASE for a cash purchase price of €1,318.9 million (the BASE acquisition). BASE is the third-largest mobile network operator in Belgium. In 2016, the Company incurred acquisition-related costs of €6.3 million on legal fees and due diligence costs. These have been included in 'Selling, general and administrative expenses'. Total acquisition-related costs incurred for the BASE acquisition amounts to €15.5 million. We expect that the BASE acquisition will provide Telenet with cost-effective long-term mobile access to effectively compete for future growth opportunities in the Belgian mobile market. The BASE acquisition was funded through a combination of three debt facilities for an aggregate amount of €1,217.0 million (see Note 5.13.1), and existing liquidity of Telenet. The acquisition was approved by the European Commission subject to Telenet's agreement to divest both the JIM Mobile prepaid customer base and BASE's 50% stake in Viking Co NV ("Viking") to MEDIALAAN NV. In February 2016, Telenet completed the sale of its stake in Viking. As this transaction occurred at fair value, it did not result in a gain or loss. The divestiture of the JIM Mobile prepaid customer base is expected to occur during the third quarter of 2017. In the course of 2016, the Company recognized an impairment on the JIM Mobile prepaid customer base amounting to €5.3 million (note 5.20).

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We have accounted for the BASE acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of BASE based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. These adjustments reflected in the opening balance sheet are a result of the valuation process and are mainly attributable to property and equipment, goodwill, intangible assets associated with mobile spectrum, customer relationships and trademarks, and income taxes. A summary of the purchase price and the identifiable assets acquired and liabilities assumed for the BASE acquisition at the acquisition date is presented in the following table:

	IFRS opening balance sheet	Fair value adjustments	Fair value of identifiable net assets
	(in thousands of euro)		
Assets			
Non-current assets:			
Property and equipment	467,344	154,002	621,346
Goodwill	55,695	(55,695)	—
Other intangible assets	249,355	213,311	462,666
Other assets	13,821	807	14,628
Total non-current assets	786,215	312,425	1,098,640
Current assets:			
Inventories	10,887	—	10,887
Trade receivables	34,267	—	34,267
Other current assets	72,153	4,687	76,840
Cash and cash equivalents	141,321	—	141,321
Total current assets	258,628	4,687	263,315
Total assets acquired	1,044,843	317,112	1,361,955
Liabilities			
Non-current liabilities:			
Deferred revenue	66	—	66
Deferred tax liabilities	(48,858)	124,850	75,992
Other liabilities	5,095	—	5,095
Total non-current liabilities	(43,697)	124,850	81,153
Current liabilities:			
Trade payables	61,188	—	61,188
Accrued expenses and other current liabilities	164,116	5,933	170,049
Deferred revenue	29,835	—	29,835
Total current liabilities	255,139	5,933	261,072
Total liabilities assumed	211,442	130,783	342,225
Fair value of identifiable net assets acquired			1,019,730
Total consideration transferred			1,318,863
Goodwill arising from the acquisition			299,133

The fair value adjustment on property and equipment (€154.0 million) mainly relates to the acquired mobile network of BASE. The €213.3 million step-up recognized on the other intangible assets consists of fair value adjustments recognized with respect to the mobile spectrum licenses owned by BASE (€34.9 million), customer relationships (€106.9 million), tradename (€33.7 million) and software (€37.8 million). The adjustment on other current assets (€4.7 million) relates to an indemnification receivable on KPN for pylon taxes due prior to 2015. The deferred tax adjustment resulting from the purchase price allocations amounts to €124.9 million and is reported under non-current deferred tax liabilities.

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The trade receivables as recognized as per acquisition date (€34.2 million), consists of the gross contractual amounts receivable of €37.3 million and a valuation allowance of €3.1 million as the best estimate at acquisition date of the contractual cash flows not expected to be collected.

In the business combination, the Company recognized non-income tax related contingent liabilities for a total amount of €5.9 million.

In the period as from February 11, 2016 till December 31, 2016, BASE Company contributed revenue of €538.6 million and a net income of €4.4 million to the Group's results. If the acquisition had occurred on 1 January 2016, management estimates that consolidated revenue would have been €2,497.3 million, and consolidated operating result for the period would have been €482.0 million. In determining these amounts, management has assumed that the fair value adjustments determined, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2016.

The goodwill is mainly attributable to the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognized is expected to be deductible for tax purposes.

5.24.2 SFR BeLux

On December 22, 2016, Telenet announced that its subsidiary Telenet Group BVBA (previously BASE Company NV) has entered into a definitive agreement to acquire Coditel Brabant SPRL for €400 million on a cash and debt free basis from Coditel Holding S.A., a subsidiary of Altice N.V. Coditel Brabant SPRL, operating under the SFR brand (formerly Numéricable), provides cable services to households and businesses in Brussels, Wallonia and Luxembourg and offers mobile telephony services in Belgium through an MVNO Agreement with BASE. Through this acquisition, Telenet would extend its cable footprint beyond the current Flemish and Brussels coverage areas to parts of Wallonia and the Grand Duchy of Luxembourg, while covering roughly two-thirds of the Brussels footprint post this acquisition. Following the acquisition of the Belgian mobile operator BASE in February 2016, Telenet has been pursuing a strategy of positioning itself as a leading provider of converged connected entertainment and B2B services nationwide. The acquisition of SFR BeLux would give a major part of Brussels and part of Wallonia access to Telenet's high quality video, high-speed internet and fixed and mobile telephony services. The transaction is subject to customary closing conditions, including approval from the relevant competition authorities.

5.25 Non cash investing and financing transactions

	For the years ended December 31,	
	2016	2015
	(in thousands of euro)	
Acquisition of property and equipment in exchange for finance lease obligations	47,045	31,280
Acquisition of property and equipment in exchange for vendor financing obligations	28,498	—
Non-cash borrowings/repayments of debt	2,380,461	—
Acquisition of sports broadcasting rights in exchange for investing obligations	97,090	35,906

5.26 Commitments and contingencies

5.26.1 Pending litigations

Interkabel Acquisition

On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the 2008 PICs Agreement), which closed effective October 1, 2008. Beginning in December 2007, Proximus NV/SA (Proximus), the

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incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements. Proximus lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle and initiated a civil procedure on the merits claiming the annulment of the agreement-in-principle. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Proximus in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Proximus brought this appeal judgment before the Cour de Cassation (the Belgian Supreme Court), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet in the civil procedure on the merits, dismissing Proximus's request for the rescission of the agreement-in-principle and the 2008 PICs Agreement. On June 12, 2009, Proximus appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Proximus is now also seeking compensation for damages should the 2008 PICs Agreement not be rescinded. While these proceedings were suspended indefinitely, other proceedings were initiated, which resulted in a ruling by the Belgian Council of State in May 2014 annulling (i) the decision of the PICs not to organize a public market consultation and (ii) the decision from the PICs' board of directors to approve the 2008 PICs Agreement. In December 2015, Proximus resumed the civil proceedings pending with the Court of Appeal of Antwerp seeking to have the 2008 PICs Agreement annulled and claiming damages of €1.4 billion.

Telenet intends to defend itself vigorously in the resumed proceedings and does not expect an outcome before the end of 2017. No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the annulment of the 2008 PICs Agreement and/or to an obligation of Telenet to pay compensation for damages, subject to the relevant provisions of the 2008 PICs Agreement, which stipulate that Telenet is responsible for damages in excess of €20.0 million. We do not expect the ultimate resolution of this matter to have a material impact on our results of operations, cash flows or financial position. No amounts have been accrued by us with respect to this matter as the likelihood of loss is not considered to be probable.

Litigation regarding cable access

In December 2010, BIPT and the regional regulators for the media sectors (together, the Belgium Regulatory Authorities) published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium. The Belgium Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (1) an obligation to make a resale offer at "retail minus" of the cable analog package available to third-party operators (including Proximus), (2) an obligation to grant third-party operators (except Proximus) access to digital television platforms (including the basic digital video package) at "retail minus", and (3) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Proximus).

In February 2012, Telenet submitted draft reference offers regarding the obligations described above, and the Belgium Regulatory Authorities published the final decision on September 9, 2013. Telenet has implemented the access obligations as described in its reference offers and, on March 1, 2016, Orange Belgium NV (Orange Belgium), formerly known as Mobistar SA, launched a commercial offer combining a cable TV package and broadband internet access for certain of their mobile customers. In addition, as a result of the November 2014 decision by the Brussels Court of Appeal described below, on November 14, 2014, Proximus submitted a request to Telenet to commence access negotiations. Telenet contests this request and has asked the Belgium Regulatory Authorities to assess the reasonableness of the Proximus request. The timing for a decision regarding this assessment by the Belgium Regulatory Authorities is not known.

On December 14, 2015, the Belgium Regulatory Authorities published a draft decision, which amended previously-issued decisions, and sets forth the "retail minus" tariffs of minus 26% for basic television (basic analog and digital video package) and minus 18% for the bundle of basic television and broadband internet

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services during an initial two-year period. Following this two-year period, the tariffs would change to minus 15% and 7%, respectively. The draft decision was notified to the E.U. Commission and a final decision was adopted on February 19, 2016. A “retail minus” method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding value added tax (VAT) and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as costs for billing, franchise, consumer service, marketing and sales).

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet’s appeal of the July 11 Decision and accepted Proximus’s claim that Proximus should be allowed access to Telenet’s, among other operators, digital television platform and the resale of bundles of digital video and broadband internet services. On November 30, 2015, Telenet filed an appeal of this decision with the Belgian Supreme Court. In 2014, Telenet and wireless operator Orange Belgium each filed an appeal with the Brussels Court of Appeal against the initial retail minus decision. These appeals are still pending. On April 25, 2016, Telenet also filed an appeal with the Brussels Court of Appeal challenging the February 19, 2016 retail minus decision. There can be no certainty that Telenet’s appeals will be successful.

The July 2011 Decision aims to, and in its application may, strengthen Telenet’s competitors by granting them resale access to Telenet’s network to offer competing products and services notwithstanding Telenet’s substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (1) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (2) adversely impact Telenet’s ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet’s network and other competitive factors or market developments.

Cable ownership related legal proceedings

The municipality of Sint-Lambrechts-Woluwe granted the right to operate the cable network on its territory to WoluTV ASBL (“WoluTV”) in 1971. Telenet provided a number of technical services to WoluTV in accordance with agreements dated February 11, 1998 (analog television) and September 3, 2007 (digital television). Telenet and WoluTV also concluded two agreements on May 7 and September 3, 2007 respectively, pursuant to which Telenet provided, in its own name and for its own account, internet and telephony services on the municipality’s cable network. On December 16, 2014, WoluTV terminated the agreements with Telenet with effect on December 31, 2015.

The agreements terminated by WoluTV provide that WoluTV must compensate Telenet for all costs, damages and losses as a consequence of termination of the agreements. WoluTV has disputed that this clause is valid under Belgian law and has therefore refused to designate an expert to determine the amount of the compensation owed to Telenet. Telenet brought a claim against WoluTV before the Commercial Court of Brussels on November 10, 2015, whereby Telenet requested provisional compensation of €1 million (increased with interest), and that the Court appoint an expert to determine the compensation owed by WoluTV. The case is currently pending before the Commercial Court of Brussels.

Separately, on April 28, 2015, the municipality of Sint-Lambrechts-Woluwe decided to sell its cable network. On June 29, 2015, the municipality awarded the purchase contract to Coditel Brabant (SFR) for €18 million. Telenet, who had also submitted an offer to purchase the cable network, brought an action for annulment of the municipality’s decision before the Council of State. Telenet has withdrawn its action for annulment in view of the acquisition of Coditel Brabant.

Copyright related legal proceedings

The issue of copyrights and neighboring rights to be paid for the distribution of television has during the last two decades given rise to a number of litigations. Already in 1994, the Belgian Radio and Television Distributors Association (Beroepsvereniging voor Radio- en Televisiedistributie / Union professionnelle de radio et de télédistribution) (the “RTD”, renamed afterwards to “Cable Belgium”) was involved in discussions with various copyrights collecting agencies regarding the fees to be paid to the latter for the

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analogue broadcasting of various television programs. In November 2002, the RTD, together with certain Belgian cable operators (among which Telenet), began reaching settlements with the copyright collecting agencies and broadcasters. Pursuant to those settlement agreements, to which Telenet acceded, Telenet agreed to make certain upfront payments as well as to make increased payments over time. Consequently, in August 2003, Telenet increased the copyright fee it charges its subscribers. In July 2004, the Association for the Collection, Distribution and Protection of the Rights of the Artists, Interpreters and Performers (CVBA Vereniging voor de inning, repartitie en de verdediging van de vertolkende en uitvoerende kunstenaars) ("Uradex", later renamed to "Playright") filed a claim against the RTD for €55 million plus interest concerning neighboring rights owed by the members of the RTD to artists and performers represented by Uradex during the period from August 1994 through the end of July 2004.

After the roll-out of digital television, Telenet in 2006 started a judicial procedure against a number of collecting agencies. This procedure is related to a discussion between Telenet and these collecting agencies about the legal qualification of (i) simulcast (i.e. channels distributed both in analogue and in digital quality), (ii) direct injection (i.e. channels delivered to the distributor over a non-publicly accessible transmission channel) and (iii) all rights included contracts (i.e. contracts in which broadcasters engage to deliver their signals and programs after having cleared all rights necessary for the communication to the public over the distributor's networks).

On April 12, 2011, the Court of First Instance of Mechelen rendered a positive judgment in the procedure against Sabam, Agicoa, Uradex and other collecting agencies, and as part of which procedure several collecting agencies (Sabam not included) filed counterclaims against Telenet for the payment of the invoices that Telenet disputed. The Court validated Telenet's arguments in each of the claims and counterclaims that were the subject of the procedure and, as a result: (i) no retransmission fees have to be paid by Telenet in case of direct injection of a broadcaster's signal into Telenet's network, (ii) no retransmission fees have to be paid in case of simulcast of an analog and digital signal (and consequently, Telenet does not have to pay extra for the distribution of linear digital television signals) and (iii) all-rights-included contracts are deemed legally valid, which means that if Telenet agrees with a broadcaster that the latter is responsible for clearing all copyrights, Telenet is not liable towards the collecting agencies. The collecting agencies lodged an appeal (see below).

Since Sabam had not filed any counterclaim for the payment of invoices as part of the aforesaid judgment, on April 6, 2011, Sabam (not the other collecting agencies) initiated judicial proceedings before the Commercial Court of Antwerp, claiming payment by Telenet of invoices relating to (a) fees for a period from January 1, 2005 until December 31, 2010 for Telenet's basic digital television package, and (b) fee advances for the first semester of 2011 for Telenet's basic and optional digital television packages. The claims mainly related to (i) direct injection and (ii) all-rights-included contracts. Sabam's claim was based on arguments substantially similar to those rejected by the Court of First Instance in Mechelen on April 12, 2011. Simultaneously, Sabam initiated a summary procedure before the President of the Commercial Court of Antwerp, to receive provisional payment of the contested fees and fee advances. On June 30, 2011, the President of the Commercial Court of Antwerp rendered a positive judgment for Telenet in this procedure. Sabam lodged an appeal. On June 27, 2012, the Court of Appeal of Antwerp confirmed this judgment and dismissed the claim in summary proceedings of Sabam.

In the case of the appeal against the judgment of April 12, 2011 of the Court of First Instance of Mechelen, the Court of Appeal of Antwerp rendered an intermediate ruling on February 4, 2013. The Court of Appeal rejected the claims of the collecting societies with regard to simulcasting and confirmed that direct injection is a single copyright relevant operation (royalties should therefore be paid only once). The case was re-opened to allow the collecting societies to provide further proof of their actual claims. On January 20, 2014 and on May 5, 2014, respectively, Numéricable (previously Coditel) and Telenet appealed this intermediate ruling before the Supreme Court mainly because of the incorrect qualification of the fees to be paid for the communication to the public as if it would be "retransmission" rights. The Supreme Court has issued its judgment in this matter on September 30, 2016. The Supreme Court accepted the argument of Telenet that direct injection only involves a single communication to the public and therefore cannot constitute "retransmission" as this requires two communications to the public. The Supreme Court has referred the

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case to the Court of Appeal of Brussels, where the case is not yet activated. Numéricable had reached a settlement with the collecting societies before, and has already withdrawn its appeal.

Telenet does not expect the ultimate resolution of this matter to have a material impact on its results of operations or financial condition.

Pylon taxes

Since the second half of the 1990s, certain municipalities (mainly in the Brussels-Capital and Walloon Regions), provinces and the Walloon Region have levied local taxes, on an annual basis, on pylons, masts and/or antennas dedicated to mobile telecom services located on their territory, on the basis of various municipal, provincial and regional regulations. These taxes have systematically been contested by Telenet Group BVBA (formerly BASE Company NV) (“Telenet Group”) before the Courts on various grounds.

In particular, Telenet Group has argued that such tax regulations are discriminatory because they apply only to pylons, masts and antennas dedicated to mobile telecom services and not to comparable equipment used for other purposes (whether telecom-related or not). Telenet believes that there is no objective and reasonable justification for such differentiated tax treatment. Telenet is therefore of the view that the contested tax regulations violate the general non-discrimination principle. The Courts have in a number of instances accepted this argument (*cf.* positive judgment of the Supreme Court of September 25, 2015).

There was also a question as to whether article 98 §2 of the Belgian law of March 21, 1991 on the reform of certain public economic companies (the “1991 Law”) prohibits municipalities from taxing the economic activity of telecom operators on their territories through the presence (whether on public or private domain) of mobile telephone pylons, masts or antennas dedicated to this activity. The Belgian Constitutional Court held on December 15, 2011 that this was not the case. That interpretation was confirmed by the Belgian Supreme Court in its judgments of March 30, 2012.

In the case between Telenet Group and the City of Mons, the European Court of Justice ruled on October 6, 2015 that the municipal tax on GSM pylons levied by the City of Mons, as disputed by Telenet Group, does not fall within the scope of Article 13 of Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorization of electronic communications networks and services (the “Authorization Directive”) and is therefore not prohibited on the basis van Article 13 of the Authorization Directive.

By Decree of December 11, 2013 (the “2014 Walloon Decree”), the Walloon Region implemented an annual tax on masts, pylons and antennas for mobile operators with effect of January 1, 2014. Under this Decree, all municipal taxes on pylons, mast and antennas in the Walloon Region have been abolished. The Decree does however allow municipalities to levy surcharges. The tax amounts to EUR 8,000 per ‘site’. Under the Decree all users of ‘sites’ are jointly liable towards the Walloon Region for the tax related to shared sites. On December 12, 2014, a Walloon Decree was adopted that maintains this tax for 2015 and subsequent years, with the same scope and tax payable (EUR 8,000 per ‘site’, subject to indexation as of 2015) (the “2015 Walloon Decree”). The three Belgian mobile network operators brought a request for annulment of these Decrees before the Constitutional Court.

On July 16, 2015, the Constitutional Court annulled the 2014 Walloon Decree, but decided to maintain its effects. By judgment of May 25, 2016, the Constitutional Court also annulled the 2015 Walloon Decree, without maintaining its effects. On December 22, 2016, Telenet and the other mobile operators concluded a settlement with the Walloon Region. In addition to payment of a settlement fee to end the dispute related with the 2014 Walloon Decree, this settlement also includes an undertaking from the Walloon Region not to levy any taxes on telecom infrastructure and a commitment for Telenet to invest EUR 20 million until 2019 on top of the investments already planned in the Walloon Region.

Telenet intends to continue challenging any local tax regulations applicable to its mobile telecom equipment. As per December 31, 2016, Telenet has recognised a provision of €29.1 million in this respect. Telenet and the KPN Group have moreover agreed on certain recourse arrangements in respect of certain (pre-2015) pylon taxes in their sale and purchase agreement with respect to BASE Company NV (now Telenet Group BVBA). It can however not be excluded that other taxes on telecom equipment will in the future be imposed, which may have a significant negative financial impact on Telenet.

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5.26.2 Other contingent liabilities

Regulation regarding signal integrity

In July 2013, the Flemish Parliament adopted legislation imposing strict integrity of broadcasting signals on distributors and the requirement that distributors must request authorization from broadcasters when they contemplate offering, among other things, program recordings through an electronic program guide. The impetus for this legislation were the broadcasters' arguments that the high penetration of PVRs in the Flemish market have resulted in viewers fast-forwarding large volumes of advertisements, which resulted in a decrease in the revenues of broadcasters. The legislation requires broadcasters and distributors to find a commercial solution. If this fails, the legislation provides for a mediation procedure, which, if unsuccessful, can be followed by civil litigation.

There is a risk that this legislation will negatively impact Telenet's ability to launch new innovative applications and increase Telenet's financial contribution to broadcasters. The current distribution agreements with SBS, VRT and Medialaan entered into in 2014 allow Telenet to distribute the broadcasters' signal in an unaltered manner. The relevant broadcasters have given Telenet the right to offer their customers a "slightly delayed viewing" and a personal video recorder (PVR) functionality. Telenet is required to pay a higher fee for each customer using these functionalities.

Other

In addition to the foregoing items, Telenet has contingent liabilities related to matters arising in the ordinary course of business including (i) legal proceedings, (ii) issues involving VAT and wage, property and other tax issues, (iii) disputes over certain contracts and (iv) disputes over programming, copyright fees and alleged patent infringements. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts Telenet has accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on Telenet's results of operations or cash flows in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

5.26.3 Operating leases

The Company leases facilities, vehicles and equipment under cancelable and non-cancelable operating leases. The following schedule details, at December 31, 2016 and 2015, the future minimum lease payments under cancelable and non-cancelable operating leases:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
	<u>(thousands of euro)</u>	
Within one year	50,491	17,781
In the second to fifth year, inclusive	112,428	20,455
Thereafter	20,475	5,938
Total minimum lease payments	183,394	44,174
Minimum lease payments recognized as an expense in the year	69,585	25,411

The Company's operating leases as at December 31, 2016 and December 31, 2015 did not contain any material contingent rentals.

5.27 Related parties

The related parties of the Company mainly comprise its shareholders that have the ability to exercise significant influence or control. This consisted of the Liberty Global Consortium for both 2016 and 2015. Related parties further include transactions with Pebble Media NV, Doccle CVBA and Doccle.Up NV, Idealabs Telenet Fund NV and De Vijver Media NV.

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The following tables summarize material related party balances and transactions for the period:

5.27.1 Statement of financial position

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
	(in thousands of euro)	
Trade receivables		
Liberty Global Consortium (parent)	6,248	2,946
Associates	319	399
Trade payables and accrued trade liabilities		
Liberty Global Consortium (parent)	7,692	20,764
Associates	378	472
Loans and borrowings payable		
Liberty Global Consortium (parent)	12,740	12,740
Loans and borrowings receivable		
Associates	320	400
Property and equipment		
Liberty Global Consortium (parent)	33,401	66,784

The transactions with the entities of the Liberty Global Consortium mainly consisted of the purchase of certain property and equipment and other services within the normal course of business from Liberty Global Services B.V. All transactions with related parties were at regular market conditions.

5.27.2 Statement of profit or loss and other comprehensive income

	<u>For the years ended December 31</u>	
	<u>2016</u>	<u>2015</u>
	(in thousands of euro)	
Revenue		
Liberty Global Consortium (parent)	4,712	2,946
Associates	321	925
Operating expenses		
Liberty Global Consortium (parent)	1,841	2,356
Associates	6,838	1,394

5.27.3 Key management compensation

For purpose of this footnote, key management is identified as people involved in strategic orientation of the Company.

	<u>For the years ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
	(in thousands of euro)	
Salaries and other short-term employee benefits	7,302	7,006
Post-employment benefits	621	508
Share-based payments (compensation cost recognized)	9,185	6,561
	<u>17,108</u>	<u>14,075</u>

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2016

5.28 Subsidiaries

5.28.1 Subsidiaries

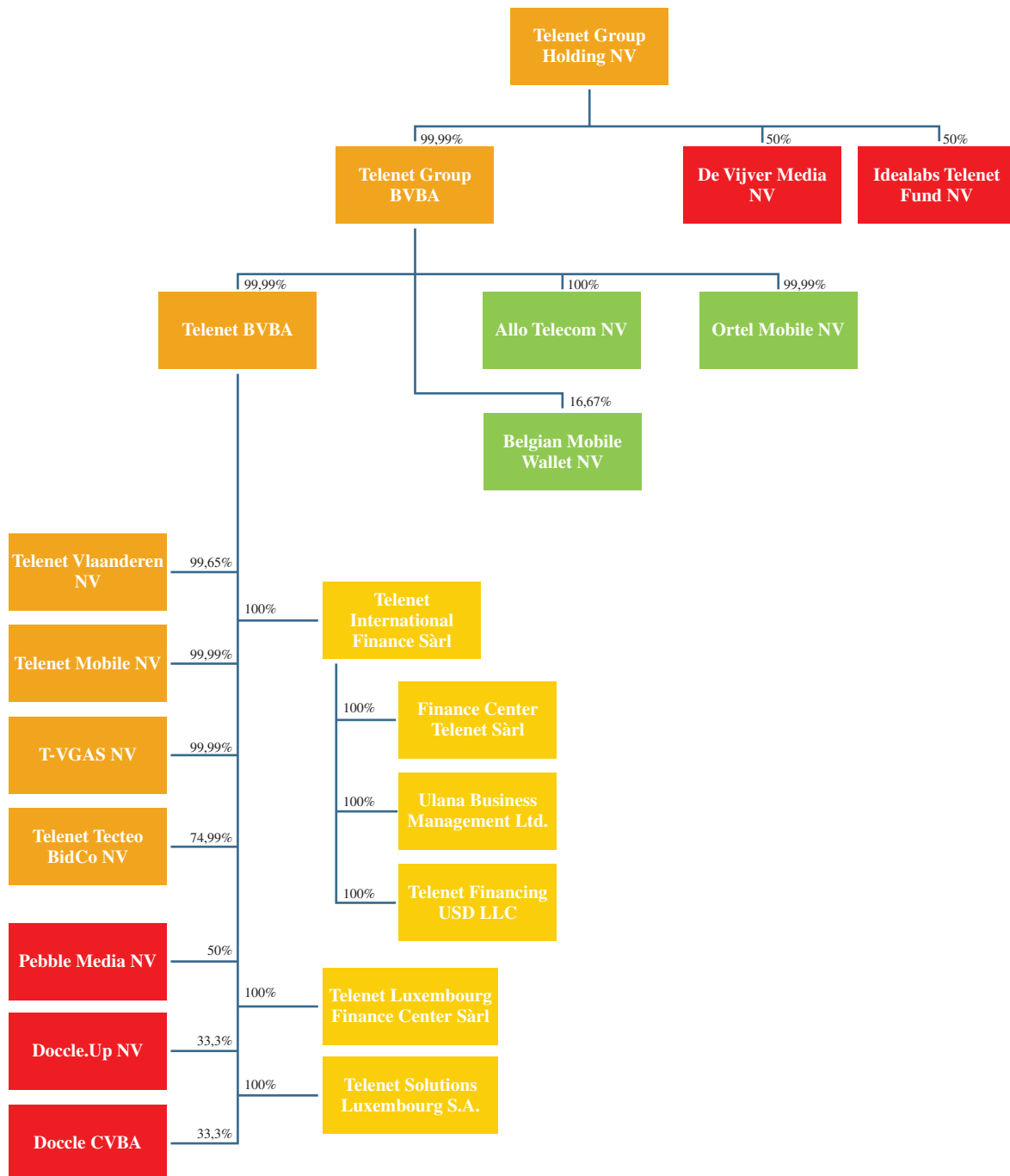
Details of the Company's subsidiaries as of December 31, 2016 are as follows:

<u>Company</u>	<u>National number/ Trade Register number</u>	<u>Registered office</u>	<u>% Held</u>	<u>Consolidation Method</u>
Telenet Group Holding NV	0477.702.333	Neerveldstraat 105, 1200 Sint- Lambrechts-Woluwe, Belgium	—	Parent company
Telenet Group BVBA ...	0462.925.669	Neerveldstraat 105, 1200 Sint- Lambrechts-Woluwe, Belgium	100%	Fully consolidated
Allo Telecom NV	0445.538.717	Neerveldstraat 105, 1200 Sint- Lambrechts-Woluwe, Belgium	100%	Fully consolidated
Ortel Mobile NV	0880.187.304	Neerveldstraat 105, 1200 Sint- Lambrechts-Woluwe, Belgium	100%	Fully consolidated
Telenet BVBA	0473.416.418	Lierssesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Vlaanderen NV	0458.840.088	Lierssesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
T-VGAS NV	0808.321.289	Lierssesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Mobile NV	0813.219.195	Lierssesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
TELENET TECTEO BIDCO NV	0835.821.779	Lierssesteenweg 4, 2800 Mechelen, Belgium	74.99%	Fully consolidated
Telenet Solutions Luxembourg S.A.	B-73.305	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Telenet International Finance S.à r.l.	B-155.066	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Telenet Luxembourg Finance Center S.à r.l.	B-155.088	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Finance Center Telenet S.à r.l.	B-165.944	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Ulana Business Management Ltd.	536635	Building P2, Eastpoint Business Park, Clontarf, Dublin 3, Ireland	100%	Fully consolidated
Telenet Financing USD LLC	N/A	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States of America	100%	Fully consolidated

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2016

The group chart as of December 31, 2016 was as follows:



Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2016

5.28.2 Other consolidated companies

Company	Trade Register Number	Address	% Held	Consolidation Method
Telenet Finance Luxembourg S.C.A. ⁽¹⁾	RCS B.155.894	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance III Luxembourg S.C.A. ⁽²⁾	RCS B.158.666	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance IV Luxembourg S.C.A. ⁽³⁾	RCS B.161.083	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance V Luxembourg S.C.A. ⁽⁴⁾	RCS B.164.890	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance VI Luxembourg S.C.A. ⁽⁵⁾	RCS B.171.030	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance VII Luxembourg S.C.A. ⁽⁶⁾	RCS B 199.998	2, rue Peternelchen, L-2370 Howald, Luxembourg Liersesteenweg 4, 2800	0%	Fully consolidated
Telenet Finance BVBA ⁽⁷⁾	0628.452.013	Mechelen, Belgium	0%	Fully consolidated

(1) Telenet Finance Luxembourg S.C.A. was incorporated on September 28, 2010 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance Luxembourg and 0.01% by Telenet Finance S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond.

(2) Telenet Finance III Luxembourg S.C.A. was incorporated on January 28, 2011 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance III Luxembourg and 0.01% by Telenet Finance III S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond.

(3) Telenet Finance IV Luxembourg S.C.A. was incorporated on May 23, 2011 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance IV Luxembourg and 0.01% by Telenet Finance IV S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond.

(4) Telenet Finance V Luxembourg S.C.A. was incorporated on November 16, 2011 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of a High Yield Bond. On August 10, 2012, the articles of association were amended in order to make it possible to issue more than one High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance V Luxembourg and 0.01% by Telenet Finance V S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offerings prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of the High Yield Bonds is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2016

scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond.

- (5) Telenet Finance VI Luxembourg S.C.A. was incorporated on August 14, 2012 as a structured finance entity (“SE”) for the primary purpose of facilitating the offering of one or more High Yield Bonds. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance VI Luxembourg and 0.01% by Telenet Finance VI S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering(s) will prohibit the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of High Yield Bond(s) is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE’s ongoing activities after its formation (i.e. it operates on ‘autopilot’). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond(s).
- (6) Telenet Finance VII Luxembourg S.C.A. was incorporated on September 4, 2015 as a structured finance entity (“SE”) for the primary purpose of facilitating the offering of one or more High Yield Bonds. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance VII Luxembourg and 0.01% by Telenet Finance VII S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering(s) will prohibit the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of High Yield Bond(s) is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE’s ongoing activities after its formation (i.e. it operates on ‘autopilot’). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond(s).
- (7) Telenet Finance BVBA. was incorporated on March 27, 2015 as a financing company (“finco”) for the primary purpose of to offer handset financing directly to the customers. This entity was incorporated at the request of the Telenet Group under Belgian law and is owned 99% by Global Handset Finco Limited and 1% by Lynx Europe 2 Limited. It has been determined that the Company has power over the Finco exposure or rights to variable returns from its involvement with the Finco and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the Finco created to operate the handset financing for the Telenet Group.

5.29 Subsequent events

On February 10, 2017, Telenet announced that its subsidiary Telenet Group BVBA (previously BASE Company NV) has signed a Full MVNO agreement (the “Full MVNO Agreement”) with Lycamobile, the world’s largest international MVNO. Through the Full MVNO Agreement, Lycamobile’s customers will gain access to Telenet’s nationwide mobile network. As part of the Agreement, Telenet Group will sell its MVNO subsidiary Ortel Mobile NV to Lycamobile. The combined customer base of Lycamobile and Ortel Mobile in Belgium represents approximately 1 million customers.

5.30 External audit

The general shareholders’ meeting of April 27, 2015 appointed KPMG Bedrijfsrevisoren CVBA (“KPMG”) as statutory auditor of the Company for a period of three years. KPMG has appointed Mr. Filip De Bock as permanent representative.

Base fees for auditing the annual (consolidated) financial statements of Telenet Group Holding NV and its subsidiaries are determined by the general meeting of shareholders after review and approval by the Company’s audit committee and board of directors.

Audit and audit related fees for 2016, in relation to services provided by KPMG Bedrijfsrevisoren, amounted to EUR 1,046,150 (2015: EUR 709,400), which was composed of audit services for the annual financial statements of EUR 939,150 (2015: EUR 597,800) and audit related services of EUR 107,000 (2015: EUR 111,600). Audit related services mainly related to services in connection with attestation reports required by Belgian Company Law as well as other ad hoc attestation and assurance reports.

Audit and audit related fees for 2016 in relation to services provided by other offices in the KPMG network amounted to EUR 57,500 (2015: EUR 82,500), which was composed of audit services for the annual financial statements.

Statutory auditor's report to the general meeting of Telenet Group Holding NV as of and for the year ended 31 December 2016

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our report on the consolidated financial statements as of and for the year ended 31 December 2016, as defined below, as well as our report on other legal and regulatory requirements.

Report on the consolidated financial statements—Unqualified opinion

We have audited the consolidated financial statements of Telenet Group Holding NV (“the Company”) and its subsidiaries (jointly “the Group”), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2016 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR'000 5.007.455 and the consolidated statement of profit or loss and other comprehensive income shows a profit for the year of EUR'000 41.569.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs) as adopted in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the Company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Unqualified opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and consolidated financial position as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not modify the scope of our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements includes the information required by law, is consistent, in all material respects, with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 20 March 2017

KPMG Bedrijfsrevisoren
Statutory Auditor
represented by

Filip De Bock
Bedrijfsrevisor

Telenet Group Holding NV consolidated financial statements

Telenet Group Holding NV

1. Consolidated statement of financial position

	Note	December 31, 2015	December 31, 2014
		(in thousands of euro)	
Assets			
Non-current assets:			
Property and equipment	5.4	1,411,933	1,417,539
Goodwill	5.5	1,241,813	1,241,813
Other intangible assets	5.6	241,061	248,386
Deferred tax assets	5.15	108,493	101,984
Investments in and loans to equity accounted investees	5.7	57,651	1,395
Derivative financial instruments	5.14	7,556	9
Trade receivables	5.8	4,739	—
Other non-current assets	5.9	13,235	2,292
Total non-current assets		3,086,481	3,013,418
Current assets:			
Inventories	5.10	19,261	17,060
Trade receivables	5.8	145,907	111,665
Other current assets	5.9	69,563	77,869
Cash and cash equivalents	5.11	277,273	189,076
Total current assets		512,004	395,670
Total assets		3,598,485	3,409,088
Equity and liabilities			
Equity:			
Share capital	5.12	12,751	12,711
Share premium and other reserves	5.12	1,001,302	1,019,107
Retained loss	5.12	(2,224,874)	(2,394,309)
Remeasurements	5.12	(9,286)	(10,545)
Total equity attributable to owners of the Company		(1,220,107)	(1,373,036)
Non-controlling interests	5.12	16,648	10,757
Total equity		(1,203,459)	(1,362,279)
Non-current liabilities:			
Loans and borrowings	5.13	3,683,320	3,654,731
Derivative financial instruments	5.14	57,786	114,152
Deferred revenue	5.19	648	1,709
Deferred tax liabilities	5.15	124,512	133,448
Other non-current liabilities	5.16	59,062	82,533
Total non-current liabilities		3,925,328	3,986,573
Current liabilities:			
Loans and borrowings	5.13	110,558	78,757
Trade payables		133,512	114,377
Accrued expenses and other current liabilities	5.18	350,313	325,190
Deferred revenue	5.19	73,572	73,048
Derivative financial instruments	5.14	6,181	28,421
Current tax liability	5.15	202,480	165,001
Total current liabilities		876,616	784,794
Total liabilities		4,801,944	4,771,367
Total equity and liabilities		3,598,485	3,409,088

The notes are an integral part of these consolidated financial statements.

Telenet Group Holding NV

2. Consolidated statement of profit or loss and other comprehensive income

		For the years ended December 31,	
	Note	2015	2014
(in thousands of euro, except per share data)			
Profit for the period			
Revenue	5.19	1,808,387	1,707,097
Cost of services provided	5.20	(984,511)	(934,808)
Gross profit		823,876	772,289
Selling, general and administrative expenses	5.20	(280,790)	(240,052)
Operating profit		543,086	532,237
Finance income		16,543	2,386
Net interest income and foreign exchange gain	5.21	2,754	2,386
Net gain on derivative financial instruments	5.14	13,789	—
Finance expense		(280,239)	(334,044)
Net interest expense, foreign exchange loss and other finance expense	5.21	(249,392)	(259,262)
Net loss on derivative financial instruments	5.14	—	(67,370)
Loss on extinguishment of debt	5.21	(30,847)	(7,412)
Net finance expenses	5.21	(263,696)	(331,658)
Share in the profit (loss) of equity accounted investees		(4,076)	444
Profit before income tax		275,314	201,023
Income tax expense	5.22	(99,652)	(91,758)
Profit for the period		175,662	109,265
<u>Other comprehensive income (loss) for the period, net of income tax</u>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/(asset)	5.17	1,259	(2,303)
Deferred tax	5.15	—	(744)
Other comprehensive income (loss) for the period, net of income tax		1,259	(3,047)
Total comprehensive income for the period		176,921	106,218
Profit attributable to:		175,662	109,265
Owners of the Company		175,639	109,262
Non-controlling interests		23	3
Total comprehensive income for the period, attributable to:		176,921	106,218
Owners of the Company		176,898	106,215
Non-controlling interests		23	3
Earnings per share			
Basic earnings per share in €	5.23	1.51	0.94
Diluted earnings per share in €	5.23	1.51	0.94

The notes are an integral part of these consolidated financial statements.

Telenet Group Holding NV

3. Consolidated statement of changes in shareholders' equity

(in thousands of euro, except share data)	Note	Attributable to equity holders of the Company						
		Number of shares	Share capital	Share premium	Equity-based compensation reserve	Legal reserve	Reserve for own shares	Other reserves
January 1, 2014		115,719,152	12,582	32,686	54,380	72,447	(5,713)	828,363
Total comprehensive income for the period								
Profit for the period		—	—	—	—	—	—	—
Other comprehensive income		—	—	—	—	—	—	—
Total comprehensive income for the period		—	—	—	—	—	—	—
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Reallocation of prior year's profit to legal reserve	5.12	—	—	—	—	1,949	—	—
Recognition of share-based compensation	5.12	—	—	—	8,311	—	—	—
Cost of equity transactions	5.12	—	—	—	—	—	—	(33)
Own shares acquired	5.12	—	—	—	—	—	(48,205)	—
Own shares sold	5.12	—	—	—	—	—	52,470	(427)
Obligation to acquire own shares	5.12	—	—	—	—	—	—	—
Proceeds received upon exercise of Warrants and Options	5.12	836,237	91	10,345	—	—	—	—
Issuance of share capital through Employee Share Purchase Plan	5.12	352,650	38	12,534	—	—	—	—
Total contribution by and distributions to owners of the Company		1,188,887	129	22,879	8,311	1,949	4,265	(460)
Changes in ownership interests in subsidiaries								
Capital contributions by NCI		—	—	—	—	—	—	—
Total transactions with owners of the Company		1,188,887	129	22,879	8,311	1,949	4,265	(460)
December 31, 2014		116,908,039	12,711	55,565	62,691	74,396	(1,448)	827,903

Telenet Group Holding NV

		Attributable to equity holders of the Company						
	Note	Number of shares	Share capital	Share premium	Equity-based compensation reserve	Legal reserve	Reserve for own shares	Other reserves
(in thousands of euro, except share data)								
January 1, 2015		116,908,039	12,711	55,565	62,691	74,396	(1,448)	827,903
Total comprehensive income for the period								
Profit for the period		—	—	—	—	—	—	—
Other comprehensive income		—	—	—	—	—	—	—
Total comprehensive income for the period		—	—	—	—	—	—	—
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Reallocation of prior year's profit to legal reserve	5.12	—	—	—	—	4,873	—	—
Recognition of share-based compensation	5.12	—	—	—	10,370	—	—	—
Performance shares	5.12	—	—	—	(1,715)	—	—	—
Own shares acquired	5.12	—	—	—	—	—	(50,017)	—
Own shares sold	5.12	—	—	—	—	—	12,978	—
Proceeds received upon exercise of Warrants and options	5.12	370,667	40	5,706	—	—	—	—
Total contribution by and distributions to owners of the Company		370,667	40	5,706	8,655	4,873	(37,039)	—
Changes in ownership interests in subsidiaries								
Capital contributions by NCI		—	—	—	—	—	—	—
Total transactions with owners of the Company		370,667	40	5,706	8,655	4,873	(37,039)	—
December 31, 2015		117,278,706	12,751	61,271	71,346	79,269	(38,487)	827,903

The notes are an integral part of these consolidated financial statements.

Telenet Group Holding NV

4. Consolidated statement of cash flows

		For the years ended December 31,	
	Note	2015	2014
		(in thousands of euro)	
Cash flows provided by operating activities:			
Profit for the period		175,662	109,265
Adjustments for:			
Depreciation, amortization, impairment and restructuring	5.20	382,828	359,397
Gain on disposal of property and equipment and other intangible assets	5.20	(2,362)	(2,049)
Income tax expense	5.22	99,652	91,758
Increase (decrease) in allowance for bad debt	5.8	5,154	(1,397)
Net interest income and foreign exchange gain	5.21	(2,754)	(2,386)
Net interest expense, foreign exchange loss and other finance expense	5.21	249,392	259,262
Net (gain) loss on derivative financial instruments	5.14 & 5.21	(13,789)	67,370
Loss on extinguishment of debt	5.21	30,847	7,412
Other income		4,076	(444)
Share based payments	5.20	10,370	8,311
Change in:			
Trade receivables		(44,136)	8,402
Other assets		19,939	(3,784)
Deferred revenue		(537)	(6,910)
Trade payables		19,135	(25,749)
Other liabilities		(35,443)	(9,279)
Accrued expenses and other current liabilities		46,835	(39,272)
Interest paid		(201,879)	(236,978)
Interest received		166	519
Income taxes paid		(77,623)	(11,843)
Net cash provided by operating activities		665,533	571,605
Cash flows used in investing activities:			
Purchases of property and equipment		(245,988)	(210,884)
Purchases of intangibles		(132,987)	(110,873)
Acquisitions of subsidiaries and affiliates, net of cash acquired		(57,218)	(75)
Proceeds from sale of property and equipment and other intangibles		3,126	3,237
Purchases of broadcasting rights for resale purposes		(3,765)	(11,301)
Proceeds from the sale of broadcasting rights for resale purposes		3,765	11,301
Net cash used in investing activities		(433,067)	(318,595)
Cash flows used in financing activities:			
Repayments of loans and borrowings	5.13	(507,401)	(728,756)
Proceeds from loans and borrowings	5.13	542,740	573,683
Payments of finance lease liabilities		(35,498)	(35,428)
Payments for debt issuance costs for the issuance of new loans and premiums for the early redemption of loans and borrowings		(29,244)	(12,773)
Payments for early termination of derivative financial instruments	5.14	(72,973)	(75,548)
Payments for other financing activities		(1,716)	—
Repurchase of own shares	5.12	(50,017)	(48,205)
Sale of own shares	5.12	2,025	25,643
Proceeds from exercise of warrants	5.12	5,746	10,436
Proceeds from capital transactions with equity participants		2,092	344
Proceeds from issuance of share capital through Employee Share Purchase Plan	5.12	—	12,572
Payments related to capital reductions and dividends		(23)	(5)
Net cash used in financing activities		(144,269)	(278,037)
Net increase (decrease) in cash and cash equivalents		88,197	(25,027)
Cash and cash equivalents:			
at January 1	5.11	189,076	214,103
at December 31	5.11	277,273	189,076

The notes are an integral part of these consolidated financial statements.

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5. Notes to the consolidated financial statements for the year ended December 31, 2015

5.1 REPORTING ENTITY AND BASIS OF PREPARATION

5.1.1 Reporting entity

The accompanying consolidated financial statements present the operations of Telenet Group Holding NV, its subsidiaries and other consolidated companies (hereafter collectively referred to as the “Company” or “Telenet”). Through its broadband network, the Company offers basic and enhanced video services, including pay television services, broadband internet and fixed-line telephony services to residential subscribers in Flanders and certain communes in Brussels as well as broadband internet, data and voice services in the business market throughout Belgium and parts of Luxembourg. The Company also offers mobile telephony services through an MVNO Arrangement with Mobistar. Telenet Group Holding NV and its principal operating subsidiaries are limited liability companies organized under Belgian law. Subsidiaries and structured financing entities (“SEs”) have been incorporated in Luxembourg in order to structure the Company’s financing operations.

5.1.2 Basis of preparation

In accordance with the EU Regulation 1606/2002 of July 19, 2002, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“EU IFRS”). The financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. The methods used to measure fair values are discussed further in note 5.2.8. The principal accounting policies are set out in section 5.2 below.

5.1.3 Functional and presentation currency

These consolidated financial statements are presented in euro (“€”), which is the Company’s functional currency, rounded to the nearest thousand except when indicated otherwise.

5.1.4 Use of estimates and judgments

The preparation of financial statements in accordance with EU IFRS requires the use of certain critical accounting estimates and management judgment in the process of applying the Company’s accounting policies that affects the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following notes:

- note 5.3.6: Financial instruments: fair values
- note 5.4: Property and equipment
- note 5.5: Goodwill
- note 5.6: Other intangible assets
- note 5.3.6: Derivative financial instruments
- note 5.15: Deferred taxes

A number of the Company’s accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, the Company uses market observable data to the extent available.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the fair value techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

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- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For further information about the assumptions made in measuring fair values we refer to note 5.3.6 Financial Instruments and note 5.12.2 Employee share based compensation.

5.1.5 Going Concern

The consolidated financial statements as of December 31, 2015 showed a negative consolidated equity amounting to €1,203.5 million, mainly as a result of the Company's historical shareholder disbursements policy, including various capital reductions.

The Company considers its most optimal equity structure on a consolidated level, based on a certain net leverage range as described in note 5.3.5, even in case of a negative equity on a consolidated level.

The board of directors has considered the Company's net equity position and has prepared the consolidated financial statements applying the accounting policies consistently on a going concern basis taking into account amongst others:

- the forecasted earnings for the next year;
- a projected steadily strong positive cash flow for the next year;
- maturities of financial obligations as disclosed in note 5.3.3.

5.1.6 Approval by board of directors

These consolidated financial statements were authorized for issue by the board of directors on March 22, 2016.

5.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

No changes to the significant accounting policies have been made, except as explained in note 5.2.19, which addresses new standards, interpretations, amendments and improvements.

5.2.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company. The consolidated financial statements include the accounts of Telenet Group Holding NV and all of the entities that it directly or indirectly controls. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance.

Structured Entities

The Company has established SEs for financing purposes. The Company does not have any direct or indirect shareholdings in these entities. An SE is consolidated if, based on an evaluation of the substance of

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its relationship with the Company and the SE's risks and rewards, the Company concludes that it controls the SE.

Associates and joint ventures

The Company's interest in equity-accounted investees comprises interests in associates and joint ventures.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint ventures are accounted for using the equity method and are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of the equity-accounted investees, until the date on which significant influence or joint control ceases.

5.2.2 Segment Reporting

Operating segments are the individual operations of a company that the chief operating decision maker ("CODM") reviews regularly in allocating resources to these segments and in assessing segment performance. Telenet's segment reporting is presented based on how Telenet's internal financial information is organized and reported to the CEO, who is Telenet's CODM, the SLT (as defined in section 7.0 Corporate Governance Statement) and the board of directors.

The CEO, the SLT and the board of directors of Telenet manage the Company's telecommunication business as a single operation, and assess its performance and make resource allocation decisions based on an overall Profit and Loss Statement. The Profit and Loss Statement is analyzed at least on a monthly basis with only revenue and direct costs allocated to separate product and service lines. The primary measure of profit within the Profit and Loss Statement used by the CODM to assess performance is Adjusted EBITDA, and the Profit and Loss Statement does not present Adjusted EBITDA for separate product and service lines. Notwithstanding that revenue and direct costs are allocated to the separate product and service lines, as a differentiated Profit and Loss Statement is not used by the CODM to manage Telenet's operations, assess performance or make resource allocation decisions, Telenet has determined that its operations constitute one single segment.

In respect of the Company's 50% investment in De Vijver Media NV, the Company determined that the De Vijver Media business is a separate operating segment that is not a reportable segment.

5.2.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When components of an item of property and equipment have different useful lives, they are accounted for as separate components of property and equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Depreciation is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of property and equipment.

The following useful lives are used for the depreciation of property and equipment:

- Buildings and improvements 10-33 years
- Network 3-30 years
- Furniture, equipment and vehicles 2-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

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Government grants related to assets are recorded as a deduction from the cost in arriving at the carrying amount of the asset. The grant is recognized in the income statement over the life of a depreciable asset as a reduction of depreciation expense.

The Company includes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

The cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of repairs and maintenance of property and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

The fair value of property and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction. The market price of items of equipment is based on the quoted market prices for similar items.

It is the Company's policy to remove an asset's gross cost and accumulated depreciation at the end of an asset's useful life if the asset is no longer used by the Company, except when the asset is classified as held for sale.

5.2.4 Intangible assets

Intangible assets with finite useful lives are measured at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

• Network user rights	Life of the contractual right
• Trade name	15 years
• Customer relationships and supply contracts	5 to 15 years
• Broadcasting rights	Life of the contractual right
• Software development costs	3 to 4 years
• Out of market component on future lease obligations acquired as part of a business combination	Term of the lease agreement

Amortization methods, useful lives and residual values are reviewed at each reporting date and are adjusted if appropriate.

Costs associated with maintaining computer software are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets.

Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software and payroll and payroll-related costs for employees who are directly associated with and who devote time to the project. Capitalization of these costs ceases no later than the point at which the project is substantially complete and ready for its intended purpose. Internally-generated intangible assets are amortized on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognized, development expenditure is recognized as an expense in the period in which it is incurred.

Broadcasting rights are capitalized as an intangible asset when the value of the contract is measurable upon signing. For such broadcasting rights with respect to movies the amortizations during the first three months of the license period are based on the actual number of runs to reflect the pattern of consumption of the economic benefits embodied in the content rights. As for the remaining months of the license period the pattern of consumption of the future economic benefits can no longer be determined reliably, the straight-line method is used until the end of the license period. Broadcasting rights with respect to sports contracts are amortized on a straight-line basis over the sports season.

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Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated brands, is recognized in the statement of profit or loss and other comprehensive income as incurred.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of trade names acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the trade name being owned.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

It is the Company's policy to remove an asset's gross cost and accumulated amortization at the end of an asset's useful life if the asset is no longer used by the Company, except when the asset is classified as held for sale.

5.2.5 Impairment of financial and non-financial assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of profit or loss and other comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

The Company's interest in equity-accounted investees are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence of impairment includes :

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

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Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis.

In respect of assets other than goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.2.6 Acquisition accounting and goodwill

Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date on which control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable.

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The cost of an investment in an equity-accounted investee comprises the purchase price and other costs directly attributable to the acquisition of the investment.

Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. The Company has identified one cash-generating unit to which all goodwill was allocated. If the recoverable amount of the cash-generating unit is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets pro-rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill is not reversed in a subsequent period.

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Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

5.2.7 Foreign currency transactions

The Company's functional and presentation currency is the euro, which is also the functional currency of each of the Company's subsidiaries. Transactions in currencies other than the euro are translated at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising on translation are included in profit or loss for the period.

5.2.8 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, loans and borrowings, trade and other payables, and equity accounted investees.

Cash and cash equivalents

Cash equivalents consist principally of money market funds, commercial paper and certificates of deposit with remaining maturities at acquisition of 3 months or less. Except for money market funds, which are recognized at fair value with changes through the statement of profit or loss and other comprehensive income, cash and cash equivalents are carried at amortized cost using the effective interest rate method, less any impairment losses.

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those instruments.

Trade receivables

Trade receivables do not carry any interest and are stated at their amortized cost less any allowance for doubtful amounts.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Loans and borrowings

Interest-bearing bank loans are recorded at the proceeds received, net of direct issuance costs. Finance charges, including premiums payable on settlement or redemption and direct issuance costs, are accounted for on an accrual basis using the effective interest method and are recorded as a component of the related debt to the extent that they are not settled in the period in which they arise.

The Company initially recognizes debt securities issued on the date that they are originated. Such liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

Deferred financing fees related to undrawn facilities are recognized as other non-current assets if it is probable that the facility will be drawn down.

Trade payables

Trade payables are not interest bearing and are stated at amortized cost. The carrying amounts of trade payables approximate fair value because of the short maturity of those instruments.

Derivative financial instruments

The Company's activities are exposed to changes in foreign currency exchange rates and interest rates.

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The Company seeks to reduce its exposure through the use of certain derivative financial instruments in order to manage its exposure to exchange rate and interest rate fluctuations arising from its operations and funding.

The use of derivatives is governed by the Company's policies approved by the board of directors, which provides written principles on the use of derivatives consistent with the Company's risk management strategy.

Derivatives are measured at fair value. The Company does not apply hedge accounting to its derivative instruments. Accordingly, changes in the fair values of derivative instruments are recognized immediately in the statement of profit or loss and other comprehensive income.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value through the statement of profit or loss and other comprehensive income.

For interest rate derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity in the consolidated statement of cash flows.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are presented in the reserve for own shares. When own shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

5.2.9 Revenue recognition

Subscription fees for telephony, internet and premium cable television are prepaid by subscribers on a monthly basis and recognized in revenue as the related services are provided, i.e. in the subsequent month. Subscription fees for analog cable television are prepaid by subscribers predominantly on an annual basis and recognized in revenue on a straight-line basis over the following twelve months. Revenue from usage based premium television, mobile and fixed telephone and internet activity is recognized on actual usage.

Installation fees charged to residential customers are recognized as revenue by reference to the stage of completion of the installation. As installation ordinarily does not take long, installation fees are recognized generally as revenue on completion of the installation. Due to the specific characteristics of a business transaction, upfront installation fees charged to business customers are considered part of an integrated solution. The installation is not considered to have stand-alone value and revenue from installation fees charged to business customers is recognized on a straight-line basis as the ongoing services are provided, i.e. deferred and recognized over the term of the arrangement.

Together with subscription fees, basic cable television subscribers are charged a copyright fee for the content received from public broadcasters that is broadcasted over the Company's network. These fees contribute to the cost the Company bears in respect of copyright fees paid to copyright collecting agencies for certain content provided by the public broadcasters and other copyright holders. The Company reports copyright fees collected from cable subscribers on a gross basis as a component of revenue due to the fact that the Company is acting as a principal in the arrangement between the public broadcaster and other copyright holders which does not represent a pass-through arrangement. Indeed, the Company bears substantial risk in setting the level of copyright fees charged to subscribers as well as in collecting such fees.

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For multiple element arrangements, the recognition criteria of revenue are applied to the separately identifiable components of the transaction. A component within an arrangement is separated if it has stand-alone value to the customer and if its fair value can be measured reliably. The fair value of the consideration received or receivable is allocated to the separate components of the arrangement using the residual fair value method. The allocation of arrangement consideration to delivered items is limited to amounts of revenue that are not contingent on the Company's future performance.

Revenue from termination fees is recognized at the time of the contract cancellation, if and only if collectability of the fee is reasonably assured. If collectability of the termination fee is not reasonably assured at the time of billing, revenue is deferred until cash is received.

Customers may be charged a downgrade fee when they switch to a lower tier service. Generally, the downgrade is not considered to have stand-alone value to the customer and downgrade fees are therefore deemed to be part of the overall consideration for the ongoing service. Revenue from downgrade fees is recognized on a straight-line basis over the longer period of (i) the related subscription contract or (ii) the expected remaining length of the customer relationship.

Digital television customers may rent a set-top box from Telenet. When customers elect to change the type of set-top box that they rent from Telenet, they may be charged a swap fee. The swap to a different type of set-top box is not considered to have stand-alone value to the customer and revenue from swap fees is recognized on a straight-line basis over the shorter period of (i) the expected remaining length of the customer relationship or (ii) the useful life of the set-top box.

Amounts billed for certain premium voice and SMS content are not presented as revenues but are netted against the corresponding expenses, because Telenet carries no legal responsibilities for the collection of these services and acts solely on behalf of the third-party content providers.

Revenue from mobile handset sales transactions, for which the customer entered into a consumer credit agreement with the Company and for which distinct service and payment obligations are applicable from those related to an airtime service contract, is recognized at the time of the sale of the handset as the customer takes full legal title to the handset and realization of the revenue with respect to the mobile handset is not contingent on the satisfactory delivery of future (airtime) services. This revenue is recognized upon the sale of the handset, if and only if collectability of all monthly payments is reasonably assured.

5.2.10 Operating expenses

Operating expenses consist of interconnection costs, network operations, maintenance and repair costs and cable programming costs, including employee costs and related depreciation and amortization charges. The Company capitalizes most of its installation costs, including direct labor costs. Copyright and license fees paid to the holders of those rights and their agents are the primary component of the Company's cable programming costs. Other direct costs include costs that the Company incurs in connection with providing its residential and business services, such as interconnection charges as well as bad debt expense. Network costs consist of costs associated with operating, maintaining and repairing the Company's broadband network and customer care costs necessary to maintain its customer base.

5.2.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the amount can be reliably measured. Provisions are measured at the Company's best estimate of the expenditure required to settle its liability and are discounted to present value where the effect is material.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced to those affected. Future operating losses are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The

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provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

5.2.12 Leases

At inception of an arrangement, including arrangements that convey to the Company the right to use equipment, fibers or capacity for an agreed period of time in return for a series of payments, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the Company. Property and equipment acquired by way of a finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and any impairment losses. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in long-term debt with the interest element of the finance cost charged to the statement of profit or loss and other comprehensive income over the lease period. All other leases are classified as operating lease payments and recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case they are depreciated over their useful lives.

5.2.13 Income taxes

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit, and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that is not a business combination and that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Current and deferred tax is charged or credited to the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also dealt with in equity.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

5.2.14 Employee benefits

Pension and other post-employment benefit obligations

The Company provides both defined benefit and defined contribution plans to its employees, directors and certain members of management.

For defined contribution plans, the Company pays fixed contributions into a separate entity. The Company has no obligation to pay further amounts in case the pension fund has insufficient assets to pay all employee benefits relating to current and prior service. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

As a result of minimum guaranteed rates of return imposed by law, Belgian defined contribution plans classify as defined benefit plans.

At 31 December 2015, the Company still used the same approach as last year because both approaches would have resulted into the same outcome at that date. Hence, for plans for which the minimum guaranteed rate of return as defined by law is not fully insured, the net liability (if any) recognized in the balance sheet is based on the potential shortfall, determined by individual plan participant, between the Company's pension obligation (based on the applicable legal minimum guaranteed return) and the accumulated contributions based on the actual credited rates of return at the balance sheet date (i.e. the net liability is based on the deficit measured at intrinsic value). A defined benefit plan is a post-employment benefit plan that is not a defined contribution plan.

For defined benefit pension plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The discount rate is based on the yield at the reporting date on high quality corporate bonds (average yield on AA corporate bonds in euro, benchmarked against the iBoxx € AA Corporates index) taking into account the duration of the Company's obligations.

The net defined benefit liability/(asset) recognized in the balance sheet corresponds to the difference between the defined benefit obligation and the plan assets. In case of a surplus, the net defined benefit (asset) is limited to the present value of future economic benefits available in the form of a reduction in contributions or a cash refund.

Remeasurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses on the defined benefit obligation, the return on plan assets (excluding interest income) and changes in the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI).

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The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense is recognized in profit or loss.

Past service cost resulting from plan amendments or curtailments is recognized immediately in profit or loss.

The Company also provides post-retirement health care benefits to certain employees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans.

Other long term employee benefit obligations

The Company provides long term service awards to its employees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognized immediately in profit or loss.

Share-based payments

The Company issues equity-settled share-based payments to certain employees which are measured at fair value at the date of grant. The grant date fair value of options granted to employees is calculated using a Black-Scholes pricing model and recognized as share-based payments expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. Measurement inputs for the Black-Scholes model include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognizes the cumulative impact of the revision of original estimates, if any, in the statement of profit or loss and other comprehensive income, and a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5.2.15 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

5.2.16 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by

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adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise warrants and options granted to employees and the CEO.

5.2.17 Finance income and expenses

Finance income mainly comprises interest income on funds invested, changes in the fair value of financial instruments and net gains on financial instruments. Interest income is recognized as it accrues in the statement of profit or loss and other comprehensive income, using the effective interest method.

Finance expense mainly comprises interest expense on loans and borrowings, changes in the fair value of financial instruments and net losses on financial instruments.

Foreign currency gains and losses are reported on a net basis.

5.2.18 Customer acquisition costs

Customer acquisition costs are the directly attributable costs incurred in signing up a new customer. These include, but are not limited to, incentives paid to retailers, commissions paid to external dealers or agents, and sales commissions to the Company's staff.

Customer acquisition costs paid to a party other than the customer are capitalized as intangible assets if and only if the definition and recognition criteria are met, the costs are incremental to the subscriber contracts, and can be measured reliably. As these criteria are generally not met, customer acquisition costs are generally expensed as incurred.

Cash incentives given to customers are not viewed as customer acquisition costs, but are recognized as a deduction from revenue.

Benefits in kind given to customers, to the extent they do not represent a separate component of the arrangement, are recognized as an expense in the appropriate periods.

5.2.19 Changes in accounting policies

The following changes in accounting policies are also expected to be reflected in the Company's consolidated financial statements as of and for the year ending December 31, 2015.

- IFRIC 21 *Levies* provides guidance on accounting for levies in accordance with the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*;
- Annual Improvements: *IFRS 2010-2012 cycle and IFRS 2011-2013 cycle* is a collection of minor improvements to a number of standards;
- Amendments to *IAS 19 Employee Benefits—Defined Benefit Plans*: Employee Contributions introduces a relief that reduces the complexity and burden of accounting for certain contributions from employees or third parties.

The adoption of this amendment did not have a material impact on the Company's financial position, statement of profit or loss and other comprehensive income or cash flows.

5.2.20 Forthcoming requirements

Standards, annual improvements, amendments and interpretations to existing standards that are not yet effective for the year ended December 31, 2015 and have not been early adopted by the Company

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after January 1, 2016, or later periods, but the Company has not early adopted them. The adoption of these standards, amendments and

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interpretations, except for IFRS 15, is not expected to have a material impact on the Company's financial result or financial position:

IFRS 9 Financial Instruments (effective for annual periods beginning on or after January 1, 2018). This standard is not yet endorsed by the EU.

IFRS 15 Revenue from Contracts with Customers, requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers Operations (effective for annual periods beginning on or after January 1, 2018). This standard is not yet endorsed by the EU. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

Amendments to IFRS 11—Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after January 1, 2016).

Amendments to IAS 16 and IAS 38—Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after January 1, 2016).

Annual Improvements to IFRS 2012-2014 cycle is a collection of minor improvements to 4 existing standards.

The disclosure initiative (Amendments to IAS 1) are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. The narrow-focus amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments relate to the following: materiality; order of the notes; subtotals; accounting policies; and disaggregation. The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier adoption permitted.

5.3 Risk management

5.3.1 General

The Company is exposed to various risks within the context of its normal business activities, which could have a material adverse impact on its business, prospects, results of operations and financial condition. Therefore, controlling these risks is very important for the management of the Company. To support its growth and help the management and the Audit Committee to deal with the challenges the Company faces, the Company has set up a risk management and internal control system. The purpose of the internal control and risk management framework is to enable the Company to meet its objectives. The most important components of this system are described in our Corporate Governance Statement under 7.4 Internal control and risk management systems.

The Company conducts its business in a rapidly changing environment that gives rise to numerous risks and uncertainties that it cannot control. Please refer to 3 Risk factors for more detailed information.

Telenet is involved in a number of legal procedures risen in the normal course of operations, as Telenet operates within a highly competitive environment. Legal proceedings may arise in connection with such as intellectual property, advertising campaigns, product offerings and acquisition opportunities. Telenet discusses in note 5.26.1 certain procedures, which are still pending and to which the Company is involved. Outside the procedures described in note 5.26.1, Telenet does not expect the legal proceedings in which it is a party or by which it is threatened to have a material adverse effect on the activities or consolidated financial position. However, the Company notes that the outcome of legal proceedings can be extremely difficult to predict, and Telenet offers therefore no guarantees.

The Company applies a decentralized risk management approach. The SLT is responsible for identifying and managing risks related to its significant business activities. The Company has introduced a risk governance layer to strengthen its risk oversight by identifying the key supporting risk management functions (2nd line of defense), creating an oversight on the maturity thereof and by implementing a common risk management framework to align processes for risk identification, risk analysis, risk treatment, monitoring and reporting across the key risk areas.

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An overview of the different risk domains is maintained in the risk assurance map, which is organized around four risk groups:

- Governance, Risk & Compliance
- Strategy & Planning
- Operations
- Reporting

Governance, Risk & Compliance captures various topics such as the board structure, ethics, CRS, Telenet's 2nd line of defense and compliance with regulations.

Strategy & Planning focuses on external factors (competition, credit rating, capital, economic conditions, ..), strategy (M&A, innovation, technology, ...) and business planning.

All operational processes (marketing to sales, order to bill, bill to cash, customer service, infrastructure operations) and all supporting processes (build, content, finance & administration, HR, Legal, ...) fall into the risk group Operations.

And finally, the risk group Reporting covers all risks related to internal and external, financial and non-financial reporting.

The assurance map is used to prioritize the internal audits performed by the internal audit function (3rd line of defense) and the reviews performed by Telenet's risk managers and to visualize the results. All issues and action plans resulting from these reviews are maintained and followed up in a central repository. The resolution of the open issues is monitored through management self-assessment and a quarterly follow-up with the issue owners of the high and medium issues. The SLT and the Audit Committee receive a quarterly status update on all open issues.

5.3.2 Credit risk

Qualitative disclosures

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to the Company in relation to lending, hedging, settlement and other financial activities. The Company is exposed to credit risk from its operating activities and treasury activities.

The largest share of the gross assets subject to credit risk from operating activities are trade receivables from residential and small business customers located throughout Belgium and parts of Luxembourg. Accordingly, the Company has no significant concentration of credit risk. The risk of material loss from non-performance from these customers is not considered likely. The Company establishes reserves for doubtful accounts receivable to cover the potential loss from non-payment by these customers.

As for credit risk on financial instruments, the Company maintains credit risk policies with regard to its counterparties to minimize overall credit risk. These policies include an assessment of a potential counterparty's financial condition, credit rating and other credit criteria and risk mitigation tools as deemed appropriate. The Company maintains a policy of entering into such transactions only with highly rated European and US financial institutions. To minimize the concentration of counterparty credit risk, the Company enters into derivative transactions with a portfolio of financial institutions. Likewise, cash and cash equivalents are placed with highly rated financial institutions and only highly rated money market funds are used.

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Quantitative disclosures

The Company considers its maximum exposure to credit risk to be as follows:

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Cash and cash equivalents (including money market funds, certificates of deposits)	277,273	189,076
Trade receivables	157,762	113,626
Derivative financial instruments	8,496	9
Receivables from sale of sports broadcasting rights	1,691	3,465
Outstanding guarantees to third parties for own liabilities (cash paid)	987	888
Loans to equity accounted investees	1,035	—
Total	447,244	307,064

More detailed financial information has been disclosed under the respective notes to the consolidated financial statements of the Company.

5.3.3 Liquidity risk

Qualitative disclosures

The principal risks to the Company's sources of liquidity are operational risks, including risks associated with decreased pricing, reduced subscriber growth, increased marketing costs and other consequences of increasing competition and potentially adverse outcomes with respect to the Company's litigations as described in note 5.26.1. Telenet's ability to service its debt and to fund its ongoing operations will depend on its ability to generate cash. Although the Company anticipates generating positive cash flow after deducting interest and taxes, the Company cannot assure that this will be the case. The Company may not generate sufficient cash flow to fund its capital expenditures, ongoing operations and debt obligations.

Telenet Group Holding NV is a holding company with no source of operating income. It is therefore dependent on capital raising abilities and dividend payments from subsidiaries to generate funds. The terms of the 2015 Amended Senior Credit Facility contain a number of significant covenants that restrict the Company's ability, and the ability of its subsidiaries to, among other things, pay dividends or make other distributions, make capital expenditures, incur additional debt and grant guarantees. The agreements and instruments governing its debt contain restrictions and limitations that could adversely affect the Company's ability to operate its business.

The Company believes that its cash flow from operations and its existing cash resources, together with available borrowings under the 2015 Amended Senior Credit Facility, will be sufficient to fund its currently anticipated working capital needs, capital expenditures and debt service requirements.

The 2015 Amended Senior Credit Facility is discussed in greater detail in note 5.13.1 of the consolidated financial statements of the Company.

The Company has implemented a policy on financial risk management. With respect to liquidity and funding risks, the key objectives can be summarized as:

- ensure that at all times the Company has access to sufficient cash resources to meet its financial obligations as they fall due and to provide funds for capital expenditure and investment opportunities as they arise;
- ensure that the Company has sufficient excess liquidity to ensure that the Company can meet its non-discretionary financial obligations in the event of unexpected business disruption;
- ensure compliance with borrowing facilities covenants and undertakings.

A minimum level of cash and cash equivalents is maintained in order to meet unforeseen cash expenses. The Company's funding requirements and funding strategy are reviewed annually.

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A limit has been set regarding the maximum amount that can be invested per derivative product type. On top of this limit, the authorized financial counterparties have been determined and limits have been set for each counterparty by reference to their long-term credit rating.

Quantitative disclosures

The Company's aggregate contractual obligations as at December 31, 2015 and 2014 were as follows:

Situation as per December 31, 2015		Payments due by period (in thousands of euro)					
		Total	Less than 1 year	2 years	3 years	4 years	5 years
Contractual obligations							
Long term debt ⁽¹⁾⁽³⁾	5,121,487	205,929	194,903	194,217	202,394	196,566	4,127,478
Finance lease obligations ⁽¹⁾⁽³⁾	455,612	58,499	55,518	53,555	44,775	42,162	201,103
Operating lease obligations	44,174	17,781	8,086	6,230	3,741	2,398	5,938
Other contractual obligations ⁽²⁾	1,259,836	241,252	113,828	60,475	54,975	36,615	752,691
Interest Rate Derivatives ⁽³⁾	125,591	5,365	9,683	22,109	22,091	22,097	44,246
Foreign Exchange Derivatives	45,080	45,080	—	—	—	—	—
Accrued expenses and other							
current liabilities ⁽⁴⁾	281,542	281,542	—	—	—	—	—
Trade payables	133,512	133,512	—	—	—	—	—
Total contractual obligations	7,466,834	988,960	382,018	336,586	327,976	299,838	5,131,456

Situation as per December 31, 2014		Payments due by period (in thousands of euro)					
		Total	Less than 1 year	2 years	3 years	4 years	5 years
Contractual obligations							
Long term debt ⁽¹⁾⁽³⁾	4,854,119	168,237	168,207	167,830	167,626	176,933	4,005,286
Finance lease obligations ⁽¹⁾⁽³⁾	492,067	58,466	57,217	55,737	52,944	44,297	223,406
Operating lease obligations	42,788	20,087	8,706	6,391	2,992	1,833	2,779
Other contractual obligations ⁽²⁾	1,303,129	190,146	156,714	97,754	48,004	44,541	765,970
Interest Rate Derivatives ⁽³⁾	205,616	25,895	27,064	26,569	24,494	24,494	77,100
Accrued expenses and other							
current liabilities ⁽⁴⁾	248,329	248,329	—	—	—	—	—
Trade payables	114,377	114,377	—	—	—	—	—
Total contractual obligations	7,260,425	825,537	417,908	354,281	296,060	292,098	5,074,541

1 Interest included.

2 Represents fixed minimum commitments under certain programming and purchase agreements, amounts associated with certain operating costs resulting from the Interkabel acquisition, commitments under the agreement with Norkring (Note 5.13.5) as well as commitments related to the 3G spectrum (Note 5.6).

3 Contractual obligations with a floating interest rate are based on the rate outstanding as at December 31.

4 Excluding compensation and employee benefits, VAT and withholding taxes.

5.3.4 Market risk

The Company is exposed to market risks relating to fluctuations in interest rates and foreign exchange rates, primarily between the US dollar and euro. The Company uses financial instruments to manage its exposure to interest rate and foreign exchange rate fluctuations. Each of these risks is discussed below.

Qualitative disclosures on foreign exchange risk

The Company undertakes certain transactions in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The Company's functional currency is the euro. However, the Company conducts, and will continue to conduct, transactions in currencies other than the euro, particularly the US dollar. About 3.9% (2014: 2.8%)

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of the Company's costs of operations (primarily the costs of network hardware equipment, software and premium cable television rights) were denominated in US dollars, while all of its revenue was generated in euros. The Company has significant US dollar obligations with respect to the contracts it is party to for the supply of premium content. Decreases in the value of the euro relative to the US dollar would increase the cost in euro of the Company's US dollar denominated costs and expenses, while increases in the value of the euro relative to the US dollar would have the reverse effect.

The Company has historically covered a portion of its US dollar cash outflows arising on anticipated and committed purchases through the use of foreign exchange derivative instruments. The Company uses forward foreign exchange contracts to manage the exchange rate risk arising from:

- purchases of goods and services in foreign currency;
- capital equipment priced in foreign currency or subject to price changes due to movements in exchange rates;
- payments of royalties, franchise or license fees denominated in a foreign currency.

Although the Company takes steps to protect itself against the volatility of currency exchange rates, there is a residual risk that currency risks due to volatility in exchange rates could have a material adverse effect on the Company's financial condition and results of operations.

The outstanding forward foreign exchange derivatives as of December 31, 2015 and 2014, are disclosed in more detail in note 5.14 to the consolidated financial statements of the Company.

Qualitative disclosures on interest rate risk

The Company is mainly exposed to interest rate risk arising from borrowings at floating interest rates, interest bearing investments and finance leases. The Company limits its exposure to floating interest rates through the use of derivative instruments. The risk is managed by maintaining an appropriate mix of interest rate swap contracts, interest rate cap contracts, interest rate collar contracts.

The Company implemented a policy on financial risk management. With respect to interest rate risk, the key objectives can be summarized as:

- only long term interest exposures (+ 1 year) are managed;
- all derivative instruments used are designated to actual interest exposures and are authorized under the policy.

As referred to above, the outstanding interest rate derivatives as of December 31, 2015 and 2014, are disclosed in more detail in note 5.14 to the consolidated financial statements of the Company.

Under the 2015 Amended Senior Credit Facility, there is a 0% floor. As a result if EURIBOR is below zero, then EURIBOR is deemed to be zero.

Quantitative disclosures

Interest rate sensitivity testing

For interest rate derivatives and floating rate debt, the Company has used a sensitivity analysis technique that measures the change in the fair value or interest expense of these financial instruments for hypothetical changes in the relevant base rate applicable at year-end, holding all other factors constant.

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A change of 25 basis points in interest rates at the reporting date would have increased (decreased) the profit for the period and would have changed the fair values of the Company's interest rate derivatives as set out in the table below:

(in thousands of euro)	2015		2014	
	+0.25 %	-0.25 %	+0.25 %	-0.25 %
Interest				
2015 Amended Senior Credit Facility	2,763	(207)	3,427	(3,427)
Senior Secured Floating Rate Notes	1,014	(1,014)	1,011	(1,011)
Finance leases	5	(5)	10	(10)
Interest rate derivatives	(4,448)	4,448	(4,422)	4,422
	(666)	3,222	26	(26)
Changes in fair value				
Swaps	30,852	(30,852)	31,455	(31,455)
Caps	61	—	51	(4)
Collars	—	—	3,233	(4,333)
	30,913	(30,852)	34,739	(35,792)
Total	30,247	(27,630)	34,765	(35,818)

The following table summarizes the Company's interest obligations under the outstanding floating rate indebtedness and interest rate derivatives. The amounts generated from this sensitivity analysis are forward-looking estimates of market risk assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets.

Situation as per December 31, 2015 +0.25 % (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2015 Amended SCF Term Loan W	16,592	16,506	16,506	16,506	16,506	27,496
2015 Amended SCF Term Loan Y	33,150	32,978	32,978	32,978	32,978	87,914
€400 million Senior Secured Notes due 2021	16,252	16,210	16,293	16,168	16,210	8,084
Finance Lease	8	4	—	—	—	—
Interest Derivatives	917	5,233	17,656	17,638	17,644	35,771
Total	66,919	70,931	83,433	83,290	83,338	159,265

Situation as per December 31, 2015 -0.25 % (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2015 Amended SCF Term Loan W	15,707	15,622	15,622	15,622	15,622	26,022
2015 Amended SCF Term Loan Y	31,503	31,331	31,331	31,331	31,331	83,521
€400 million Senior Secured Notes due 2021	14,224	14,182	14,266	14,141	14,943	7,070
Finance Lease	1	1	—	—	—	—
Interest Derivatives	9,814	14,132	26,563	26,545	26,551	52,722
Total	71,249	75,268	87,782	87,639	88,447	169,335

Situation as per December 31, 2014 +0.25 % (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2010 Amended SCF Term Loan W	16,910	16,956	16,910	16,910	16,910	42,252
2010 Amended SCF Term Loan Y	33,730	33,823	33,730	33,730	33,730	118,010
€400 million Senior Secured Notes due 2021	17,046	17,092	17,046	17,046	17,046	25,592
Finance Lease	12	8	4	—	—	—
Interest Derivatives	21,825	22,654	22,147	20,102	20,102	64,926
Total	89,523	90,533	89,837	87,788	87,788	250,780

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Situation as per December 31, 2014 -0.25% (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2010 Amended SCF Term Loan W	14,507	14,546	14,507	14,507	14,507	36,247
2010 Amended SCF Term Loan Y	29,254	29,335	29,254	29,254	29,254	102,350
€400 million Senior Secured Notes due 2021	15,018	15,059	15,018	15,018	15,018	22,547
Finance Lease	2	1	1	—	—	—
Interest Derivatives	29,965	31,474	30,991	28,887	28,887	89,904
Total	88,746	90,415	89,771	87,666	87,666	251,048

For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not the Company's earnings or cash flows. The Company does not currently have any obligation to redeem fixed rate debt prior to maturity and, accordingly, interest rate risk and changes in fair market value should not have a significant effect on the fixed rate debt until the Company would be required to refinance such debt.

Foreign currency sensitivity testing

The following table details the Company's sensitivity to a 10% increase and decrease of the relevant foreign exchange rate. The Company utilizes 10% as the sensitivity rate when reporting foreign currency risk internally as it represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis primarily includes the effect on Telenet's US dollar denominated payables (primarily payables associated with network hardware equipment, software and premium cable television rights).

December 31, 2015	Foreign currency	Amount in foreign currency	10% increase	10% decrease
Trade payables	USD	7,724	(564) <i>On profit or loss</i>	689 <i>On profit or loss</i>
December 31, 2014	Foreign currency	Amount in foreign currency	10% increase	10% decrease
Trade payables	USD	4,540	(417) <i>On profit or loss</i>	341 <i>On profit or loss</i>

5.3.5 Capital Risk

The Company manages its capital to ensure that the Company and its subsidiaries will be able to continue as a going concern in order to provide sustainable and attractive returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital risk on the basis of the net leverage ratio. The net leverage ratio is calculated as per the 2015 Amended Senior Credit Facility definition, using net total debt, excluding (a) subordinated shareholder loans, (b) capitalized elements of indebtedness under the Clientele and Annuity Fees, (c) any finance leases entered into on or prior to August 1, 2007, and (d) any indebtedness incurred under the network lease entered into with the pure intermunicipalities up to a maximum aggregate amount of €195.0 million, divided by last two quarters' annualized EBITDA.

As of December 31, 2015, the outstanding balance of the 2015 Amended Senior Credit Facility and outstanding cash balance resulted in a Net Total Debt to Consolidated Annualized EBITDA ratio of 3.4x. Compared to December 31, 2014, the Company's net leverage ratio decreased by 0.3x driven by solid EBITDA growth and the absence of meaningful shareholder distributions apart from the Share Repurchase Program 2015. As a reminder, the Company's net leverage ratio at December 31, 2015 did not yet reflect the acquisition of BASE Company, which was pending formal closing at December 31, 2015. The Company's net leverage ratio at December 31, 2015 was significantly below the covenant of 6.0x and the availability test of 5.0x.

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5.3.6 Financial instruments: fair values

Carrying amount versus fair value

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position and their levels in the fair value hierarchy are summarized in the table below. The fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation techniques.

December 31, 2015 (in thousands of euro)	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Money market funds	5.11	196,000	196,000	196,000	—	—
Derivative financial assets	5.14	8,496	8,496	—	8,496	—
Total financial assets carried at fair value		204,496	204,496	196,000	8,496	—
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.14	63,967	63,967	—	63,967	—
Total financial liabilities carried at fair value		63,967	63,967	—	63,967	—
Financial liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities (excluding deferred financing fees)	5.13					
—2015 Amended Senior Credit Facility		1,381,726	1,352,713	—	1,352,713	—
—Senior Secured Fixed Rate Notes ...		1,565,776	1,619,243	1,619,243	—	—
—Senior Secured Floating Rate Notes		400,708	401,208	401,208	—	—
—Global Handset Finco Ltd Loan ...		12,779	12,779	—	12,779	—
—Finance lease obligations		346,042	306,569	—	306,569	—
—Clientele fee > 20 years		97,743	88,945	—	88,945	—
—3G Mobile Spectrum		31,079	26,735	—	26,735	—
Total financial liabilities carried at amortized cost		3,835,853	3,808,192	2,020,451	1,787,741	—
December 31, 2014 (in thousands of euro)						
	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Derivative financial assets	5.14	9	9	—	9	—
Total financial assets carried at fair value		9	9	—	9	—
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.14	142,573	142,573	—	142,573	—
Total financial liabilities carried at fair value		142,573	142,573	—	142,573	—

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December 31, 2014 (in thousands of euro)	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities (excluding deferred financing fees)	5.13					
—2010 Amended Senior Credit Facility		1,357,903	1,350,837	—	1,350,837	—
—Senior Secured Fixed Rate Notes		1,528,581	1,651,240	1,651,240	—	—
—Senior Secured Floating Rate Notes		400,748	403,248	403,248	—	—
—Finance lease obligations		370,427	327,426	—	327,426	—
—Clientele fee > 20 years		90,123	80,384	—	80,384	—
—3G Mobile Spectrum		38,479	32,406	—	32,406	—
Total financial liabilities carried at amortized cost		<u>3,786,261</u>	<u>3,845,541</u>	<u>2,054,488</u>	<u>1,791,053</u>	<u>—</u>

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

<u>Type</u>	<u>Valuation technique</u>	<u>Unobservable inputs</u>	<u>Inter-relationship between unobservable inputs and fair value measurements</u>
Interest rate derivatives	Discounted cash flows: the fair value of the interest rate derivatives is calculated by the Company based on swap curves flat, taking into account the credit risk of both the Company and the respective counterparties to the instruments. The Company also compares the fair values thus calculated to the respective instruments' fair value as provided by the counterparty.	The credit risk of both the Company and the respective counterparties to the instruments.	The estimated fair value would increase (decrease) if: —the credit risk of the company were lower (higher) —the credit risk of the countercompany were higher (lower).
Foreign exchange forwards and embedded derivatives	Discounted cash flows: the fair value of forward exchange contracts is calculated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate. This calculation is compared to the listed market price, if available.	Not applicable.	Not applicable.

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Financial instruments not measured at fair value

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurements</u>
Loans, borrowings and finance lease liabilities: — 2015 Amended Senior Credit Facility	Market comparison technique: The fair values are based on broker quotes. The brokers providing the quotes are among the most active in the trading of the Senior Credit Facility, and regularly provide quotes to the market. No adjustments to this pricing are needed.	Not applicable.	Not applicable.
Loans, borrowings and finance lease liabilities: — Finance lease obligations — Clientele fee > 20 years — 3G Mobile spectrum — Global Handset FinCo Ltd. Loan	Discounted cash flows.	Discount rate.	The estimated fair value would increase (decrease) if: —the discount rate were lower (higher).

During the year ended December 31, 2015, no financial assets or liabilities measured at fair value have been transferred between the levels of the fair value hierarchy.

5.4 Property and equipment

<u>(in thousands of euro)</u>	<u>Land, buildings, and leasehold improvements</u>	<u>Network</u>	<u>Construction in progress</u>	<u>Furniture, equipment, and vehicles</u>	<u>Total</u>
Cost					
At January 1, 2014	112,125	2,362,362	63,779	51,207	2,589,473
Additions	723	568	280,120	44	281,455
Transfers	4,261	270,182	(278,549)	4,106	—
Disposals	(1,506)	(2,642)	—	(35)	(4,183)
Write off of fully depreciated assets	(399)	(197,201)	—	(4,982)	(202,582)
At December 31, 2014	115,204	2,433,269	65,350	50,340	2,664,163
Additions	447	977	265,002	32	266,458
Transfers	5,510	238,376	(251,481)	7,621	26
Disposals	—	(8,624)	(345)	(2,083)	(11,052)
Write off of fully depreciated assets	(515)	(222,337)	—	(4,699)	(227,551)
At December 31, 2015	120,646	2,441,661	78,526	51,211	2,692,044
Accumulated Depreciation					
At January 1, 2014	40,865	1,124,050	—	38,505	1,203,420
Depreciation charge for the year	6,092	238,021	—	5,065	249,178
Disposals	(784)	(2,587)	—	(21)	(3,392)
Write off of fully depreciated assets	(399)	(197,201)	—	(4,982)	(202,582)
At December 31, 2014	45,774	1,162,283	—	38,567	1,246,624
Depreciation charge for the year	7,119	258,002	—	5,677	270,798
Disposals	—	(7,695)	—	(2,065)	(9,760)
Write off of fully depreciated assets	(515)	(222,337)	—	(4,699)	(227,551)
At December 31, 2015	52,378	1,190,253	—	37,480	1,280,111

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<u>(in thousands of euro)</u>	<u>Land, buildings, and leasehold improvements</u>	<u>Network</u>	<u>Construction in progress</u>	<u>Furniture, equipment, and vehicles</u>	<u>Total</u>
Carrying Amount					
At December 31, 2015	68,268	1,251,408	78,526	13,731	1,411,933
At December 31, 2014	69,430	1,270,986	65,350	11,773	1,417,539
Carrying Amount of Finance Leases included in Property and Equipment					
At December 31, 2015	24,073	286,528	—	—	310,601
At December 31, 2014	26,729	290,196	—	—	316,925

Accrued capital expenditures for property and equipment reached €266.5 million for the year ended December 31, 2015, representing the following additions:

- accrued capital expenditures for network growth and upgrades for an amount of €142.4 million;
- capital expenditures for customer installations for an amount of €63.6 million;
- refurbishments and replacements of network equipment for an amount of €47.9 million; and
- set-top box related capital expenditures for an amount of €12.6 million.

For the year ended December 31, 2015, the Company removed €227.6 million of gross cost and accumulated depreciation related to fully depreciated assets which are no longer used by the Company. (€202.6 million for the year ended December 31, 2014).

Disposals of property and equipment for the year ended December 31, 2015 had a total carrying value at €1.3 million and resulted in a net gain on disposal of €2.3 million and consisted mainly of:

- End of life replacements of network equipment with a loss on disposal equal to the remaining net book value amounting to €1.0 million;
- Write-off of guarantees, resulting in a gain amounting to €0.6 million;
- Sale of set-top boxes with no net book value and scrap material with €0.3 million net book value, resulting in a gain on disposal of respectively €1.1 million and €1.6 million.

Disposals of property and equipment for the year ended December 31, 2014 mainly consisted of:

- Disposal of leasehold improvements with a loss on disposal equal to the remaining net book value amounting to €0.7 million;
- Sale of hard disks from recycled HD Digicorders, set-top boxes and scrap material with a zero net book value, resulting in a gain on disposal of respectively €0.4 million, €0.6 million and €1.7 million.

The Company assesses the estimated useful lives of its property and equipment each reporting period to determine whether events or circumstances warrant a revision of these estimated useful lives. No changes were necessary based on the 2015 re-assessment.

For further information regarding finance lease obligations, we refer to note 5.13.5 to the consolidated financial statements of the Company.

For further information regarding assets pledged as security, we refer to note 5.13.4.

5.5 Goodwill

The total amount of goodwill remained unchanged during the year ended December 31, 2015 and stood at €1,241.8 million.

The Company performed its annual review for impairment during the third quarter of 2015 and 2014, respectively. Goodwill was allocated to one cash generating unit. The recoverable amount of the cash

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generating unit was based on its value in use and was determined by discounting the future cash flows to be generated from its continuing use (Discounted Cash Flow method). The value in use of the cash generating unit for the year ended December 31, 2015 was determined in a similar manner to the year ended December 31, 2014.

The key assumptions for the value in use calculations used to determine the recoverable amount are those regarding the discount rates and expected changes to selling prices, product offerings, direct costs, EBITDA margins and terminal growth rates. The discount rate used is a pre-tax measure estimated based on past experience, and industry average weighted cost of capital. Changes in selling practices and direct costs are based on past practices and expectations of future changes in the market. The calculation uses cash flow projections based on financial budgets approved by management, the Company's Long-Range Plan through 2020, and a pre-tax discount rate of 8.8% (8.7% for the year ended December 31, 2014) based on current market assessments of the time value of money and the risks specific to the Company. The development of the Long-Range Plan relies on a number of assumptions, including:

- market growth, the evolution of the Company's market share and the resulting trends in the number of subscribers;
- the product mix per subscriber;
- the average revenue per subscriber;
- the expected evolution of various direct and indirect expenses;
- the expected evolution in other variable and fixed costs;
- the estimated future capital expenditure (excluding capital expenditure that improves or enhances the Company's assets' performance).

The assumptions were derived mainly from:

- available historic data;
- external market research and observations with respect to e.g. inflation, changes in the remuneration index, evolutions of the number of households, connection points, etc.;
- internal market expectations based on trend reports, the current state of important negotiations, etc.

For the year ended December 31, 2015, as well as for the year ended December 31, 2014, cash flows beyond the five-year period have been extrapolated using no growth rate, based on historical data and macro-economic conditions. This growth rate does not exceed the long-term average growth rate for the industry as published periodically in the Bulletins of the European Central Bank (ECB).

The Discounted Cash Flow calculation for determining the value in use and net recoverable amount mentioned above was reviewed for reasonableness by comparing the result of the calculation to the market capitalization of the Company.

The key assumptions used are reviewed and updated on a yearly basis by the Company's management. Taking into account the considerable excess of the cash generating unit's recoverable amount over its carrying amount, and based on sensitivity testing performed, management is of the opinion that any reasonably possible changes in key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount at December 31, 2015.

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5.6 Other intangible assets

(in thousands of euro)	Network user rights	Trade name	Software	Customer relationships	Broadcasting rights	Other	Subtotal	Broadcasting rights for resale purposes	Total
Cost									
At January 1, 2014	102,222	121,514	366,813	212,776	129,052	21,125	953,502	—	953,502
Additions	—	—	59,476	—	46,535	—	106,011	114	106,125
Disposals	—	—	(1,463)	—	—	—	(1,463)	(114)	(1,577)
Write-off of fully amortized assets	—	—	(8,852)	—	(98,107)	—	(106,959)	—	(106,959)
At December 31, 2014	102,222	121,514	415,974	212,776	77,480	21,125	951,091	—	951,091
Additions	—	—	69,803	—	47,242	—	117,045	1,360	118,405
Disposals	(71,525)	—	(3,256)	—	—	—	(74,781)	(1,360)	(76,141)
Transfers	—	—	(26)	—	—	—	(26)	—	(26)
Write-off of fully amortized assets	—	—	(4,165)	—	(46,032)	—	(50,197)	—	(50,197)
At December 31, 2015	30,697	121,514	478,330	212,776	78,690	21,125	943,132	—	943,132
Accumulated Amortization									
At January 1, 2014	102,222	103,331	273,167	135,197	84,859	2,810	701,586	—	701,586
Amortization charge of the year	—	8,089	32,874	18,753	48,303	262	108,281	—	108,281
Disposals	—	—	(203)	—	—	—	(203)	—	(203)
Write-off of fully amortized assets	—	—	(8,852)	—	(98,107)	—	(106,959)	—	(106,959)
At December 31, 2014	102,222	111,420	296,986	153,950	35,055	3,072	702,705	—	702,705
Amortization charge of the year	—	8,076	46,859	17,729	49,008	290	121,962	—	121,962
Disposals	(71,525)	—	(874)	—	—	—	(72,399)	—	(72,399)
Write-off of fully amortized assets	—	—	(4,165)	—	(46,032)	—	(50,197)	—	(50,197)
At December 31, 2015	30,697	119,496	338,806	171,679	38,031	3,362	702,071	—	702,071
Carrying Amount									
At December 31, 2015	—	2,018	139,524	41,097	40,659	17,763	241,061	—	241,061
At December 31, 2014	—	10,094	118,988	58,826	42,425	18,053	248,386	—	248,386

The Company's intangible assets other than goodwill each have finite lives and are comprised primarily of trade name, software development and acquisition costs, customer relationships, broadcasting rights, out of market component of future leases and contracts with suppliers.

The Company assesses the estimated useful lives of its finite-lived intangible assets each reporting period to determine whether events or circumstances warrant a revision of these estimated useful lives. The assessments performed in 2014 and 2015 did not result in any revision to the estimated useful lives of intangible assets.

For the year ended December 31, 2015, the Company removed €50.2 million of gross cost and accumulated amortization related to fully amortized assets which are no longer used by the Company (€107.0 million for the year ended December 31, 2014).

Following a tendering procedure in June 2014, the Company acquired the non-exclusive broadcasting rights of the Belgian football championship for three seasons starting July 2014. The rights related to the second season (2015-2016) met the recognition criteria for intangible assets in 2015, which resulted in additional broadcasting rights of €28.6 million. The agreement entitles the Pro League to grant the broadcasting rights via a different arrangement for the subsequent season (2016-2017).

The write-off of fully amortized assets consists mainly of the broadcasting rights related to the 2014-2015 season, which were written-off upon the end of the season end-May 2015 (€ 28.0 million).

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Following an auction launched in March 2011 by the BIPT, Telenet Tecteo BidCo NV, a subsidiary of the Company in which the Walloon cable operator Tecteo SCRL owns a 25% stake, acquired the fourth 3G mobile spectrum license in Belgium. The Company recognized the acquired spectrum as an intangible asset for an amount of €71.5 million, equal to the net present value at the acquisition date of the yearly installments. In December 2013, the Company's management determined that it would not be able to utilize the spectrum rights and that the recoverable amount was to be considered zero. Consequently, the 3G mobile spectrum license was fully impaired at year-end 2013. Upon return of the 3G mobile spectrum license to the BIPT, the Company removed the fully impaired asset from its books (€71.5 million) in 2015.

At the time of the acquisition of the 3G mobile spectrum license, the Company opted to pay the corresponding purchase price in annual installments. As the Company agreed upon to continue its contractual obligations, the Company consequently maintained the corresponding liability (€31.1 million) as of December 31, 2015 (note 5.13).

Concurrently with the acquisition of the 3G mobile spectrum license, the Company also exercised its call option to acquire a certain number of 2G mobile spectrum frequencies for a total consideration of €31.5 million, which became available in November 2015. On December 15, 2014, the BIPT published the outcome of its request for offers on the 2G frequencies previously earmarked for Telenet. In December 2015, the Company and the BIPT, acting on behalf of the Belgian State, agreed upon a settlement with respect to the unallocated 2G frequencies for a total amount of €3.9 million which was paid on December 30, 2015. The corresponding expense was recognized as a restructuring cost (see note 5.20).

For information regarding finance leases of intangible assets, see note 5.13.5 to the consolidated financial statements of the Company.

5.7 Investments in and loans to equity accounted investees

The following table shows the components of the Company's investments in equity accounted investees:

(in thousands of euro)	De Vijver Media NV	Other	Total
Investments in Associates			
At January 1, 2015	—	1,556	1,556
Additions	58,000	—	58,000
Direct Acquisition Costs	1,013	178	1,191
At December 31, 2015	59,013	1,734	60,747
Share in the result of Associates			
At January 1, 2015	—	(161)	(161)
Share in the result	(4,093)	17	(4,076)
At December 31, 2015	(4,093)	(144)	(4,237)
Loans granted to Associates			
At January 1, 2015	—	—	—
New loans granted	—	1,135	1,135
Accrued interest	—	6	6
At December 31, 2015	—	1,141	1,141
Carrying Amount			
At December 31, 2015	54,920	2,481	57,401
At January 1, 2015	—	1,395	1,395

On June 16, 2014, Telenet signed an agreement for the acquisition of 50% of the capital of De Vijver Media NV, a Belgian media company active in free-to-air broadcasting (through its TV channels "VIER" and "VIJF") and content production (through its production company "Woestijnvis"). The European Commission approved the investment in February 2015 and the 50% stake was acquired by the Company through a combination of share purchases (€26.0 million) and share subscription (€32.0 million). The

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remaining 50% of the shares of De Vijver Media is held by Waterman & Waterman (the holding company of Wouter Vandenhaute and Erik Watté) and Corelio NV (a Belgian print and online media group).

The 50% investment in De Vijver Media qualifies as a joint venture and is accounted for using the equity method. The initial carrying amount of the investment was €59.0 million, and included €1.0 million directly attributable transaction costs. Telenet recognized its €4.1 million share in the net loss of De Vijver Media for the period beginning on the transaction closing date, resulting in a carrying value of the investment of €54.9 million on December 31, 2015.

The fair value adjustments at acquisition can be summarized as follows:

(in thousands of euro)

Consideration transferred	58,000
Acquisition related costs	1,013
Net assets of De Vijver Media as per February 28, 2015 (50%)	18,462
Goodwill	40,551
Amount recognized as equity investment	59,013

The following table summarizes the financial information of De Vijver Media NV as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies.

The table also reconciles the summarized financial information to the carrying amount of the Company's interest in De Vijver Media NV.

(in thousands of euro)

2015

Net assets	
Non-current assets	120,084
Current assets	59,419
Non-current liabilities	(77,737)
Current liabilities	(73,029)
Net assets (100%)	28,737
Group's share of the net assets (50%)	
Group's share of the net assets (50%)	14,369
Goodwill	40,551
Carrying amount of interest in joint venture	54,920
Profit and total comprehensive income	
Revenue	101,052
Depreciation and amortisation	(7,416)
Interest expense	(4,679)
Total comprehensive loss for 10 months ended December 31, 2015 (100%)	(8,186)
Net loss (100%)	(7,522)
Other comprehensive income (100%)	—
Group's share of the total comprehensive income (50%)	
Group's share of the total comprehensive income (50%)	(4,093)

The remaining goodwill mainly relates to future advertising revenues to be realized and future revenues related to new formats.

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5.8 Trade receivables

5.8.1 Non-current

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Trade receivables	4,841	—
Less : allowance for bad debt	(102)	—
Trade receivables, net	4,739	—

Non-current trade receivables comprise of Installment sales relating to the long-term receivables on handset financing contracts with external customers.

5.8.2 Current

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Trade receivables	153,023	113,626
Less: allowance for bad debt	(7,116)	(1,961)
Trade receivables, net	145,907	111,665

At December 31, 2015 and 2014, respectively, the aging of the Company's current trade receivables can be detailed as follows:

(in thousands of euro)	Not due	Past due					Total
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days	
December 31, 2015	95,264	29,727	8,596	1,972	1,468	15,996	153,023
December 31, 2014	60,394	37,110	3,865	2,141	1,612	8,504	113,626

All invoices related to residential customers are due within 20 days. For other clients, the payment due date is set at 30 or 60 days. In accordance with the Company's accounting policies and based on historical experience, trade receivables that are less than 120 days past due are not considered impaired. At December 31, 2015, a total amount of €41.8 million (2014: 44.7 million) was past due but not considered impaired for these reasons. With respect to these trade receivables, there are no indications that the debtors will not meet their payment obligations.

Outstanding trade receivables past due for more than 120 days are considered as potentially impaired and are subject to detailed analysis at the customer level, and a provision for impairment of trade receivables is established based upon objective evidence that the Company will not be able to collect the amounts. Significant financial difficulties of the debtor, defaults in payments, and other adverse debtor circumstances are considered indicators that the trade receivable is impaired. Based on the necessary and appropriate underlying documentation, receivables more than 120 days past due for which it is likely that the amount due will be recovered, are excluded from the calculation of the allowance for bad debts. For the remaining receivables more than 120 days past due, a bad debt allowance is provided for at 100%.

At December 31, 2015 current and non-current receivables related to handset sales with a customer credit agreement amount to €5.7 million and €4.7 million respectively.

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Company believes that there is no further credit provision required in excess of the allowance for doubtful debts.

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The following table shows the development of the provision for impairment of trade receivables:

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Provision for impairment of trade receivables at the beginning of the year	(1,961)	(3,358)
Additions	(4,938)	(2,718)
Reductions and write-offs	(217)	4,115
Provision for impairment of trade receivables at the end of the year	<u>(7,116)</u>	<u>(1,961)</u>

When a trade receivable is uncollectible, it is written off against the provision for impairment of trade receivables. Trade receivables impairment losses have been included in cost of services provided in the consolidated statement of profit or loss and other comprehensive income. The Company does not hold any receivables in foreign currency.

5.9 Other assets

5.9.1 Non-current

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Outstanding guarantees to third parties for own liabilities (cash paid)	982	888
Prepaid expense for time-based license	2,026	—
Deferred financing fees	10,228	—
Receivables from sale of sports broadcasting rights	—	1,404
Other non-current assets	<u>13,236</u>	<u>2,292</u>

The Company presents the deferred financing fees related to the undrawn Term Loan AA and the Revolving Credit Facilities X and Z as other non-current assets.

5.9.2 Current

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Recoverable withholding taxes	284	279
Prepaid content	7,455	7,004
Prepayments	15,663	22,900
Unbilled revenue	40,811	41,688
Receivables from sale of sports broadcasting rights	1,446	2,061
Other	3,904	3,937
Other current assets	<u>69,563</u>	<u>77,869</u>

Unbilled revenue generally represents revenue for which the Company has already provided a service or product in accordance with the customer agreement but for which the customer has not yet been invoiced.

5.10 Inventories

As of December 31, 2015, inventories amounted to €19.3 million (2014: €17.1 million) and consisted mainly of mobile handsets as well as tablets, HD Digiboxes, other DTV materials, wireless modems and powerline adaptors. The increase compared to December 31, 2014 of €2.2 million was mainly driven by an increase in the mobile handsets inventory of €4.4 million, an increase in the tablets inventory of €1.5 million, partially compensated by a decrease in the HD Digiboxes inventory of €1.3 million and DTV material of €1.2 million.

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For the year ended December 31, 2015, inventories of €73.3 million (2014: €79.3 million) were recognized as an expense during the period and included in “cost of services provided”.

The net book value of inventories also includes inventory impairments to reduce the carrying values to the net realizable value. These inventory impairments amounted to €1.1 million and €0.7 million for the years ended December 31, 2015 and 2014, respectively.

5.11 Cash and cash equivalents

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Cash at bank and on hand	80,083	155,158
Certificates of deposit	1,190	33,918
Money market funds	196,000	—
Total cash and cash equivalents	277,273	189,076

On December 31, 2015, the certificates of deposit had a weighted average interest rate of (0.13%) (2014: 0.45%) and a daily liquidity (2014: average maturity of 60 days). Cash and cash equivalents are placed with highly rated financial institutions in order to minimize the overall credit risk. The investments of our cash and cash equivalents at December 31, 2015 and 2014 were in compliance with the Company’s Risk Management policies. In line with the Company’s amended Treasury Policy, as approved by the Audit Committee in March 2015, the bank exposure risk has been restricted to 29% of the total consolidated cash. The investments in money market funds were increased to minimize the overall credit risk.

On December 31, 2015, the Money Market funds had a weighted average interest rate of (0.13%) and a daily liquidity whereas certificates of deposit yielded 0.45% in 2014 with an average maturity of 60 days. Cash and cash equivalents are placed with highly rated financial institutions in order to minimize the overall credit risk. The investments of our cash and cash equivalents at December 31, 2015 and 2014 were in compliance with the Company’s Risk Management policies.

5.12 Shareholders’ equity

5.12.1 Shareholders’ equity

On December 31, 2015, Telenet Group Holding NV had the following shares outstanding, all of which are treated as one class in the earnings per share calculation:

117,278,706 ordinary shares (2014: 116,813,166 shares), including:

- 94,843 Liquidation Dispreference Shares (2014: 94,843 shares), held by Interkabel and Binan Investments B.V. (a subsidiary of Liberty Global Plc), which have the same rights as the ordinary shares except that they are subject to an €8.02 liquidation dispreference, such that in any liquidation of Telenet Group Holding NV the Liquidation Dispreference Shares would only participate in the portion of the proceeds of the liquidation that exceed €8.02 per share. Liquidation Dispreference Shares may be converted into ordinary shares at a rate of 1.04 to 1; and
- 30 Golden Shares (2014: 30 shares) held by the financing intermunicipalities The financing intermunicipalities, currently holding the Golden Shares, are: IFIGGA, FINEA, FINGEM, IKA, FINILEK, FINIWO and FIGGA. , which have the same rights as the ordinary shares and which also give their holders the right to appoint representatives to the Regulatory Board, which oversees the public interest guarantees related to Telenet’s offering of digital television.

As of December 31, 2015, the Company’s share capital amounted to €12.8 million (2014: €12.7 million).

Own shares

On February 12, 2015, the Company announced the initiation of a share repurchase program, referred to as the “Share Repurchase Program 2015”. Under this program, the Company could acquire from time to time

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up to a maximum of 1.1 million of its outstanding ordinary shares, for a maximum consideration of €50.0 million, within a six months period as from February 12, 2015. The Company purchased a total of 989,381 shares under the Share Repurchase Program 2015, for a total amount of €50.0 million. All repurchased shares are being held by the Company to cover the Company's obligations under existing stock option plans. In 2014, a total of 1,100,000 shares were purchased for a total amount of €48.2 million under a similar share repurchase program.

On December 17, 2014, the Company borrowed 200,000 shares from its majority shareholder Binan Investments B.V. under a "Stock Lending Agreement". These shares were borrowed to cover the Company's obligations under existing stock option plans. On June 17, 2015, the Company returned the 200,000 shares to Binan Investments B.V.

After the delivery of 57,800 own shares by the Company to the beneficiaries following the exercise of stock options under the ESOP 2013 and the ESOP 2014 plans during the year ended December 31, 2015 (see below), the Company paid €38.5 million to increase its own shares under the Share Repurchase Program 2015 from 34,478 shares to 766,059 shares. €38.5 million, representing 0.65% of the total outstanding shares as of December 31, 2015. Taking into account a par value of €0.11 per share on December 31, 2015, this represents an amount of €84,266.49 in the share capital of the company.

5.12.2 Employee share based compensation

Warrant Plan 2010

The details regarding the Warrant Plan 2010 issued by the Company with outstanding warrants as per December 31, 2015, are summarized in the table below:

Warrant Plan	Issuance of warrants		Warrants granted				
	Date approved by the extraordinary shareholders' meeting	Total number of warrants issued	Name of the grant	Date offered	Number of warrants offered	Number of warrants accepted	Beneficiaries
Warrant Plan 2010	April 28, 2010	2,800,000	Warrant Plan 2010 ter	August 11, 2011	184,500	147,500	certain employees

Under the aforementioned plan, the warrants vest in equal parts per quarter over a period of four years and each warrant gives the holder the right to subscribe to one new share of the Company.

As of September 29, 2015, there were no more warrants outstanding under the Warrant Plan 2007 septies and the Warrant Plan 2010 primo. As of December 11, 2015, there were no more warrants outstanding under the Warrant Plan 2010 bis.

Employee Stock Option Plan 2013

On April 22, 2013, the board of directors approved a general stock option plan for the employees, for a total number of 1,200,000 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 24, 2013 (the "Employee Stock Option Plan 2013" or "ESOP 2013"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

In 2013, the board of directors authorized two grants under this plan ("ESOP 2013 primo" and "ESOP 2013 bis") to certain beneficiaries.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

During 2015, beneficiaries of the ESOP 2013 plan exercised a total of 54,500 stock options, resulting in the delivery of a total of 54,500 own shares held by the Company.

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Employee Stock Option Plan 2014

On December 5, 2014, the board of directors approved a general stock option plan for the employees, for a total number of 830,500 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 24, 2013 (the "Employee Stock Option Plan 2014" or "ESOP 2014"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On December 12, 2014, the board of directors authorized a grant under this plan to certain beneficiaries. On January 31, 2015, a total of 766,500 stock options were accepted.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

During 2015, beneficiaries of the ESOP 2014 plan exercised a total of 3,300 stock options, resulting in the delivery of a total of 3,300 own shares held by the Company.

Employee Stock Option Plan 2015

On October 27, 2015, the board of directors approved a general stock option plan for the employees for a total number of 873,000 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 29, 2015 (the "Employee Stock Option Plan 2015" or "ESOP 2015"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On November 2, 2015, the board of directors authorized a grant under this plan to certain beneficiaries. On December 15, 2015, a total of 402,350 stock options were accepted.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

Specific Performance based Stock Option Plan 2015 bis

On July 24, 2015, the board of directors approved a specific performance based stock option plan for a selected employee for a total number of 18,750 stock options on existing shares (the "Specific Performance based Stock Option Plan 2015 bis" or "SSOP 2015 bis"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 18,750 stock options, with an exercise price of €48.83 per option, was offered to the selected beneficiary on December 28, 2015, who accepted this offer on January 15, 2016.

The vesting of the stock options under the Performance based ESOP 2015 bis is contingent upon the achievement of certain performance criteria over a period of three years in a first tranche of 75% or 14,055 options and a second tranche of the remaining 25% or 4,693 stock options.

Any stock options that vest under the Performance based ESOP 2015 bis become exercisable during defined exercise periods following December 28, 2018 for the first tranche and February 11, 2019 for the second tranche and have an expiration date of December 28, 2020.

CEO Stock Option Plan 2013

On April 22, 2013, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 200,000 options on existing shares (the "CEO Stock Option Plan 2013" or "CEO SOP 2013"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company. On April 24, 2013, the extraordinary shareholders' meeting of the Company approved upfront certain terms and conditions of the CEO Stock Option Plan 2013.

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The grant of these 200,000 stock options, with an exercise price of €34.33 per option, was effectively made to the CEO on July 4, 2013, who accepted this offer on October 2, 2013.

The vesting of the stock options under the CEO SOP 2013 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria on October 3, 2013, and it is the Remuneration Committee that will decide whether these criteria have been met. As the applicable performance criteria have been achieved for 2013 and 2014, the first tranche of 50,000 stock options vested on July 4, 2014 and the second tranche of 100,000 stock options vested on July 4, 2015.

As the achievement of the additional performance criteria for 2015 have been met, the Remuneration Committee of February 9, 2016 determined that the last tranche of 50,000 stock options will vest on July 4, 2016.

Any stock options that vest under the CEO SOP 2013 become exercisable during defined exercise periods following July 4, 2016. All options under the CEO SOP 2013 have an expiration date of July 4, 2018.

CEO Stock Option Plan 2014

On November 8, 2013, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 185,000 options on existing shares (the "CEO Stock Option Plan 2014" or "CEO SOP 2014"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 185,000 stock options, with an exercise price of €38.88 per stock option, was effectively made to the CEO on November 8, 2013 and was accepted on February 5, 2014.

The vesting of the stock options under the CEO SOP 2014 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria and it is the Remuneration Committee that will decide whether these criteria have been met.

On February 10, 2015, the Remuneration Committee decided that the applicable performance criteria for 2014 have been achieved. Subject to the achievement of the cumulative performance criteria for 2014 and 2015, as determined in the CEO SOP 2014 Plan, the first tranche of 138,750 stock options will vest on June 26, 2016 and the second tranche of 46,250 stock options can vest on March 1, 2017, subject to the achievement of the performance criteria for 2016 as determined by the Remuneration Committee. On February 9, 2016, the Remuneration Committee determined that the first tranche of 138,750 stock options will vest on June 26, 2016 as the applicable performance criteria for 2015 have been achieved.

Any stock options that vest under the CEO SOP 2014 become exercisable during defined exercise periods following June 26, 2016. All options under the CEO SOP 2014 have an expiration date of June 26, 2020.

CEO Stock Option Plan 2014 bis

On June 26, 2014, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 180,000 options on existing shares (the "CEO Stock Option Plan 2014 bis" or "CEO SOP 2014 bis"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 180,000 stock options, with an exercise price of €39.38 per stock option, was effectively made to the CEO on July 15, 2014, who accepted this offer on September 13, 2014.

The vesting of the stock options under the CEO SOP 2014 bis is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria on June 26, 2014, and it is the Remuneration Committee that will decide whether these criteria have been met. On February 10, 2015, the Remuneration Committee determined that the first tranche of 45,000 stock options will vest on July 15, 2015.

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Subject to the achievement of the performance criteria for 2014 and 2015 as determined by the Remuneration Committee, the second tranche of 67,500 stock options will vest on July 15, 2016 and the last tranche of 67,500 stock options can vest on July 15, 2017 if the performance criteria for 2014, 2015 and 2016 are achieved. On February 9, 2016, the Remuneration Committee determined that the second tranche of 67,500 stock options will vest on July 15, 2016.

Any stock options that vest under the CEO SOP 2014 bis become exercisable during defined exercise periods following July 15, 2017. All options under the CEO SOP 2014 bis have an expiration date of July 15, 2019.

CEO Stock Option Plan 2015

On February 10, 2015, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 180,000 options on existing shares (the "CEO Stock Option Plan 2015" or "CEO SOP 2015"). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 180,000 stock options with an exercise price of €50.57 per stock option, was effectively made to the CEO on March 13, 2015, who accepted this offer on 11 May 2015.

The vesting of the stock options under the CEO SOP 2015 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Operating Cash (under USGAAP). The Remuneration Committee, in consultation with the CEO, determined for each installment the performance criteria on February 10, 2015, and it is the Remuneration Committee that will decide whether these criteria have been met. On February 9, 2016, the Remuneration Committee determined that the first tranche of 55,000 stock options will vest on March 13, 2016.

Subject to the achievement of the (cumulative) performance criteria for 2016 as determined by the Remuneration Committee, the second tranche of 63,000 stock options can vest on March 13, 2017 if the performance criteria for 2015 and 2016 are achieved.

Subject to the achievement of the (cumulative) performance criteria for 2016 as determined by the Remuneration Committee, the last tranche of 62,000 stock options can vest on March 13, 2018 if the performance criteria for 2015, 2016 and 2017 are achieved.

Any stock options that vest under the CEO SOP 2015 become exercisable during defined exercise periods following March 13, 2018 and have an expiration date of March 13, 2020.

The details regarding the stock option plans issued by the Company are summarized in the table below:

Stock Option Plan	Issuance of stock options		Stock options granted				
	Date approved by the board of directors	Total number of stock options issued	Name of the grant	Date offered	Number of stock options offered	Number of stock options accepted	Beneficiaries
Specific Stock Option Plan 2010-2014	March 24, 2010	850,000	SSOP 2010-2014	September 4, 2010	850,000	850,000	Former CEO
Employee Stock Option Plan 2013	April 22, 2013	1,200,000	ESOP 2013 primo ESOP 2013 bis	July 4, 2013 October 22, 2013	985,000 58,000	741,448 58,000	certain employees certain employees
CEO Stock Option Plan 2013	April 22, 2013	200,000	CEO SOP 2013	July 4, 2013	200,000	200,000	CEO
CEO Stock Option Plan 2014	November 8, 2013	185,000	CEO SOP 2014	November 8, 2013	185,000	185,000	CEO
CEO Stock Option Plan 2014 bis	June 26, 2014	180,000	CEO SOP 2014 bis	July 15, 2014	180,000	180,000	CEO
Employee Stock Option Plan 2014	December 5, 2014	830,500	ESOP 2014	December 12, 2014	830,500	766,500	certain employees
CEO Stock Option Plan 2015	February 10, 2015	180,000	CEO SOP 2015	March 13, 2015	180,000	180,000	CEO
Employee Stock Option Plan 2015	October 27, 2015	873,000	ESOP 2015	November 2, 2015	873,000	402,350	certain employees
Specific Performance based Stock Option Plan 2015 bis	July 24, 2015	18,750	SSOP 2015 bis	December 28, 2015	18,750	18,750	certain employee

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For accounting purposes, the grant dates of all of the above mentioned grants were defined as the date the beneficiaries accepted the offer, except for the CEO SOP 2014bis, the CEO SOP 2015 and the Specific Performance based Stock Option Plan 2015 bis, due to applicable discretion by the Remuneration & Nomination Committee to determine the performance criteria of the plan. For these latter plans the grant date is not deemed to be achieved and therefore the fair value of the options is re-measured periodically until the discretion clause is removed.

The grant dates for accounting purposes, as well as the underlying assumptions for determining the grant date fair value can be summarized as follows:

Warrant Plan	Issuance of warrants		Warrants granted						
	Date approved by the extraordinary shareholders' meeting	Total number of warrants issued	Name of the grant	Date offered	Number of warrants offered	Number of warrants accepted	Beneficiaries		
Warrant Plan 2007	December 27, 2007	3,300,000	Warrant Plan 2007 septies	September 28, 2010	189,900	189,900	certain employees		
Warrant Plan 2010	April 28, 2010	2,800,000	Warrant Plan 2010 primo	September 28, 2010	1,147,600	1,006,700	certain employees		
			Warrant Plan 2010 bis	December 10, 2010	70,500	50,500	certain employees		
			Warrant Plan 2010 ter	August 11, 2011	184,500	147,500	certain employees		
	Grant Date (for accounting purposes)	Fair value at grant date (in euro)	Share price (in euro)	Exercise price (in euro)		Expected volatility	Expected option life	Expected dividends	Risk-free interest rate
				Initially	Adjusted				
ESOP 2013 primo									
Stock Options ..	July 31, 2013	5.99-8.45	36.4	34.33	—	21.0%-23.3%	4.4 years	0.0%	0.47%-1.07%
ESOP 2013 bis									
Stock Options ..	November 30, 2013	7.25-9.81	40.5	36.75	—	20.2%-22.6%	4.4 years	0.0%	0.36%-0.89%
ESOP 2014 Stock									
Options	January 31, 2015	8.54-10.57	49.21	45.27	—	20.9%-22.1%	4.3 years	0.0%(*)	-0.01%-0.00%
ESOP 2015 Stock									
Options	December 15, 2015	4.58-6.63	46.89	50.87	—	20.7%-21.8%	4.3 years	0.0%(*)	-0.25%-0.01%
CEO SOP 2013									
Stock Options ..	October 2, 2013	7.91-10.01	36.85-39.13	34.33	—	20.5%-22.6%	4.0 years	0.0%	1.03%-1.07%
CEO SOP 2014									
Stock Options ..	February 5, 2014	12.12	44.13	38.88	—	22.3%	5.0 years	0.0%	1.05%
"	March 11, 2014	12.31	45.64	38.88	—	22.2%	5.2 years	0.0%	1.06%
CEO SOP 2014 bis									
Stock Options ..	February 10, 2015	13.41	49.32	39.38	—	21.8%	3.9 years	0.0%	0.02%
"	December 31, 2015 (*)	12.51(*)	49.77(*)	39.38	—	22.2%(*)	2.9 years(*)	0.0%(*)	-0.11%(*)
"	December 31, 2015 (*)	12.21(*)	49.77(*)	39.38	—	21.3%(*)	2.9 years(*)	0.0%(*)	-0.11%(*)
CEO SOP 2015									
Stock Options ..	December 31, 2015 (*)	7.40(*)	49.77(*)	50.57	—	21.8%(*)	3.5 years(*)	0.0%(*)	0.00%(*)
"	December 31, 2015 (*)	7.24(*)	49.77(*)	50.57	—	21.4%(*)	3.5 years(*)	0.0%(*)	0.00%(*)
"	December 31, 2015 (*)	6.96(*)	49.77(*)	50.57	—	20.6%(*)	3.5 years(*)	0.0%(*)	0.00%(*)

* The Board of Directors has significant discretion to allow a deviation of 5% on the determined absolute performance criteria. As a result, grant date is not achieved from accounting perspective and therefore is re-measured periodically until the discretion clause is removed. The assumptions included in the table above reflect the fair value calculation based on grant dates as per December 31, 2014.

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All plans

A summary of the activity in the Company's stock option and warrant plans for the years ended December 31, 2015, and 2014 is as follows:

	Outstanding Options and warrants	
	Number of Options and Warrants	Average Exercise Prices (in euro)
January 1, 2014	3,612,432	20.09
Granted		
CEO Stock Options Plan 2014	185,000	38.88
CEO Stock Options Plan 2014 bis	180,000	39.38
Exercised		
Warrant Plan 2007 quater warrants exercised	(339,900)	8.00
Warrant Plan 2007 sexies warrants exercised	(7,161)	10.90
Warrant Plan 2007 septies warrants exercised	(104,435)	15.21
Warrant Plan 2010 primo warrants exercised	(332,429)	15.21
Warrant Plan 2010 bis warrants exercised	(17,312)	18.23
Warrant Plan 2010 ter warrants exercised	(35,000)	19.37
Specific Stock Option Plan 2010-2014 options exercised	(1,342,624)	—
Stock Option Plan 2013 primo stock options exercised	(127,050)	34.33
Stock Option Plan 2013 bis stock options exercised	(14,300)	36.75
Forfeited		
Warrant Plan 2010 primo warrants forfeited	(493)	15.21
Warrant Plan 2010 ter warrants forfeited	(4,251)	19.37
Stock Option Plan 2013 primo stock options forfeited	(3,000)	34.33
Lapsed		
Warrant Plan 2007 quater warrants lapsed	(2,155)	8.00
December 31, 2014	1,647,322	30.69
Granted		
Employee Stock Option Plan 2014 stock options	766,500	45.27
Employee Stock Option Plan 2015 stock options	402,350	50.87
CEO Stock Options Plan 2015	180,000	50.57
Exercised		
Warrant Plan 2007 septies warrants exercised	(38,414)	15.21
Warrant Plan 2010 primo warrants exercised	(304,539)	15.21
Warrant Plan 2010 bis warrants exercised	(5,962)	18.23
Warrant Plan 2010 ter warrants exercised	(21,752)	19.37
Stock Option Plan 2013 primo stock options exercised	(52,500)	34.33
Stock Option Plan 2013 bis stock options exercised	(2,000)	36.75
Stock Option Plan 2014 stock options exercised	(3,300)	45.27
Forfeited		
Stock Option Plan 2013 primo stock options forfeited	(4,250)	34.33
Stock Option Plan 2014 stock options forfeited	(3,100)	45.27
Lapsed		
Warrant Plan 2010 primo warrants lapsed	(1,540)	15.21
December 31, 2015	2,558,815	41.71

The options and warrants in the table below were exercised resulting in the receipt of payments of €7.8 million and €36.1 million during the years ended December 31, 2015 and 2014, respectively. Warrant Plan 2007 and Warrant Plan 2010 warrants were exchanged on a one-for-one basis for newly issued

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ordinary shares. ESOP 2013 and ESOP 2014 stock options were exchanged on a one-for-one basis for existing ordinary shares of the Company.

<u>Class of options and warrants</u>	<u>Number of options and warrants exercised</u>	<u>Exercise date</u>	<u>Exercise price at exercise date (in euro)</u>	<u>Share price at exercise date (in euro)</u>
Warrant Plan 2007 septies warrants	8,535	13/07/2015	15.21	48.69
	29,879	5/10/2015	15.21	51.50
Warrant Plan 2010 primo warrants	81,847	13/04/2015	15.21	54.53
	32,246	13/07/2015	15.21	48.69
	190,446	5/10/2015	15.21	51.50
Warrant Plan 2010 bis warrants	5,962	21/12/2015	18.23	47.43
Warrant Plan 2010 ter warrants	6,207	13/04/2015	19.37	54.53
	300	13/07/2015	19.37	48.69
	9,394	5/10/2015	19.37	51.50
	5,851	21/12/2015	19.37	47.43
ESOP 2013 primo stock options	41,750	13/04/2015	34.33	54.53
	1,650	13/07/2015	34.33	48.69
	3,300	5/10/2015	34.33	51.50
	5,800	21/12/2015	34.33	47.43
ESOP 2013 bis stock options	2,000	13/04/2015	36.75	54.53
ESOP 2014 stock options	2,700	5/10/2015	45.27	51.50
	600	21/12/2015	45.27	47.43
TOTAL:	428,467			

The following table summarizes information about stock options and warrants outstanding and exercisable as of December 31, 2015:

<u>Class of options and warrants</u>	<u>Number of options and warrants outstanding</u>	<u>Number of options and warrants exercisable</u>	<u>Weighted average remaining contractual life</u>	<u>Current exercise prices (in euro)</u>
Warrant Plan 2010 ter warrants	56,917	56,917	7 months	19.37
ESOP 2013 primo stock options	552,748	301,736	30 months	34.33
ESOP 2013 bis stock options	417,000	18,500	34 months	36.75
ESOP 2014 stock options	760,100	303,300	47 months	45.27
ESOP 2015 stock options	402,350	—	58 months	50.87
SOP 2013 stock options	200,000	—	30 months	34.33
SOP 2014 stock options	185,000	—	54 months	38.88
SOP 2014 bis stock options	180,000	—	42 months	39.38
SOP 2015 stock options	180,000	—	50 months	50.57
TOTAL OUTSTANDING	2,558,815			

Total compensation expense associated with the Company's option and warrant plans amounted to €9.2 million in 2015 (2014: €8.3 million).

Performance shares

In October 2012, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 33,896 performance shares ("the 2012 Telenet Performance Shares"). The performance target applicable to the 2012 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for operating free cash flow (OFCF), when comparing 2014 OFCF to 2011 OFCF. A performance range of 75% to 150% of the target OFCF CAGR would generally result in award recipients earning between 50% to 150% of their 2012 Telenet Performance Shares, subject to

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reduction or forfeiture based on individual performance and service requirements. On February 10, 2015, the Remuneration & Nomination Committee and the Board of Directors decided that the performance criteria for the 2012 Telenet Performance Shares have been achieved, and as a consequence, the earned 2012 Telenet Performance Shares will vest on October 24, 2015. On October 27, 2015 the Remuneration and Nomination Committee decided to settle the vested performance shares in cash instead of in shares of the Company. This particular performance share plan was paid out in cash for an amount of €1.7 million following the specific decision of the Remuneration Committee. It was decided upon that the cash settlement of this particular equity award did not trigger a modification of the equity classification of all performance shares outstanding, because the decision to settle in cash was a one-off decision due to certain circumstances. As the performance shares have been fair-valued, the cash paid to settle the 2012 performance share plan did not exceed the fair value of the award on the settlement date, the amount of cash paid to repurchase the equity award was charged to equity and consequently has been presented as a cash outflow from financing activities in the consolidated statement of cash flows.

In October 2013, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 28,949 performance shares (“the 2013 Telenet Performance Shares”). The performance target applicable to the 2013 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Adjusted EBITDA, when comparing the Adjusted EBITDA during the period started as of January 1, 2013 and ending on December 31, 2015 to the Adjusted EBITDA for the period started on January 1, 2012 and ended on December 31, 2012. A performance range of 75% to 150% of the target Adjusted EBITDA CAGR would generally result in award recipients earning between 50% to 150% of their 2013 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. On February 9, 2016, The Remuneration & Nomination Committee and the Board of Directors decided that the performance criteria for the 2013 Telenet Performance Shares have been achieved, and as a consequence, the earned 2013 Telenet Performance Shares will vest at 110.95% on October 25, 2016. Any compensation costs attributable to the 2013 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in compensation expense in Telenet’s consolidated statement of profit or loss and other comprehensive income.

In May 2014, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 27,694 performance shares (“the 2014 Telenet Performance Shares”). The performance target applicable to the 2014 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Adjusted EBITDA, when comparing the Adjusted EBITDA during the period started as of January 1, 2014 and ending on December 31, 2016 to the Adjusted EBITDA for the period started on January 1, 2013 and ended on December 31, 2013. A performance range of 75% to 150% of the target Adjusted EBITDA CAGR would generally result in award recipients earning 50% to 150% of their 2014 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2014 Telenet Performance Shares will vest on May 22, 2017. Any compensation costs attributable to the 2014 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in compensation expense in Telenet’s consolidated statement of profit or loss and other comprehensive income.

In June 2015, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 26,104 performance shares (“the 2015 Telenet Performance Shares”). The performance target applicable to the 2015 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Operating Cash Flow (under USGAAP), when comparing the Operating Cash Flow during the period started as of January 1, 2015 and ending on December 31, 2017 to the Operating Cash Flow for the period started on January 1, 2014 and ended on December 31, 2014. A performance range of 75% to 150% of the target Operating Cash Flow CAGR would generally result in award recipients earning 50% to 150% of their 2015 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2015 Telenet Performance Shares will vest on June 18, 2018. Any compensation costs attributable to the 2015 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in compensation expense in Telenet’s consolidated statement of profit or loss and other comprehensive income.

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In 2015, Telenet recognized €1.2 million of compensation expense in respect of the Telenet Performance Shares plans (2014: €0.4 million).

5.12.3 Employee share purchase plan 2014

In 2014, the board of directors approved the issuance of a new Employee Share Purchase Plan (the “Employee Share Purchase Plan 2014” or “ESPP 2014”) within the limits of the authorized capital as approved by the extraordinary shareholder’s meeting of April 25, 2012, for a maximum amount of €5.0 million (excluding share premium). In March 2014, the board of directors offered to all of Telenet’s employees the opportunity to purchase new shares of the Company under the terms of the ESPP 2014 at a discount of 16.67% to the average share purchase price over the 20 business day period following March 31, 2014. Based on the average share price of €42.78 during this 20 business day period, the shares were offered to the personnel at a subscription price of €35.65. As the shares were fully vested at the time of the transaction, the Company recognized €3.0 million as compensation expense in 2014 for the 352,650 shares that were purchased.

5.13 Loans and borrowings

This note provides information about the contractual terms of the Group’s interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Company’s exposure to risks, including interest rate and liquidity risk, see note 5.3.

The balances of loans and borrowings specified below include accrued interest as of December 31, 2015 and 2014.

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
2015 Amended Senior Credit Facility:		
Revolving Credit Facility S	—	74
Revolving Credit Facility X	943	699
Revolving Credit Facility Z	240	—
Term Loan W	476,781	474,128
Term Loan Y	888,323	883,002
Term Loan AA	15,439	—
Senior Secured Fixed Rate Notes:		
€500 million Senior Secured Notes due 2020	—	504,073
€300 million Senior Secured Notes due 2021	307,508	307,508
€450 million Senior Secured Notes due 2022	460,625	460,625
€250 million Senior Secured Notes due 2024	256,375	256,375
€530 million Senior Secured Notes due 2027	541,268	—
Senior Secured Floating Rate Notes:		
€400 million Senior Secured Notes due 2021	400,708	400,748
Global Handset Finco Ltd Loan	12,779	—
Finance lease obligations	346,042	370,427
3G Mobile Spectrum	31,079	38,479
Clientele fee > 20 years	97,743	90,123
	3,835,853	3,786,261
Less: deferred financing fees	(41,975)	(52,773)
	3,793,878	3,733,488
Less: current portion	(110,558)	(78,757)
Total non-current loans and borrowings	3,683,320	3,654,731

As of December 31, 2015 and 2014, all loans and borrowings were denominated in euro. Fixed interest rates applied to 52.09% of the total loans and borrowings (2014: 51.94%). The weighted average interest rates at

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December 31, 2015, were 5.92% on fixed rate loans (2014: 6.37%) and 3.49% on floating rate loans (2014: 3.55%).

5.13.1 2015 Amended Senior Credit Facility

Throughout the year ended December 31, 2015 the Company modified the 2010 Senior Credit Facility including, amongst others, changes to certain guarantees and covenants.

In March 2014, the Company launched an extension offer for Term Loans Q, R and T under its 2015 Amended Senior Credit Facility and the redemption of its Senior Secured Notes due 2016 ("Facility N").

As a result of the aforementioned refinancing, which was completed in April 2014, the Company issued a new €474.1 million floating rate Term Loan under the 2015 Amended Senior Credit Facility ("Term Loan W") due June 30, 2022 carrying a margin of 3.25% over EURIBOR. In addition, the Company issued a new €882.9 million floating rate Term Loan under the 2015 Amended Senior Credit Facility ("Term Loan Y") due June 30, 2023 carrying a margin of 3.50% over EURIBOR. The net proceeds of these new issuances, together with available cash and cash equivalents, were used to fully redeem the outstanding amounts under Term Loans Q, R and T and the €100.0 million Senior Secured Notes due 2016.

In addition, as part of the 2015 Senior Credit Facility amendments, lenders under Revolving Credit Facility S ("Facility S") were asked to renew and extend their commitments into a new Revolving Credit Facility ("Facility X"), resulting in a reduction of the existing Facility S (with availability up to December 31, 2016) to €36.9 million and a new Facility X (with availability up to September 30, 2020) of €286.0 million.

The unamortized deferred financing fees related to Term Loan Q, R and T (€3.9 million) and related to the €100.0 million Senior Secured Notes due 2016 (€3.5 million) were accounted for in 2014 as a loss on extinguishment of debt upon early redemption.

In April 2015, Telenet issued two new debt facilities under the 2015 Amended Senior Credit Facility for an aggregate amount of €1,000 million linked to the acquisition of BASE Company. Through Telenet International Finance S.à r.l., which acts as the group's financing center, Telenet issued a floating rate €800.0 million Term Loan ("Term Loan AA") with a maturity of June 30, 2023 and a 3.50% margin over EURIBOR. In addition, Telenet secured an additional €200.0 million Revolving Credit Facility ("Facility Z") with a maturity of June 30, 2018 and a margin of 2.25% over EURIBOR. Term loan AA and Facility Z were undrawn at December 31, 2015.

In July 2015, the Company upsized the available commitments under its Facility X by €95.0 million to an aggregate of €381.0 million by transferring €10.0 million of its commitment under Facility S and generating €85.0 extra commitments. The remaining €26.9 million commitment available under Facility S was canceled in September 2015.

Term Loan AA (€800.0 million), Facility Z (€200.0 million) and a part of Facility X (€217.0 million) were drawn for an aggregate of €1,217 million on February 11, 2016 to fund the acquisition of BASE Company after the approval of the European Commission on February 4, 2016.

5.13.2 Senior Secured Notes

Issuance of €300.0 million Senior Secured Fixed Rate Notes due 2021

Telenet Finance III Luxembourg S.C.A. (further referred to as "TFL III") was incorporated on January 28, 2011 under the laws of the Grand Duchy of Luxembourg as a structured finance entity company for the primary purpose of facilitating the offering of Senior Secured Notes.

On February 9, 2011 TFL III entered into a Global Note offering (the "Senior Secured Notes due 2021"). TFL III was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance III Luxembourg S.à r.l., a company independent from the Telenet Group.

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TFL III is an SE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL III is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Fixed Rate Notes due 2021 (being €300.0 million) were used by TFL III to fund an additional facility under the 2015 Amended Senior Credit Facility, (the “Finco Loan” or “Facility O”), denominated in euro, borrowed by Telenet International Finance S.à r.l. (“TIF”).

The Senior Secured Fixed Rate Notes due 2021 were issued on February 9, 2011 and all cash was received on February 15, 2011. The Senior Secured Fixed Rate Notes due 2021 have a principal value of €300.0 million and were issued at par. The interest rate on the Senior Secured Fixed Rate Notes due 2021 amounts to 6.625% annually and accrued interest is paid semi-annually on February 15 and August 15 commencing August 15, 2011. The final maturity of these Senior Secured Fixed Rate Notes is February 15, 2021.

The net proceeds from this offering were partially used to redeem before maturity the outstanding Term Loans K and L1 under the Company’s 2015 Amended Senior Credit Facility for an aggregate of €286.5 million.

Issuance of €400.0 million Senior Secured Floating Rate Notes due 2021

Telenet Finance IV Luxembourg S.C.A. (further referred to as “TFL IV”) was incorporated on May 23, 2011 under the laws of the Grand Duchy of Luxembourg as a structured finance entity company for the primary purpose of facilitating the offering of Senior Secured Notes.

On June 8, 2011 TFL IV entered into a Global Note offering (the “Senior Secured Notes due 2021”). TFL IV was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance IV Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL IV is an SE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL IV is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Floating Rate Notes due 2021 (being €400.0 million) were used by TFL IV to fund an additional facility under the 2015 Amended Senior Credit Facility, (the “Proceeds Loan” or “Facility P”), denominated in euro, borrowed by Telenet International Finance S.à r.l. (“TIF”).

The Senior Secured Floating Rate Notes due 2021 were issued on June 8, 2011 and the cash was received on June 15, 2011. These Senior Secured Floating Rate Notes due 2021 have a principal value of €400.0 million and were issued at par. The interest rate on the Senior Secured Floating Rate Notes due 2021 is the 3M Euribor +3.875% and accrued interest is paid quarterly on March 15, June 15, September 15 and December 15 commencing September 15, 2011. The final maturity of these Senior Secured Notes is June 15, 2021.

The net proceeds from this offering were used to redeem €400.1 million on the outstanding Term Loan G and J under the Company’s 2015 Amended Senior Credit Facility.

Issuance of €450.0 million Senior Secured Fixed Rate Notes due 2022 and €250.0 million Senior Secured Fixed Rate Notes due 2024

Telenet Finance V Luxembourg S.C.A. (further referred to as “TFL V”) was incorporated on November 16, 2011 under the laws of the Grand Duchy of Luxembourg as a structured finance entity company for the primary purpose of facilitating the offering of Senior Secured Notes.

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On August 13, 2012 TFL V entered into two Global Note offerings (the “Senior Secured Notes due 2022” and the “Senior Secured Notes due 2024”). TFL V was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance V Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL V is an SE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL V is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Fixed Rate Notes due 2022 (being €450.0 million) and the Senior Secured Fixed Rate Notes due 2024 (being €250.0 million) were used by TFL V to fund two additional facilities under the 2015 Amended Senior Credit Facility, (the “Finco Loan” or “Facilities U and V”), denominated in euro, borrowed by Telenet International Finance S.à r.l. (“TIF”).

The Senior Secured Fixed Rate Notes due 2022 and 2024 were issued on August 13, 2012 and the cash was received on August 16, 2012. These Senior Secured Fixed Rate Notes due 2022 and 2024 have a principal value of €450.0 million and €250.0 million, respectively, and were issued at par.

The interest rate on the Senior Secured Fixed Rate Notes due 2022 is 6.25% annually and accrued interest is paid semi-annually on August 15 and February 15 commencing February 15, 2013. The final maturity of these Senior Secured Notes is August 15, 2022. The interest rate on the Senior Secured Fixed Rate Notes due 2024 is 6.75% annually and accrued interest is paid semi-annually on August 15 and February 15 commencing February 15, 2013. The final maturity of these Senior Secured Notes is August 15, 2024.

The net proceeds of this offering were envisioned to be used entirely to fund the proposed share repurchases under a Self Tender Offer. Due to the cancellation of the Self Tender Offer on September 20, 2012, the proceeds from this offering were still available as cash and cash equivalents as at December 31, 2012.

Issuance of €530.0 million Senior Secured Fixed Rate Notes due 2027

Telenet Finance VI Luxembourg S.C.A. (further referred to as “TFL VI”) was incorporated on August 14, 2012 under the laws of the Grand Duchy of Luxembourg as a structured finance entity company for the primary purpose of facilitating the offering of Senior Secured Notes.

On July 21, 2015 TFL VI entered into a Global Note offering (the “Senior Secured Notes due 2027”). TFL VI was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance VI Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL VI is an SE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL VI is included in the consolidated financial statements of the Company.

In July 2015, TFL VI issued €530.0 million 4.875% Senior Secured Fixed Rate Notes due 2027. The net proceeds of this issuance were used in August 2015 to prepay €500.0 million of Senior Secured Notes due 2020. This resulted in a loss on extinguishment of debt amounting to €30.8 million consisting of unamortized deferred financing fees related to the €500.0 million Senior Secured Notes due 2016 of €30.8 million and a make whole premium of €23.1 million

The interest rate on the Senior Secured Fixed Rate Notes due 2027 is 4.875% annually and accrued interest is paid semi-annually on January 15 and July 15. The final maturity of these Senior Secured Notes is July 15, 2027.

The bond was issued below par (98.55%) but the difference between the discount and the par value was paid by the underwriters resulting in nominal proceeds of €530.0 million.

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5.13.3 Repayment schedule

Aggregate future principal payments on the total borrowings under all of the Company's loans and borrowings other than finance leases as of December 31, 2015 are shown in the following table:

	<u>Total Facility as per</u>	<u>Drawn amount</u>	<u>Undrawn amount</u>	<u>Maturity Date</u>	<u>Interest rate</u>	<u>Interest payments due</u>
	December 31, 2015					
	(in thousands of euro)					
2015 Amended Senior Credit Facility:						
Term Loan W	474,084	474,084	—	June 30, 2022	Floating 3-month Euribor + 3.25%	Quarterly (Jan., April, July and Oct.)
Term Loan Y	882,916	882,916	—	June 30, 2023	Floating 3-month Euribor + 3.50%	Quarterly (Jan., April, July and Oct.)
Term Loan AA	800,000	—	800,000	June 30, 2023	Floating 3-month Euribor + 3.50%	Not applicable
Revolving Credit Facility (Facility X)	381,000	—	381,000	September 30, 2020	Floating 1-month Euribor + 2.75%	Not applicable
Revolving Credit Facility (Facility Z)	200,000	—	200,000	June 30, 2018	Floating 1-month Euribor + 2.25%	Not applicable
Senior Secured Fixed Rate Notes:						
€300 million Senior Secured Notes due 2021	300,000	300,000	—	February 15, 2021	Fixed 6.625%	Semi-annually (Feb. and Aug.)
€450 million Senior Secured Notes due 2022	450,000	450,000	—	August 15, 2022	Fixed 6.25%	Semi-annually (Feb. and Aug.)
€250 million Senior Secured Notes due 2024	250,000	250,000	—	August 15, 2024	Fixed 6.75%	Semi-annually (Feb. and Aug.)
€530 million Senior Secured Notes due 2027	530,000	530,000	—	July 15, 2027	Fixed 4.875%	Semi-annually (Jan. and Jul.)
Senior Secured Floating Rate Notes:						
€400 million Senior Secured Notes due 2021	400,000	400,000	—	June 15, 2021	Floating 3-month Euribor+3.875%	Quarterly (March, June, Sep. and Dec.)
Total notional amount	4,668,000	3,287,000	1,381,000			

5.13.4 Guarantees and covenants

As at 31 December 2015, Telenet NV and Telenet International Finance S.à r.l. guaranteed (and continue to guarantee) the obligations of each of Telenet NV and Telenet International Finance S.à r.l. under the 2015 Amended Senior Credit Facility, to the extent permitted by law and subject to any applicable guarantee limitations.

In addition, security has been granted under the 2015 Amended Senior Credit Facility by Telenet Group Holding NV, Telenet Service Center BVBA, Telenet NV, Telenet Vlaanderen NV and Telenet International Finance S.à r.l. over substantially all their assets.

The above-mentioned security interests include:

- pledges of all shares of Telenet NV, Telenet Vlaanderen NV and Telenet International Finance S.à r.l.;
- mortgages of (i) €800 million granted by the former Telenet Operaties NV (succeeded by Telenet NV), (ii) €625 million granted by the former MixtICS NV (succeeded by Telenet NV), (iii) €625 million granted by Telenet Vlaanderen NV, and (iv) €50 million granted by the former Telenet Solutions NV (succeeded by Telenet NV); a portion of the mortgages have been granted in a non-joined (non-cumulative) manner with certain other mortgages and certain floating charges;
- non-exercised mortgage mandates of (i) €650 million granted by Telenet NV (formerly called Telenet BidCo NV), (ii) €450 million granted by the former Telenet Operaties NV (succeeded by Telenet NV), (iii) €450 million granted by the former MixtICS NV (succeeded by Telenet NV) and (iv) €450 million granted by Telenet Vlaanderen NV;

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- floating charges (*pand op handelszaak*) of (i) €1.25 billion granted by the former Telenet Operaties NV (succeeded by Telenet NV), (ii) €135 million granted by Telenet NV, (iii) €250 million granted by Telenet NV (formerly called Telenet BidCo NV), (iv) €865 million granted by the former MixtICS NV (succeeded by Telenet NV), (v) €865 million granted by Telenet Vlaanderen NV, (vi) €75 million granted by the former PayTVCo NV (succeeded by Telenet NV) and (vii) €75 million granted by the former Codenet NV (afterwards renamed to Telenet Solutions NV and succeeded by Telenet NV); a portion of the floating charges have been granted in a non-joined manner (non-cumulative) with certain other floating charges and certain mortgages;
- a non-exercised floating charge mandate of €865 million granted by Telenet NV, which is granted in a non-joined (non-cumulative) manner with the floating charges referred to in (i), (iv), (vi) and (vii) above;
- pledges of all present and future receivables owed to Telenet Group Holding NV, Telenet NV and Telenet Vlaanderen NV;
- pledges of all present and future securities (other than shares in subsidiaries) held by Telenet NV and Telenet Vlaanderen NV;
- a pledge over all present and future notes issued by Finance Center Telenet S.à r.l. and owned by Telenet International Finance S.à r.l.;
- pledges of all present and future intercompany receivables owed to Telenet International Finance S.à r.l. by Telenet NV, Telenet Luxembourg Finance Center S.à r.l. and Finance Center Telenet S.à r.l.; and
- pledges on all present and future bank accounts of Telenet Group Holding NV, Telenet NV, Telenet Vlaanderen NV and Telenet International Finance S.à r.l.

The total executable principal amount under the mortgages and floating charges, taking into account non-cumulation within and between floating charges and mortgages, was €2,375,000,000 on December 31, 2015.

As of December 31, 2015, the Company was in compliance with all of its financial covenants.

In respect of the obligations under the notes issued by Telenet Finance III Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance III Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance III S.à r.l. (Telenet Finance III Luxembourg S.C.A.'s general partner);
- all of Telenet Finance III Luxembourg S.C.A.'s rights, title and interest under the 2012 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007 and the additional facility O accession agreement pursuant to which Telenet Finance III Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance III Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance III Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance III Luxembourg S.C.A.

In respect of the obligations under the notes issued by Telenet Finance IV Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance IV Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance IV S.à r.l. (Telenet Finance IV Luxembourg S.C.A.'s general partner);
- all of Telenet Finance IV Luxembourg S.C.A.'s rights, title and interest under the 2010 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007 and the additional facility P accession

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agreement pursuant to which Telenet Finance IV Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;

- all of Telenet Finance IV Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance IV Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance IV Luxembourg S.C.A.

In respect of the obligations under the notes issued by Telenet Finance V Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance V Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance V S.à r.l. (Telenet Finance V Luxembourg S.C.A.'s general partner);
- all of Telenet Finance V Luxembourg S.C.A.'s rights, title and interest under the 2010 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007, the additional facility U accession agreement and the additional facility V accession agreement pursuant to which Telenet Finance V Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance V Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance V Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance V Luxembourg S.C.A.

In respect of the obligations under the notes issued by Telenet Finance VI Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance VI Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance VI S.à r.l. (Telenet Finance VI Luxembourg S.C.A.'s general partner);
- all of Telenet Finance VI Luxembourg S.C.A.'s rights, title and interest under the 2010 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007, the additional facility AB accession agreement and the additional facility VI accession agreement pursuant to which Telenet Finance VI Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance VI Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance VI Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance VI Luxembourg S.C.A.

On February 11, 2016 the acquisition of BASE Company NV by Telenet Group Holding NV was completed. As of February 11, 2016, BASE Company NV guarantees the obligations of each of Telenet NV, BASE Company NV and Telenet International Finance S.à r.l. under the 2015 Amended Senior Credit Facility, to the extent permitted by law and subject to any applicable guarantee limitations. In addition, the following security was granted on that date with respect to substantially all of the assets of BASE Company NV:

- pledges of all shares of BASE Company NV;
- a non-exercised floating charge mandate of €800 million granted by BASE Company NV;

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- pledges of all present and future receivables owed to BASE Company NV; and
- pledges on all present and future bank accounts of BASE Company NV.

5.13.5 Finance lease obligations

Finance lease liabilities are payable as follows:

(in thousands of euro)	Future minimum lease payments		Interest		Present value of future minimum lease payments	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Within one year	58,499	58,466	21,230	22,487	37,269	35,979
In the second to fifth year, inclusive	196,009	210,196	58,462	65,205	137,547	144,991
Thereafter	201,104	223,405	34,518	39,095	166,586	184,310
Total minimum lease payments	455,612	492,067	114,210	126,787	341,402	365,280

The following table summarizes the obligations per type of finance leases:

(in thousands of euro)	Future minimum lease payments		Interest		Present value of future minimum lease payments	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Buildings	20,261	22,365	3,377	3,681	16,884	18,684
Canon	435,351	438,077	110,833	115,305	324,518	322,772
Norkring (Digital Terrestrial Television)	—	31,625	—	7,801	—	23,824
Total minimum lease payments	455,612	492,067	114,210	126,787	341,402	365,280

Canon, Clientele and Annuity agreements

In 1996, the Company acquired the exclusive rights to offer point-to-point services including broadband internet and telephony services, as well as the rights to partly use the capacity of the broadband network owned and controlled by the Pure Intercommunales (“PICs”). In return for this access to a part of the PICs’ network, the company paid the so-called Clientele and Annuity Fees. The present value of the Clientele and Annuity Fee payments over the first 20 years (being the life of the longest lived assets that were part of the HFC Upgrade) was initially accounted for as network user rights under intangible assets, and was amortized over 10 or 20 years depending on the useful life of the underlying assets that make up the HFC Upgrade.

Upon completion of the Interkabel acquisition in 2008, the company obtained the ownership and control over the entire network, including the obligation beyond 20 years under the original 50 year Clientele fee agreement and now has the right to use the full capacity of the PICs’ network. The term of the Canon Lease Agreement is 38 years (of which still 31 years remained at the end of 2015). Under this agreement, the Company pays recurring Canon Fees which together with the Clientele and Annuity Fees grant full access to the PICs’ network. The assets capitalized under the Canon Agreement are depreciated over a period of 15 years. The full access rights acquired under the Canon, Clientele and Annuity agreements are recorded as property and equipment (network) as from October 2008 onwards (see Note 5.4).

On the additional rights of use on the Telenet PICs Network, acquired under the Canon agreement, a contractual interest rate was agreed upon which was favorable in comparison with the market interest rate at that moment. Therefore, this favorable component on the initial Canon lease was separated in the purchase price allocation and recognized as a debit to the liability of the underlying existing Canon Lease. The favorable Out of Market component on the future Canon leases acquired as part of the business combination was recognized as network user rights under other intangible assets (see Note 5.6).

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For the year ended December 31, 2015, the average effective borrowing rate for the three above mentioned fees was 6.32% (2014: 6.51%).

The Clientele fees payable beyond 20 years are recognized as a non-lease related debt.

As per December 31, 2015 and 2014, the outstanding liabilities related to the Interkabel agreements, as well as the net book value of the intangible asset can be summarized as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>(in thousands of euro)</u>	
Outstanding lease debt Annuity / Clientele / Canon		
Annuity agreement	12,621	15,123
Clientele agreement	15,757	19,940
Canon agreement	299,774	292,385
Out of Market Component on initial Canon leases acquired as part of a business combination	(3,634)	(4,676)
	<u>324,518</u>	<u>322,772</u>
Outstanding non-lease related Clientele debt Clientele fee > 20 years	97,743	90,123
Intangible asset related to Canon agreement		
Out of Market Component on future Canon leases acquired as part of a business combination	17,762	18,055

Norkring

On May 4, 2010, the Company signed an agreement with Norkring België NV concerning the use of capacity on the latter's broadcasting infrastructure network enabling Telenet to offer digital TV and radio services through Norkring's digital frequency channels in Flanders and Brussels, also referred to as "DTT". Generally, the Company's services are available through the cable network, however through this agreement, the Company would also be able to offer digital TV and radio services—beyond the traditional home—to secluded homes, caravans, holiday homes and cars.

The initial Norkring agreement provided a right to use Norkring's frequency channels contained in three of their multiplexers (MUX) on an exclusive and non-exclusive basis. This agreement contained a lease with respect to certain capacity for which the Company obtained the exclusive rights, the so-called "MUX 1 capacity". Regarding this MUX 1 capacity, an intangible lease asset was originally recognized under "network user rights" for a net book value of €30.1 million at December 31, 2010. In 2011, the Company recognized an impairment loss of €28.5 million related to this asset, reducing its carrying value to zero as of December 31, 2011. The average effective borrowing rate for the Norkring fee was 6.23% (2014: 6.23%). Payments under the Norkring agreement not related to the "MUX 1 capacity" are accounted for as operating expenses as incurred.

With respect to the Company's decision in the fourth quarter of 2013 to discontinue the provision of DTT services and the related restructuring provision recognized as of December 31, 2013 and 2014, we refer to note 5.16.

As a result of the amendment to the DTT capacity agreement in December 2015 whereby the Company waived its exclusive rights on the "MUX 1 capacity", the previously recognized lease liability related to this capacity did not longer qualify as a lease liability and was consequently represented as and added to the existing restructuring liability.

Other leases

The Company leases certain assets under finance leases including buildings and certain vehicles with average lease terms of 20 and 5 years, respectively.

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For the year ended December 31, 2015, the average effective borrowing rate was 4.30% (2014: 4.36%). All leases are on a fixed repayment schedule and no arrangements include contingent rental payments. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

5.13.6 3G and 2G mobile spectrum

Following an auction launched in March 2011 by the BIPT, Telenet Tecteo BidCo NV, a subsidiary of the Company in which the Walloon cable operator Tecteo SCRL holds a 25% stake, acquired the fourth 3G mobile spectrum license in Belgium (see note 5.6). For the years ended December 31, 2015 and 2014, the average effective borrowing rate for the 3G mobile spectrum was 2.75%.

With respect to the impairment loss on the intangible asset related to this 3G mobile spectrum license recognized during the fourth quarter of 2013, and for details on the 2G settlement, we refer to note 5.6.

5.13.7 Global Handset Finco Loan

On December 4, 2015 Telenet Finance BVBA borrowed €12.7 million from Global Handset Finco Limited to fund its handset financing activity through the "Global Handset Finco Loan".

5.14 Derivative financial instruments

The Company has entered into various derivative instruments to manage interest rate and foreign currency exposure.

As of December 31, 2015 and 2014, the outstanding forward foreign exchange derivatives were as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	(in thousands of euro)	
Forward Purchase Contracts		
Notional amount in US dollar	49,550	—
Weighted average strike price (US dollar per euro)	1.099	—
Maturity	From January to December 2016	—

As of December 31, 2015 and 2014, the outstanding interest rate derivatives were as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	(in thousands of euro)	
Interest Rate Swaps		
Notional amount	2,557,000	1,957,000
Average pay interest rate	0.76%	1.68%
Average receive interest rate	EURIBOR 3M	EURIBOR 3M
Maturity	From 2015 to 2023	From 2015 to 2023
Caps		
Notional amount	50,000	51,239
Average cap interest rate	4.5%	4.53%
Maturity	2017	2017
Collars		
Notional amount	1,389	650,000
Average floor interest rate	5.50%	2.00%
Average cap interest rate	6.50%	4.00%
Maturity	2017	2017

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The following tables provide details of the fair value of the Company's financial and derivative instrument assets (liabilities), net:

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Current assets	940	—
Non-current assets	7,556	9
Current liabilities	(6,181)	(28,421)
Non-current liabilities	(57,786)	(114,152)
	<u>(55,471)</u>	<u>(142,564)</u>
Interest rate derivatives	(55,737)	(142,478)
Foreign exchange forwards	307	—
Embedded derivatives	(41)	(86)
	<u>(55,471)</u>	<u>(142,564)</u>

Realized and unrealized gains (losses) on financial and derivative instruments comprise the following amounts:

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Early termination of derivative financial instruments	(72,973)	(75,548)
Change in fair value		
Interest rate derivatives	86,410	7,582
Foreign exchange forwards	307	689
Embedded derivatives	45	(93)
Total change in fair value	86,762	8,178
Net gain (loss) on derivative financial instruments	<u>13,789</u>	<u>(67,370)</u>

To optimize the hedging of the interest rate risk, the Company paid €73.0 million for the year ended December 31, 2015 for the early termination of interest derivatives that were out of the money. The aforementioned derivative contracts were replaced by new interest rate derivatives with a lower base rate, hence reducing the Company's cash interest expense for derivative financial instruments from the year ending December 31, 2016 onwards.

5.15 Deferred taxes

Telenet Group Holding NV and its consolidated subsidiaries each file separate tax returns, except for Telenet International Finance S.à r.l., Finance Center Telenet S.à r.l. and Telenet Luxembourg Finance Center S.à r.l, which form a Luxembourg fiscal unity, in accordance with applicable local tax laws. For financial reporting purposes, Telenet Group Holding NV and its subsidiaries calculate their respective tax assets and liabilities on a separate-return basis, except for Telenet International Finance S.à r.l., Finance Center Telenet S.à r.l. and Telenet Luxembourg Finance Center S.à r.l. These assets and liabilities are combined in the accompanying consolidated financial statements.

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The movement in deferred tax assets and liabilities during the current and the prior year, without taking into consideration the offsetting of balances within the same tax entity, is as follows:

<u>(in thousands of euro)</u>	<u>January 1, 2015</u>	<u>(Charged) credited to the statement of profit or loss and other comprehensive income</u>	<u>December 31, 2015</u>
Deferred tax assets:			
Financial instruments	41,796	(25,499)	16,297
Lease obligation	7,272	(7,272)	—
Pensions	—	—	—
Receivables	—	7,273	7,273
Tax loss carry-forwards	51,726	34,135	85,861
Other	9,990	(1,320)	8,670
Total Deferred tax assets	<u>110,784</u>	<u>7,317</u>	<u>118,101</u>
Deferred tax liabilities:			
Lease obligation	—	(464)	(464)
Property and equipment	(60,766)	(6,776)	(67,542)
Provisions	(45,229)	25,391	(19,838)
Goodwill	(27,028)	(394)	(27,422)
Intangible assets	(1,130)	(10,378)	(11,508)
Receivables	(1,178)	1,178	—
Deferred Financing Fees	(6,311)	(575)	(6,886)
Other	(605)	145	(460)
Total Deferred tax liabilities	<u>(142,247)</u>	<u>8,127</u>	<u>(134,120)</u>
 <u>(in thousands of euro)</u>		<u>Statement of profit or loss and other comprehensive income</u>	<u>Statement of financial position</u>
Deferred tax assets		7,317	118,101
Deferred tax liabilities		8,127	(134,120)
		<u>15,444</u>	<u>(16,019)</u>
Statement of profit or loss and comprehensive income (see Note 5.22)			
Deferred tax expense in profit or loss (see Note 5.22)		(15,444)	
Total deferred tax expense		<u>(15,444)</u>	
Current tax expense (see Note 5.22)		115,096	
Total Comprehensive Income		<u>99,652</u>	
Total profit or loss		<u>99,652</u>	
Balance Sheet			
Deferred tax assets			108,493
Deferred tax liabilities			(124,512)
			<u>(16,019)</u>

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<u>(in thousands of euro)</u>	<u>January 1, 2014</u>	<u>(Charged) credited to the statement of profit or loss and other comprehensive income</u>	<u>December 31, 2014</u>
Deferred tax assets:			
Financial instruments	44,213	(2,417)	41,796
Lease obligation	8,521	(1,249)	7,272
Tax loss carry-forwards	32,756	18,970	51,726
Other	15,584	(5,594)	9,990
Total Deferred tax assets	101,074	9,710	110,784
Deferred tax liabilities:			
Property and equipment	(47,503)	(13,263)	(60,766)
Provisions	(36,572)	(8,657)	(45,229)
Goodwill	(25,858)	(1,170)	(27,028)
Intangible assets	(4,571)	3,441	(1,130)
Receivables	(5,372)	4,194	(1,178)
Deferred Financing Fees	(5,587)	(724)	(6,311)
Other	(2,930)	2,325	(605)
Total Deferred tax liabilities	(128,393)	(13,854)	(142,247)
		Statement of profit or loss and other comprehensive income	Statement of financial position
<u>(in thousands of euro)</u>			
Deferred tax assets		9,710	110,784
Deferred tax liabilities		(13,854)	(142,247)
		(4,144)	(31,464)
Statement of profit or loss and comprehensive income (see Note 5.22)			
Deferred tax expense in profit or loss (see Note 5.22)		3,400	
Deferred tax expense in OCI		744	
Total deferred tax expense		4,144	
Current tax expense (see Note 5.22)		88,358	
Total Comprehensive Income		92,502	
Less: Deferred tax expense in OCI		(744)	
Total profit or loss		91,758	
Balance sheet			
Deferred tax assets			101,984
Deferred tax liabilities			(133,448)
			(31,464)

As of December 31, 2015, Telenet Group Holding NV and its subsidiaries had available combined cumulative tax loss carry forwards of €819.9 million (2014: €581.8 million). Under current Belgian and Luxembourg tax laws, these loss carry forwards have an indefinite life and may be used to offset the future taxable income of Telenet Group Holding NV and its subsidiaries.

Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable.

Telenet did not recognize deferred tax assets of €171.7 million (2014: €129.6 million) in respect of losses amounting to €505.2 million (2014: €381.3 million) that can be carried forward against future taxable income because it is not considered more likely than not that these net deferred tax assets will be utilized in future years.

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5.16 Other non-current liabilities

	Note	December 31, 2015	December 31, 2014
		(in thousands of euro)	
Employee benefit obligations	5.17	15,640	16,184
Other personnel related obligations		829	1,012
Long service awards	5.17	8,060	7,670
Interkabel out of market opex		14,604	14,065
Asset retirement obligations		1,913	1,912
Liabilities regarding sports broadcasting rights	5.6	4,192	8,342
Restructuring liability Norkring		12,412	29,385
Other		1,412	3,963
Total Other non-current liabilities		59,062	82,533

During the three months ended December 31, 2013, the Company decided to discontinue the provision of DTT services which occurred in the six months ended June 30, 2014. Following this decision, the Company determined that its obligations under the DTT capacity agreement with Norkring België NV constituted an onerous contract as at December 31, 2013. The Company measured the required provision as the net present value of the remaining payments due under this DTT capacity agreement related to the so called “MUX 2 and MUX 3 capacity” and recognized the initial €33.9 million provision as a restructuring expense at December 31, 2013. The remaining non-current and current liabilities related to this restructuring liability amounted to respectively €29.4 million and €4.5 million at December 31, 2014 (note 5.18).

As a result of the amendment to the DTT capacity agreement signed in 2016 whereby the Company waived its exclusive rights on the “MUX 1 capacity”, the previously recognized lease liability related to this capacity did not longer qualify as a lease liability and was consequently represented as and added to the existing restructuring liability. The restructuring liability was re-measured at end of December 2015 reflecting the net present value of the remaining re-negotiated payments due under the contract. The remaining non-current and current liabilities related to the capacity of the 3 non-exclusive MUXes thus amounted to respectively €12.4 million and €25.8 million at December 31, 2015 (note 5.18). The decrease in the total liability resulting from the adjusted future installments was recognized as a credit in restructuring costs, amounting to €13.2 million (note 5.20).

Total non-current and current liabilities regarding sports broadcasting rights amounted to €4.2 million, respectively €17.4 million (see note 5.18) at December 31, 2015 (2014: €8.3 million, respectively €18.8 million) and of which €1.3 million and €12.4 million was related to the 2015-2016 Belgian football broadcasting rights and €0.3 million and €1.0 million was related to the 2014-2015 Belgian football broadcasting rights, respectively.

The operational expenses charged to Telenet by Interkabel for the maintenance of its network are higher than the Company’s benchmark expenses for similar operations and therefore reflects an unfavorable out of market element. In the Interkabel acquisition, this out of market element was recorded at fair value. The underlying liability at December 31, 2015 amounted to €14.6 million (2014: €14.1 million).

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5.17 Employee benefit plans

Assets and liabilities carried on the consolidated statement of financial position, related to the Company's benefit plans can be summarized as follows:

(in thousands of euro)	Note	December 31, 2015			December 31, 2014		
		Total employee benefit plan	of which Defined benefit pension plans	of which Other post retirement plans	Total employee benefit plans	of which Defined benefit pension plans	of which Other post retirement plans
			note 5.17			note 5.17	
Defined benefit pension plans		2,351	2,351	—	2,521	2,521	—
Other post-retirement plans		13,289	—	13,289	13,663	—	13,663
Total LT employee benefit obligations	5.16	15,640	2,351	13,289	16,184	2,521	13,663
Total LT service awards	5.16	8,060	—	—	7,670	—	—
Total employee benefit plans liability/(asset)		23,700	2,351	13,289	23,854	2,521	13,663

The Telenet Pension Plan

The majority of Telenet's employees participate in the Telenet Pension Plan, which requires initial contributions funded into a pension fund. The contributions paid to the pension fund are based on the respective employee's salary.

By law, employers are required to provide an average minimum guaranteed rate of return over the employee's career with the Company. As from 1 January 2016 onwards, the minimum rate will equal 65% of the average yield of 10-year government bonds with a minimum of 1.75% and a maximum of 3.75% (previously 3.25% on employer contributions and 3.75% on employee contributions). The 65% may be increased to 75% in 2018 and 85% in 2020 subject to a positive advice of the Belgian Central Bank. Hence, there is a risk that the Company may have to pay additional contributions related to past service. Any such additional contributions will depend on the actual investment returns as well as the future evolution of the minimum guaranteed rates of return.

Since the minimum guaranteed reserves were entirely covered by plan assets and there were no recoverable contributions, no amounts were recognized in the consolidated statement of financial position at December 31, 2015 and 2014.

The fair value of the plan assets and the amounts recognized in the consolidated statement of financial position reconcile as follows for this plan:

(in thousands of euro)	Fair value of plan assets	
	2015	2014
At January 1	53,969	46,212
Contributions paid by the employer (incl. taxes)	3,814	3,569
Contributions paid by the employee	1,651	1,545
Return on plan assets	1,613	3,357
Benefits paid (incl. taxes)	(796)	(714)
At December 31	60,251	53,969
To be compared with:		
Minimum guaranteed reserves	47,386	42,062
Sum of individual deficits (intrinsic value)	—	—

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The Company's pension fund is actively managed by two independent asset management firms. The investment strategy is based a balanced neutral risk profile with a long-term investment horizon. The Company's pension fund primarily contains investments in investment funds, either active or passive, with a balanced strategic allocation comprising a mix of 49% equities, 43% bonds, 2% real estate and 5% short term investments. The pension fund's performance is monitored and analyzed on a monthly basis by the pension fund's in-house investment specialist and discussed and reviewed on a quarterly basis by the pension fund's board of directors.

The expected employer contributions (including taxes) for the year ending December 31, 2016 amount to €3.9 million.

The average age of plan participants, weighted based on their accumulated contributions, equaled 45.3 at December 31, 2015.

Long service awards

The Company has also recognized a liability of €8.1 million at December 31, 2015 (2014: €7.7 million) for long service awards, which have the form of jubilee benefits.

Defined benefit pension plans and other post-retirement benefit plans

Former Electrabel (ICS) employees, as well as some other employees, are covered by defined benefit pension plans, which provide benefits based on the employees' final salaries and their years of service. In accordance with local practice, the benefits are normally paid out in the form of a lump sum.

The defined benefit pension plans are financed through insurance contracts, which provide a guaranteed rate of return. The pension plans are subject to a minimum funding requirement, which is based on the vested reserves to which the plan participants are entitled in case of leaving. The plan assets, which correspond to the insurance reserves, do not include any shares issued by Telenet or property occupied by Telenet.

Telenet also provides post-retirement health care benefits to former Electrabel (ICS) employees. These obligations are financed directly by the Company. Those plans expose the Company to various risks such as interest rate risk (a decrease of bond yields will increase the benefit obligations), investment risk (a lower return on plan assets will decrease the funded status), longevity risk (an increase in life expectancy will increase the benefit obligations for the post-retirement health care plan) and inflation risk (higher than expected salary increases or medical cost increases will increase the benefit obligations).

The defined benefit obligation, the fair value of the plan assets and the net defined benefit liability/(asset) reconcile as follows (excluding the Telenet Pension Plan):

(in thousands of euro)	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit liability (asset)	
	2015	2014	2015	2014	2015	2014
At January 1	30,956	25,755	(14,772)	(12,355)	16,184	13,400
Components of defined benefit cost included in profit or loss						
Current service cost (incl. administration costs)	1,934	1,669		16	1,934	1,685
Interest cost / (income)	609	831	(267)	(441)	342	390
	<u>2,543</u>	<u>2,500</u>	<u>(267)</u>	<u>(425)</u>	<u>2,276</u>	<u>2,075</u>
Components of defined benefit cost included in OCI						
Remeasurements						
Actuarial loss (gain) arising from:						
changes to demographic assumptions	(238)	—			(238)	
changes to financial assumptions	(1,317)	4,497			(1,317)	4,497
experience adjustments	(1,626)	(1,588)			(1,626)	(1,588)
Return on plan assets excluding interest income			1,922	(605)	1,922	(605)
	<u>(3,181)</u>	<u>2,909</u>	<u>1,922</u>	<u>(605)</u>	<u>(1,259)</u>	<u>2,304</u>

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(in thousands of euro)	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit liability (asset)	
	2015	2014	2015	2014	2015	2014
Other						
Contributions paid by the employee	200	333	(200)	(333)	—	—
Contributions paid by the employer (incl. taxes)			(1,428)	(1,595)	(1,428)	(1,595)
Benefits paid (incl. taxes)	(1,043)	(541)	910	541	(133)	—
	(843)	(208)	(718)	(1,387)	(1,561)	(1,595)
At December 31	29,475	30,956	(13,835)	(14,772)	15,640	16,184
Represented by:					2015	2014
Defined Benefit Pension Plans					2,351	2,521
Other post-retirement plans					13,289	13,663
Total					15,640	16,184

The principal actuarial assumptions used for the purpose of the actuarial valuations are as follows:

Actuarial assumptions at December 31

	Defined Benefit Pension Plans		Other post-retirement plans	
	2015	2014	2015	2014
Discount rate	2.25%	2.00%	2.25%	2.00%
Rate of compensation increase	2.75%	2.85%	—	—
Underlying inflation rate	1.75%	1.75%	1.75%	1.75%
Increase of medical benefits	—	—	4.00%	4.00%
Mortality tables	IAIBE	MR/FR-3	IAIBE	MR/FR-3

The following table shows a sensitivity analysis for the key assumptions:

Sensitivity analysis (in thousands of euro)	Change	Defined Benefit Obligation	
	(-)/(+)	decrease (-)	increase (+)
Discount rate	0.25%	30,777	28,227
Rate of compensation increase	0.25%	28,384	30,607
Increase of medical benefits	0.25%	28,746	30,222
Mortality tables	1 year	28,861	30,101

The sensitivity analysis reflects the impact of a change in one assumption while keeping all other assumptions constant. In practice, this is unlikely to be the case as some assumptions may be correlated.

The weighted average duration of the benefit obligations equals 15 years.

The contributions towards defined benefit plans for the year ended December 31, 2015 are estimated at €1.6 million.

5.18 Accrued expenses and other current liabilities

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Customer deposits	21,984	22,797
Compensation and employee benefits	55,302	51,272
VAT and withholding taxes	13,469	25,589
Copyright fees		
Dividend payable to shareholders	989	1,012
Current portion of “Interkabel out of market component” liability		
Accrued programming fees	54,199	44,676
Accrued capital expenditure	28,661	31,213

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	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Accrued other liabilities—invoices to receive regarding:		
Goods received and services performed	37,710	35,538
Professional fees	10,408	15,571
Warehouse items received	3,480	3,814
Interconnect	21,383	20,172
Advertising, marketing and public relations	3,818	7,231
Infrastructure	7,128	9,933
Other	17,596	19,463
Accrued interest on derivatives	516	4,193
Accrued deferred financing costs	7,780	—
Accounts receivable with credit balance	21,460	—
Restructuring provision Norkring	25,750	4,480
Liabilities regarding sports broadcasting rights	17,430	18,812
Liabilities resulting from stock lending	4	9,288
Other current liabilities	1,246	136
Total Accrued expenses and other current liabilities	<u>350,313</u>	<u>325,190</u>

Total accrued expenses and other current liabilities increased by €25.1 million to €350.3 million as of December 31, 2015.

This was mainly due to (i) a €21.3 million increase in restructuring provisions related to the Norkring DTT spectrum license, (ii) accrued deferred financing costs for €7.8 million and (iii) a €4.0 million increase in accrued compensation and employee benefits.

The €21.3 million increase of the current restructuring provision related to the DTT capacity agreement with Norkring was the result of the 2015 amendment to the contract as agreed upon in December 2015 and which resulted in a higher one-off payment due in the year ending December 31, 2016 and lower remaining payments due for the remaining years (note 5.16)

The accrued deferred financing costs (€7.8 million) mainly related to the Original Issue Discount (“OID”) incentive fee and the arrangement fee due on the undrawn €800.0 million Term Loan AA under the 2015 Amended Senior Credit Facility as these are not contingent to the closing of the BASE Company acquisition.

The €33.1 million increase as described above was partially offset by a €9.3 million decrease in liability related to the stock lending agreement with Binan Investments B.V. as the Company redeemed its outstanding liability under the stock lending agreement by returning the 200,000 shares it borrowed on December 17, 2014 from its main shareholder Binan Investments B.V. to cover its obligations under the existing stock option plans on June 15, 2015.

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5.19 Revenue

The Company's revenue is comprised of the following:

	For the years ended December 31,	
	2015	2014
	(in thousands of euro)	
Subscription revenue		
Video	552,087	542,885
Broadband internet	546,007	509,964
Fixed-line telephony	226,889	211,133
Cable Subscription revenue	1,324,983	1,263,982
Mobile telephony	203,408	181,070
Total Subscription revenue	1,528,391	1,445,052
Business services	118,058	109,382
Other	161,938	152,663
Total Revenue	1,808,387	1,707,097

For the year ended December 31, 2015, the Company generated revenue of €1,808.4 million, representing a 6% increase compared to the year ended December 31, 2014 when the Company produced revenue of €1,707.1 million. All of the revenue growth for the year ended December 31, 2015 was organic and directly driven by (i) solid multiple-play growth with the number of triple-play subscribers at December 31, 2015 up 6% compared to December 31, 2014, (ii) the benefit from the selective price adjustment on certain fixed services in January 2015, (iii) a €22.4 million higher contribution from the mobile activities, driven by robust mobile postpaid subscriber growth, and (iv) a 8% increase in the business services revenue.

The Company also had deferred revenue as follows:

(in thousands of euro)	December 31, 2015	December 31, 2014
Subscription revenue		
Video	25,752	28,893
Broadband internet	12,657	12,213
Fixed-line telephony	7,870	7,540
Cable Subscription revenue	46,279	48,646
Mobile telephony	6,961	6,382
Total Subscription revenue	53,240	55,028
Business services	10,936	8,701
Other	10,044	11,028
Total Deferred Revenue	74,220	74,757

Deferred revenue is generally fees prepaid by the customers and, as discussed in note 5.2.9 to the consolidated financial statements of the Company, is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the related service period.

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5.20 Expenses by nature

		For the years ended December 31,	
	Note	2015	2014
		(in thousands of euro)	
Employee benefits:			
Wages, salaries, commissions and social security costs		131,845	130,881
Other employee benefit costs		23,923	22,880
		155,768	153,761
Depreciation	5.4	270,798	249,178
Amortization	5.6	72,954	59,978
Amortization of broadcasting rights	5.6	49,008	48,303
Restructuring charges DTT		(13,870)	1,938
Gain on disposal of property and equipment and other intangible assets		(2,362)	(2,049)
Network operating and service costs		569,044	524,523
Advertising, sales and marketing		74,215	67,055
Share-based payments granted to directors and employees		10,370	8,311
Operating charges related to acquisitions or divestitures		9,736	2,135
Other costs		65,702	61,727
Total costs and expenses		1,265,301	1,174,860

For the year ended December 31, 2015, Telenet incurred total operating expenses of €1,265.3 million, representing an increase of 8% compared to the year ended December 31, 2014 when total operating expenses amounted to €1,174.9 million.

Operating expenses for the year ended December 31, 2015 included a €13.8 million favorable impact from the reversal of restructuring charges as a result of a settlement with Norkring België related to the DTT spectrum license and a €7.6 million favorable impact from the resolution of a contingency associated with universal service obligations, partially offset by a €3.9 million settlement with the Belgian telecoms regulator BIPT with regards to the 2G mobile spectrum license. Operating expenses for the year ended December 31, 2014 reflected a €12.5 million favorable impact from the settlement of certain operational contingencies. Excluding these nonrecurring benefits for the year ended December 31, 2015 and 2014, the underlying increase of total operating expenses would have been slightly higher and was primarily driven by (i) higher network operating and service costs including higher programming costs as a result of Telenet's connected entertainment strategy, (ii) a 10% increase in depreciation and amortization charges, (iii) €7.1 million higher advertising, sales and marketing costs, and (iv) higher direct acquisition costs and other costs primarily linked to the acquisition and pre-integration of BASE Company NV.

The number of full-time equivalents employed by the Company at December 31, 2015 was 2,318 (2014: 2,262).

5.21 Finance income / expense

	For the years ended December 31,	
Note	2015	2014
	(in thousands of euro)	
Recognized in the statement of profit or loss and comprehensive income		
Finance income		
Net interest income and foreign exchange gain		
Interest income on bank deposits and commercial paper	561	715
Interest income on receivables	93	248
Net foreign exchange gain	2,100	1,423
	2,754	2,386

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		For the years ended December 31,	
	Note	2015	2014
		(in thousands of euro)	
Net gain on derivative financial instruments			
Change in fair value	5.14	86,762	—
Early termination of derivative financial instruments		(72,973)	—
		13,789	—
Finance expense			
Net interest expense, foreign exchange loss and other finance expense			
Interest expense on financial liabilities measured at amortized cost, and other finance expense		(217,127)	(208,613)
Net interest expense on derivatives at fair value through profit or loss . . .		(25,481)	(44,169)
Amortization of financing cost		(6,784)	(6,480)
Net foreign exchange loss		—	—
		(249,392)	(259,262)
Net loss on derivative financial instruments			
Early termination of derivative financial instruments		—	(75,548)
Change in fair value		—	8,178
		—	(67,370)
Loss on extinguishment of debt		(30,847)	(7,412)
Net finance expenses		(263,696)	(331,658)

For the year ended December 31, 2015, net finance expenses totaled €263.7 million compared to €331.6 million of net finance expenses incurred for the year ended December 31, 2014. Despite a €30.8 million loss on the extinguishment of debt following the prepayment of the €500.0 million Senior Secured Notes due 2020 in August 2015, net finance expenses for the year ended December 31, 2015 decreased 20% compared to the year ended December 31, 2014 as the Company realized a non-cash gain on its derivatives of €13.8 million in the year ended December 31, 2015 whereas the year ended December 31, 2014 showed a loss of €67.4 million in this respect. In addition, Telenet incurred €9.8 million lower net interest expenses for the year ended December 31, 2015 following the early redemption of the remaining outstanding amounts under certain Term Loans following the April 2014 refinancing and the favorable effects of the partial unwinding of its derivatives portfolio in December 2014. These favorable impacts were partly offset by slightly higher accrued interest expenses as a result of commitment fees incurred on the undrawn financing facilities related to the BASE Company acquisition, which began to accrue in the third quarter of 2015.

5.22 Income tax expense

	<u>For the years ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
(in thousands of euro)		
Current tax expense	115,096	88,358
Deferred tax expense (Note 5.15)	(15,444)	3,400
Income tax expense	<u>99,652</u>	<u>91,758</u>
Effective Tax Rate	<u>36.20%</u>	<u>45.65%</u>

The effective tax rate was 36.20% for the year ended December 31, 2015, which was below the effective tax rate of 45.65% for the year ended December 31, 2014. The tax expenses as shown above have been calculated in conformity with Belgian and international tax laws.

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The tax on the Company's profit (loss) before tax differs from the theoretical amount that would arise using the Belgian statutory tax rate applicable to profits (losses) of the consolidated companies as follows:

	For the years ended December 31,	
	2015	2014
	(in thousands of euro)	
Profit before tax	275,314	201,023
Income tax expense at the Belgian statutory rate of 33.99%	93,579	68,328
Income not taxable	(41,251)	(47,892)
Expenses not deductible for tax purposes (incl. prior year adjustments)	9,861	26,379
Benefit of the investment deduction	(6,464)	(5,557)
Recognition of previously unrecognized tax assets	—	(4,020)
Utilization of previously unrecognized tax losses	—	(1)
Tax losses and temporary differences for which no deferred tax asset was recognized	42,080	54,620
Expiration of tax losses	908	920
Adjustments recognized in the current year in relation to the filings for prior years	3,648	1,360
Impact of different tax rates	(3,993)	(3,833)
Tax on capital gain on shares	—	—
Penalty for insufficient prepayments	1,284	1,453
Tax expense for the year	99,652	91,758

The tax losses and temporary differences for which no deferred tax asset is recognized amounted to €42.1 million for the year ended December 31, 2015 (€54.6 million for the year ended December 31, 2014) and consisted of positions resulting in a deferred tax asset which is nevertheless not recognized as it is not deemed probable that taxable profit will be available against which the unused tax losses can be utilized in future years.

There's no recognition of previously unrecognized tax assets for the year ended December 31, 2015 (€4.0 million for the year ended December 31, 2014) related to positions for which in the past no deferred tax asset was recognized.

Recognition of previously unrecognized tax assets amounting to €4.0 million for the year ended December 31, 2014 related to positions for which in the past no deferred tax asset was recognized as it was not deemed probable that taxable profit would be available in future years against which the tax losses could be utilized. In the current year, based on the most recent results, it became sufficiently probable that they can be utilized and therefore the previously unrecognized tax assets were recognized.

5.23 Earnings per share

5.23.1 Basic

The earnings and weighted average number of shares used in calculating basic earnings per share are:

	For the years ended December 31,	
	2015	2014
	(in thousands of euro, except share and per share data)	
Net profit attributable to the equity holders of the Company	175.639	109.262
Weighted average number of ordinary shares	116,492.339	115,940.077
Weighted average number of shares used in the calculation of basic earnings per share	116,492.339	115,940.077
Basic earnings per share in €	1.51	0.94

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5.23.2 Diluted

Diluted earnings per share are calculated by using the treasury stock method by adjusting the weighted average number of shares used in the calculation of basic earnings per share to assume full conversion of all dilutive potential ordinary shares.

For the year ended December 31, 2015, the Company had four categories of dilutive potential ordinary shares:

- Warrant Plan 2007 septies
- Warrant Plan 2010 primo
- Warrant Plan 2010 bis
- Warrant Plan 2010 ter

For the year ended December 31, 2014, the Company had six categories of dilutive potential ordinary shares:

- Warrant Plan 2007 quater
- Warrant Plan 2007 sexies
- Warrant Plan 2007 septies
- Warrant Plan 2010 primo
- Warrant Plan 2010 bis
- Warrant Plan 2010 ter

The earnings used in the calculation of diluted earnings per share measures are the same as those for the basic earnings per share measures, as outlined above.

	For the years ended December 31,	
	2015	2014
Weighted average number of shares used in the calculation of basic earnings per share	116,492,339	115,940,077
Adjustment for:		
Warrant Plan 2007 quater Warrants	—	142,333
Warrant Plan 2007 sexies Warrants	—	2,878
Warrant Plan 2007 septies Warrants	19,048	52,503
Warrant Plan 2010 primo Warrants	130,044	330,333
Warrant Plan 2010 bis Warrants	3,704	9,342
Warrant Plan 2010 ter Warrants	44,156	55,456
Weighted average number of shares used in the calculation of diluted earnings per share	<u>116,689,291</u>	<u>116,532,922</u>
Diluted earnings per share in €	<u>1.51</u>	<u>0.94</u>

5.24 Acquisition of subsidiary

On April 18, 2015, Telenet entered into a definitive agreement (the “BASE Agreement”) to acquire BASE Company NV for a purchase price of €1,324.4 million in order to secure its future as a leading provider of integrated telecommunications services. BASE is the third-largest mobile network operator in Belgium. Through this acquisition, Telenet will become the owner of a mobile network. This will enable Telenet to effectively compete for the growth opportunities in the mobile telecommunications market. In this way, Telenet hopes to meet the growing demand from both private and business customers for the full range of

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fixed and mobile telecom services. On February 4, 2016, the European Commission announced that it had approved the proposed acquisition of BASE Company NV by Telenet. Following the approval from the European Commission, the acquisition of BASE Company was closed on February 11, 2016.

On November 19, 2015, Telenet confirmed that it had entered into conditional agreements with MEDIALAAN for, among other things, the sale by BASE Company to MEDIALAAN of all JIM Mobile customers and of its 50% stake in VikingCo NV, the entity that operates the Mobile Vikings brand in Belgium. These agreements were concluded in the context of the investigation by the European Commission into the proposed acquisition of BASE Company. As a result of the approval from the European Commission, and the Belgian Competition Authority's recent approval of the transaction with MEDIALAAN, BASE Company's sale of its 50% stake in VikingCo NV to MEDIALAAN was completed on February 11, 2016, subsequent to Telenet's acquisition of BASE Company. In time, BASE will also transfer the JIM Mobile clients to MEDIALAAN, and MEDIALAAN will become a 'full MVNO player' on the BASE network, for both the JIM Mobile and the Mobile Vikings customers. The transaction creates a platform for MEDIALAAN to become a new, high-performing MVNO player.

Consideration transferred

The total purchase price of €1,324.4 million was settled on February 11, 2016 by means of a cash consideration paid.

Acquisition-related costs

The Company incurred acquisition-related costs of €9.2 million on legal fees and due diligence costs. These have been included in 'Selling, general and administrative expenses'.

Identifiable assets acquired and liabilities assumed

The following table summarizes the provisional assets acquired and liabilities assumed at the acquisition date:

	<u>(in thousands of euro)</u>
Assets	
Non-current assets:	
Property and equipment	475,281
Goodwill	55,755
Other intangible assets	277,402
Deferred tax assets	66,065
Other assets	32,146
Total non-current assets	906,649
Current assets:	
Inventories	9,571
Trade receivables	61,954
Other current assets	42,786
Cash and cash equivalents	132,824
Assets held for sale	1,304
Total current assets	248,439
Total assets	1,155,088

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(in thousands of euro)

Equity and Liabilities

Equity:

Share capital	484,958
Share premium and other reserves	72,624
Retained loss	265,759
Total equity	823,341

Non-current liabilities:

Deferred revenue	14,768
Deferred tax liabilities	17,600
Other liabilities	33,801
Total non-current liabilities	66,169

Current liabilities:

Trade payables	98,978
Accrued expenses and other current liabilities	119,217
Deferred revenue	38,044
Other liabilities	9,339

Total current liabilities	265,578

Total liabilities	331,747

Total Equity and liabilities	1,155,088

The accounting of the acquisition will be revised based on the ongoing purchase price allocation which will be completed within one year of the date of acquisition.

Provisional goodwill

Provisional goodwill arising from the acquisition is as follows:

(in thousands of euro)

Total consideration transferred	1,321,863
Fair value of identifiable net assets	823,341
Provisional goodwill arising from the acquisition	498,522

5.25 Non cash investing and financing transactions

For the years ended December 31,

	2015	2014
(in thousands of euro)		
Acquisition of property and equipment in exchange for finance lease obligations	31,280	44,845
Acquisition of sports broadcasting rights in exchange for investing obligations	35,906	34,271

5.26 Commitments and contingencies

5.26.1 Pending litigations

Interkabel Acquisition

On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the 2008 PICs Agreement), which closed effective October 1, 2008. Beginning in December 2007, Proximus NV/SA (Proximus), the

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incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements. Proximus lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle and initiated a civil procedure on the merits claiming the annulment of the agreement-in-principle. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Proximus in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Proximus brought this appeal judgment before the Cour de Cassation (the Belgian Supreme Court), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet in the civil procedure on the merits, dismissing Proximus's request for the rescission of the agreement-in-principle and the 2008 PICs Agreement. On June 12, 2009, Proximus appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Proximus is now also seeking compensation for damages should the 2008 PICs Agreement not be rescinded. While these proceedings were suspended indefinitely, other proceedings were initiated, which resulted in a ruling by the Belgian Council of State in May 2014 annulling (i) the decision of the PICs not to organize a public market consultation and (ii) the decision from the PICs' board of directors to approve the 2008 PICs Agreement. In December 2015, Proximus resumed the civil proceedings pending with the Court of Appeal of Antwerp seeking to have the 2008 PICs Agreement annulled and claiming damages of €1.4 billion (\$1.5 billion).

Telenet is in the process of evaluating the resumed proceedings and claim for damages and intends to defend itself vigorously. No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the annulment of the 2008 PICs Agreement and/or to an obligation of Telenet to pay compensation for damages, subject to the relevant provisions of the 2008 PICs Agreement, which stipulate that Telenet is only responsible for damages in excess of €20.0 million (\$21.7 million). We do not expect the ultimate resolution of this matter to have a material impact on our results of operations, cash flows or financial position. No amounts have been accrued by us with respect to this matter as the likelihood of loss is not considered to be probable.

Litigation regarding cable access

In December 2010, the members of the CRC (BIPT, VRM, CSA and Medienrat) published their respective draft decisions reflecting the results of their analysis of the broadcasting market in Belgium. At the same time, the BIPT published its draft decision regarding the analysis of the broadband market in Belgium. After a public consultation, the draft decisions were submitted by the CRC to the European Commission. The European Commission issued a notice on the draft decisions which criticized the analysis of the broadcasting markets on several grounds, including the fact that the CRC failed to analyze upstream wholesale markets. It also expressed doubts as to the necessity and proportionality of the various remedies.

The CRC nevertheless adopted a final decision on July 1, 2011 (the "July 2011 Decision") with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (i) an obligation to make a resale offer at "retail minus" of the cable analog package available to third party operators (including Proximus), (ii) an obligation to grant third-party operators (except Proximus) access to digital television platforms (including the basic digital video package) at "retail minus," and (iii) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Proximus). A "retail-minus" method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding value-added taxes and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as, for example, costs for billing, franchise, consumer service, marketing, and sales).

After Telenet submitted draft reference offers in February 2012 to meet the three obligations described above in each of Flanders and Brussels, the CRC made its observations and launched a national consultation process and consulted with the European Commission. Although the European Commission expressed doubts regarding the proportionality of the analog resale obligation on August 8, 2013, the European Commission did not object to the CRC draft decision on the reference offers. On September 9, 2013, the CRC then published the final decisions that it had issued on September 3, 2013. According to the CRC

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decision, the regulated wholesale services must be available within six months after a third-party operator files a letter of intent and pays an advance payment to each cable operator.

On April 2, 2013, the CRC issued a draft decision regarding the “retail minus” tariffs of minus 35% for basic TV (basic analog and digital video package) and minus 30% for the bundle of basic TV and broadband internet services. On October 8, 2013, the European Commission received a draft quantitative decision from the CRC in which they changed the “retail minus” tariffs to minus 30% for basic TV (basic analog and digital video package) and to minus 23% for the bundle of basic TV and broadband internet services. Even though the European Commission made a number of comments regarding the appropriateness of certain assumptions in the proposed costing methodology, the CRC adopted such retail minus tariffs on December 11, 2013.

On December 27, 2013, wireless operator Mobistar submitted a letter of intent to Telenet to obtain access to three regulated products of Telenet: (i) resale of the analog television offering; (ii) access to the digital television platform; and (iii) resale of the broadband access offering. Mobistar paid the advance payment on January 10, 2014. Telenet implemented the access obligations as described in its reference offers, and complied with its implementation obligation towards Mobistar in due time, i.e. within the period of six months as set forth by the regulator. Since June 23, 2014, access to the Telenet network has become operational and can be applied by Mobistar to offer analog television, digital television and the bundle television plus broadband internet to its clients (but it has not yet done so). On November 14, 2014, Proximus also submitted a request to start access negotiations. The VRM and BIPT are currently considering the reasonableness of this request.

On December 14, 2015, the Belgium Regulatory Authorities published a draft decision, which amended previously-issued decisions, that sets forth the “retail-minus” tariffs of minus 26% for basic television (basic analog and digital video package) and minus 18% for the bundle of basic television and broadband internet services during an initial two-year period. Following this two-year period, the tariffs would change to minus 15% and 7%, respectively. The draft decision was notified to the European Commission and a final decision was adopted on February 19, 2016.

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet’s appeal and accepted Proximus’ claim that Proximus should be allowed access to Telenet’s (among other operators) broadband internet and digital television platforms. Telenet has filed an appeal against this decision with the Supreme Court on November 30, 2015. On February 20, 2014, Telenet also filed an appeal with the Brussels Court of Appeal against the decisions regarding the qualitative and the quantitative aspects (*i.e.* tariffs) of the reference offer. Telenet and the CRC have in the meantime agreed to end the proceedings with respect to the qualitative aspects (the case was revoked on May 24, 2015). A decision regarding the quantitative aspects is not expected before the second quarter of 2016.

The July 2011 Decision aims to, and in its application may, strengthen Telenet’s competitors by granting them resale access to Telenet’s network to offer competing products and services notwithstanding Telenet’s substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (i) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (ii) adversely impact Telenet’s ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet’s network and other competitive factors or market developments.

Cable ownership related legal proceedings

The municipality of Sint-Lambrechts-Woluwe granted the right to operate the cable network on its territory to WoluTV ASBL (“WoluTV”) in 1971. Telenet provided a number of technical services to WoluTV in accordance with agreements dated February 11, 1998 (analog television) and September 3, 2007 (digital television). Telenet and WoluTV also concluded two agreements on May 7 and September 3, 2007 respectively, pursuant to which Telenet provided, in its own name and for its own account, internet and

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telephony services on the municipality's cable network. On December 16, 2014, WoluTV terminated the agreements with Telenet with effect on December 31, 2015.

The agreements terminated by WoluTV provide that WoluTV must compensate Telenet for all costs, damages and losses as a consequence of termination of the agreements. WoluTV has disputed that this clause is valid under Belgian law and has therefore refused to designate an expert to determine the amount of the compensation owed to Telenet. Telenet brought a claim against WoluTV before the Commercial Court of Brussels on November 10, 2015, whereby Telenet requested provisional compensation of €1 million (increased with interest), and that the Court appoint an expert to determine the compensation owed by WoluTV. The case is currently pending before the Commercial Court of Brussels.

Separately, on April 28, 2015, the municipality of Sint-Lambrechts-Woluwe decided to sell its cable network. On June 29, 2015, the municipality awarded the purchase contract to Coditel Brabant for €18 million. Telenet, who had also submitted an offer to purchase the cable network, brought an action for annulment of the municipality's decision before the Council of State. The case is currently pending.

Copyright related legal proceedings

The issue of copyrights and neighboring rights to be paid for the distribution of television has during the last two decades given rise to a number of litigations. Already in 1994, the Belgian Radio and Television Distributors Association (Beroepsvereniging voor Radio- en Televisiedistributie / Union professionnelle de radio et de télédistribution) (the "RTD", renamed afterwards to "Cable Belgium") was involved in discussions with various copyrights collecting agencies regarding the fees to be paid to the latter for the analogue broadcasting of various television programs. In November 2002, the RTD, together with certain Belgian cable operators (among which Telenet), began reaching settlements with the copyright collecting agencies and broadcasters. Pursuant to those settlement agreements, to which Telenet acceded, Telenet agreed to make certain upfront payments as well as to make increased payments over time. Consequently, in August 2003, Telenet increased the copyright fee it charges its subscribers. In July 2004, the Association for the Collection, Distribution and Protection of the Rights of the Artists, Interpreters and Performers (CVBA Vereniging voor de inning, repartitie en de verdediging van de vertolkende en uitvoerende kunstenaars) ("Uradex", later renamed to "Playright") filed a claim against the RTD for €55 million plus interest concerning neighboring rights owed by the members of the RTD to artists and performers represented by Uradex during the period from August 1994 through the end of July 2004.

After the roll-out of digital television, Telenet in 2006 started a judicial procedure against a number of collecting agencies. This procedure is related to a discussion between Telenet and these collecting agencies about the legal qualification of (i) simulcast (i.e. channels distributed both in analogue and in digital quality), (ii) direct injection (i.e. channels delivered to the distributor over a non-publicly accessible transmission channel) and (iii) all rights included contracts (i.e. contracts in which broadcasters engage to deliver their signals and programs after having cleared all rights necessary for the communication to the public over the distributor's networks).

On April 12, 2011, the Court of First Instance of Mechelen rendered a positive judgment in the procedure against Sabam, Agicoa, Uradex and other collecting agencies, and as part of which procedure several collecting agencies (Sabam not included) filed counterclaims against Telenet for the payment of the invoices that Telenet disputed. The Court validated Telenet's arguments in each of the claims and counterclaims that were the subject of the procedure and, as a result: (i) no retransmission fees have to be paid by Telenet in case of direct injection of a broadcaster's signal into Telenet's network, (ii) no retransmission fees have to be paid in case of simulcast of an analog and digital signal (and consequently, Telenet does not have to pay extra for the distribution of linear digital television signals) and (iii) all-rights-included contracts are deemed legally valid, which means that if Telenet agrees with a broadcaster that the latter is responsible for clearing all copyrights, Telenet is not liable towards the collecting agencies. The collecting agencies lodged an appeal (see below).

Since Sabam had not filed any counterclaim for the payment of invoices as part of the aforesaid judgment, on April 6, 2011, Sabam (not the other collecting agencies) initiated judicial proceedings before the Commercial Court of Antwerp, claiming payment by Telenet of invoices relating to (a) fees for a period

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from January 1, 2005 until December 31, 2010 for Telenet's basic digital television package, and (b) fee advances for the first semester of 2011 for Telenet's basic and optional digital television packages. The claims mainly related to (i) direct injection and (ii) all-rights-included contracts. Sabam's claim was based on arguments substantially similar to those rejected by the Court of First Instance in Mechelen on April 12, 2011. Simultaneously, Sabam initiated a summary procedure before the President of the Commercial Court of Antwerp, to receive provisional payment of the contested fees and fee advances. On June 30, 2011, the President of the Commercial Court of Antwerp rendered a positive judgment for Telenet in this procedure. Sabam lodged an appeal. On June 27, 2012, the Court of Appeal of Antwerp confirmed this judgment and dismissed the claim in summary proceedings of Sabam.

In the case of the appeal against the judgment of April 12, 2011 of the Court of First Instance of Mechelen, the Court of Appeal of Antwerp rendered an intermediate ruling on February 4, 2013. The Court of Appeal rejected the claims of the collecting societies with regard to simulcasting and confirmed that direct injection is a single copyright relevant operation (royalties should therefore be paid only once). The case was reopened to allow the collecting societies to provide further proof of their actual claims. On January 20, 2014 and on May 5, 2014, respectively, Numéricable (previously Coditel) and Telenet appealed this intermediate ruling before the Supreme Court mainly because of the incorrect qualification of the fees to be paid for the communication to the public as if it would be "retransmission" rights. The Supreme Court has not yet issued its judgment in this matter. In the meantime Numéricable has reached a settlement with the collecting societies, and withdrew its appeal.

Telenet does not expect the ultimate resolution of this matter to have a material impact on its results of operations or financial condition.

Legal proceedings regarding the MVNO Arrangement

Telenet and Mobistar are currently in dispute over amounts payable to Mobistar with respect to certain provisions of the MVNO Arrangement. As part of this dispute, Mobistar initiated legal proceedings against Telenet claiming, among other things, that the migration period after termination or expiration of the MVNO Arrangement should be shortened from 24 months to 6 months. Telenet believes it has strong arguments against Mobistar's claims and intends to defend itself vigorously. We cannot currently predict the outcome of these proceedings; however, in the unlikely event that the migration period is shortened, Telenet's mobile business could be adversely impacted. The oral hearing in this matter is currently scheduled for September 23, 2016.

5.26.2 Other contingent liabilities

Regulation regarding signal integrity

In July 2013, the Flemish Parliament adopted legislation imposing strict integrity of broadcasting signals on distributors and the requirement that distributors must request authorization from broadcasters when they contemplate offering, among other things, program recordings through an electronic program guide. The impetus for this legislation were the broadcasters' arguments that the high penetration of PVRs in the Flemish market have resulted in viewers fast-forwarding large volumes of advertisements, which resulted in a decrease in the revenues of broadcasters. The legislation requires broadcasters and distributors to find a commercial solution. If this fails, the legislation provides for a mediation procedure, which, if unsuccessful, can be followed by civil litigation.

There is a risk that this legislation will negatively impact Telenet's ability to launch new innovative applications and increase Telenet's financial contribution to broadcasters. The current distribution agreements with SBS, VRT and Medialaan entered into in 2014 allow Telenet to distribute the broadcasters' signal in an unaltered manner. The relevant broadcasters have given Telenet the right to offer their customers a "slightly delayed viewing" and a personal video recorder (PVR) functionality. Telenet is required to pay a higher fee for each customer using these functionalities.

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Other

In addition to the foregoing items, Telenet has contingent liabilities related to matters arising in the ordinary course of business including (i) legal proceedings, (ii) issues involving VAT and wage, property and other tax issues, (iii) disputes over certain contracts and (iv) disputes over programming, copyright fees and alleged patent infringements. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts Telenet has accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on Telenet's results of operations or cash flows in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

5.26.3 Operating leases

The Company leases facilities, vehicles and equipment under cancelable and non-cancelable operating leases. The following schedule details, at December 31, 2015 and 2014, the future minimum lease payments under cancelable and non-cancelable operating leases:

	December 31, 2015	December 31, 2014
	(thousands of euro)	
Within one year	17,781	20,087
In the second to fifth year, inclusive	20,455	19,922
Thereafter	5,938	2,779
Total minimum lease payments	44,174	42,788
Minimum lease payments recognized as an expense in the year	25,411	24,638

The Company's operating leases as at December 31, 2015 and December 31, 2014 did not contain any material contingent rentals.

5.27 Related parties

The related parties of the Company mainly comprise its shareholders that have the ability to exercise significant influence or control. This consisted of the Liberty Global Consortium for both 2015 and 2014. Related parties further include transactions with Pebble Media NV, Doccle CVBA and Doccle.Up NV, Idealabs Telenet Fund NV and De Vijver Media NV.

The following tables summarize material related party balances and transactions for the period:

5.27.1 Statement of financial position

	December 31, 2015	December 31, 2014
	(in thousands of euro)	
Trade receivables		
Liberty Global Consortium (parent)	2,946	2,650
Associates	399	453
Trade payables and accrued trade liabilities		
Liberty Global Consortium (parent)	20,764	28,057
Associates	472	454
Accrued other liabilities		
Liberty Global Consortium (parent)	—	9,288
Loans and borrowings payable		
Liberty Global Consortium (parent)	12,740	—
Loans and borrowings receivable		
Associates	400	—
Property and equipment		
Liberty Global Consortium (parent)	66,784	31,677

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The transactions with the entities of the Liberty Global Consortium mainly consisted of the purchase of certain property and equipment and other services within the normal course of business from Liberty Global Services B.V. All transactions with related parties were at regular market conditions.

5.27.2 Statement of profit or loss and other comprehensive income

	For the years ended December 31,	
	2015	2014
	(in thousands of euro)	
Revenue		
Liberty Global Consortium (parent)	2,946	1,313
Associates	925	1,385
Operating expenses		
Liberty Global Consortium (parent)	2,356	2,063
Associates	1,394	1,603

5.27.3 Key management compensation

For purpose of this footnote, key management is identified as people involved in strategic orientation of the Company.

	For the years ended December 31,	
	2015	2014
	(in thousands of euro)	
Salaries and other short-term employee benefits	7,006	6,949
Post-employment benefits	508	479
Share-based payments (compensation cost recognized)	6,561	4,778
	14,075	12,206

5.28 Subsidiaries

5.28.1 Subsidiaries

Details of the Company's subsidiaries as of December 31, 2015 are as follows:

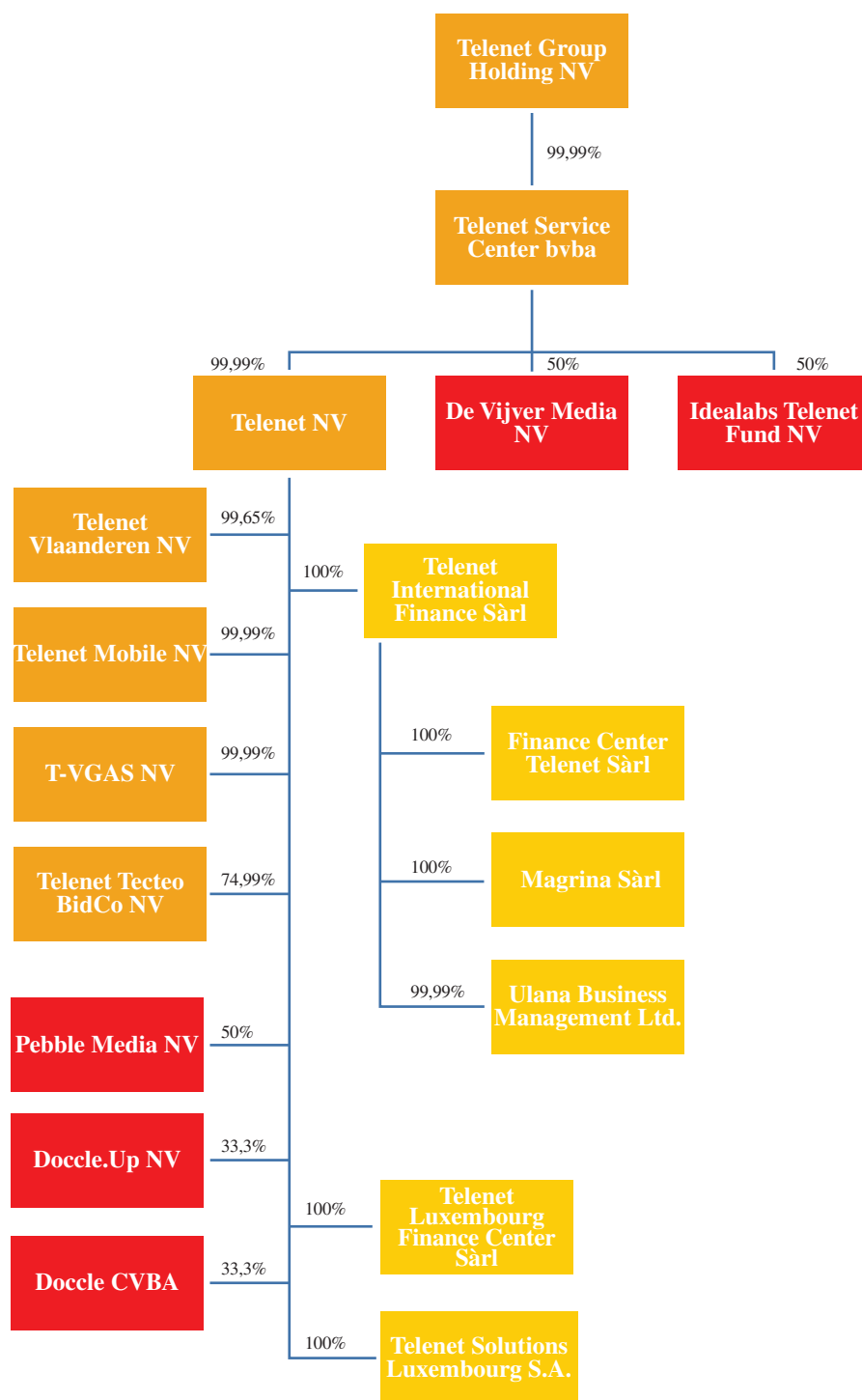
Company	National number/ Trade Register number	Registered office	% Held	Consolidation Method
Telenet Group Holding NV	0477.702.333	Liersesteenweg 4, 2800 Mechelen, Belgium	—	Parent company
Telenet NV	0473.416.418	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Vlaanderen NV	0458.840.088	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
T-VGAS NV	0808.321.289	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Mobile NV	0813.219.195	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
TELENET TECTEO BIDCO NV ..	0835.821.779	Liersesteenweg 4, 2800 Mechelen, Belgium	74.99%	Fully consolidated
Telenet Service Center BVBA	0842.132.719	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Solutions Luxembourg S.A.	B-73.305	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Telenet International Finance S.à r.l.	B-155.066	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Telenet Luxembourg Finance Center S.à r.l.	B-155.088	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Finance Center Telenet S.à r.l.	B-165.944	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Magrina S. à r.l.	B-182.173	40, Avenue Monterey, L-2163 Luxembourg, Luxembourg	100%	Fully consolidated
Ulana Business Management Ltd. ..	536635	Commercial House, Millbank Business Park, Lucan, Co. Dublin, Ireland (*)	100%	Fully consolidated

* Registered office was changed to Building P2, Eastpoint Business Park, Clontarf, Dublin 3, Ireland on January 16, 2014.

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The group chart as of December 31, 2015 is as follows



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Notes to the Consolidated Financial Statements December 31, 2015

5.28.2 Other consolidated companies

Company	Trade Register Number	Address	% Held	Consolidation Method
Telenet Finance Luxembourg S.C.A. ⁽¹⁾	RCS B.155.894	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance Luxembourg II S.A. ⁽²⁾	RCS B.156.414	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance III Luxembourg S.C.A. ⁽³⁾	RCS B.158.666	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance IV Luxembourg S.C.A. ⁽⁴⁾	RCS B.161.083	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance V Luxembourg S.C.A. ⁽⁵⁾	RCS B.164.890	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance VI Luxembourg S.C.A. ⁽⁶⁾	RCS B.171.030	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance VII Luxembourg S.C.A. ⁽⁷⁾	RCS B 199.998	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance BVBA ⁽⁸⁾	0628.452.013	Liersesteenweg 4, 2800 Mechelen, Belgium	0%	Fully consolidated

- (1) Telenet Finance Luxembourg S.C.A. was incorporated on September 28, 2010 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance Luxembourg and 0.01% by Telenet Finance S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond.
- (2) Telenet Finance Luxembourg II S.A. was incorporated on October 28, 2010 as a structured finance entity for the primary purpose of facilitating the offering of a Private Placement Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 100.00% by a Dutch charitable trust, called Stichting Telenet Finance Luxembourg II. The Trust Deed relating to the Private Placement offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of the Private Placement Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the Private Placement Bond.
- (3) Telenet Finance III Luxembourg S.C.A. was incorporated on January 28, 2011 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance III Luxembourg and 0.01% by Telenet Finance III S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond.
- (4) Telenet Finance IV Luxembourg S.C.A. was incorporated on May 23, 2011 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance IV Luxembourg and 0.01% by Telenet Finance IV S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making

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authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond.

- (5) Telenet Finance V Luxembourg S.C.A. was incorporated on November 16, 2011 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of a High Yield Bond. On August 10, 2012, the articles of association were amended in order to make it possible to issue more than one High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance V Luxembourg and 0.01% by Telenet Finance V S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offerings prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of the High Yield Bonds is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond.
- (6) Telenet Finance VI Luxembourg S.C.A. was incorporated on August 14, 2012 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of one or more High Yield Bonds. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance VI Luxembourg and 0.01% by Telenet Finance VI S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering(s) will prohibit the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of High Yield Bond(s) is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond(s).
- (7) Telenet Finance VII Luxembourg S.C.A. was incorporated on September 4, 2015 as a structured finance entity ("SE") for the primary purpose of facilitating the offering of one or more High Yield Bonds. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance VII Luxembourg and 0.01% by Telenet Finance VII S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering(s) will prohibit the Issuer from engaging in any activities other than certain limited activities permitted. The SE set up for the issuance of High Yield Bond(s) is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SE, exposure or rights to variable returns from its involvement with the SE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SE created to issue the High Yield Bond(s).
- (8) Telenet Finance BVBA. was incorporated on March 27, 2015 as a financing company ("finco") for the primary purpose of to offer handset financing directly to the customers. This entity was incorporated at the request of the Telenet Group under Belgian law and is owned 99% by Global Handset Finco Limited and 1% by Lynx Europe 2 Limited. It has been determined that the Company has power over the Finco exposure or rights to variable returns from its involvement with the Finco and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the Finco created to operate the handset financing for the Telenet Group.

5.29 Subsequent events

European Commission approved BASE Company NV acquisition

On February 4, 2016, the European Commission announced that it had approved the proposed acquisition of BASE Company NV by Telenet. In April 2015, Telenet announced that it had entered into a definitive agreement to acquire BASE Company from Koninklijke KPN N.V. for an amount of € 1,325.0 million in order to secure its future as a leading provider of integrated telecommunications services. Through this acquisition, Telenet will become the owner of a mobile network. This will enable Telenet to effectively compete for the growth opportunities in the mobile telecommunications market. In this way, Telenet hopes to meet the growing demand from both private and business customers for the full range of fixed and mobile telecom services. Following the approval from the European Commission, the acquisition of BASE Company was closed on February 11, 2016. On November 19, 2015, Telenet confirmed that it had entered into conditional agreements with MEDIALAAN for, among other things, the sale by BASE Company to

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MEDIALAAN of all JIM Mobile customers and of its 50% stake in VikingCo NV, the entity that operates the Mobile Vikings brand in Belgium. These agreements were concluded in the context of the investigation by the European Commission into the proposed acquisition of BASE Company. As a result of the green light approval from the European Commission, and the Belgian Competition Authority's recent approval of the transaction with MEDIALAAN, BASE Company's sale of its 50% stake in VikingCo NV to MEDIALAAN was completed on February 11, 2016 subsequent to Telenet's acquisition of BASE Company is finalized. In time, BASE will also transfer the JIM Mobile clients to MEDIALAAN, and MEDIALAAN will become a 'full MVNO player' on the BASE network, for both the JIM Mobile and the Mobile Vikings customers. The transaction creates a platform for MEDIALAAN to become a new, high-performing MVNO player.

5.30 External audit

The general shareholders' meeting of April 27, 2015 appointed KPMG Bedrijfsrevisoren CVBA ("KPMG") as statutory auditor of the Company for a period of three years. KPMG has appointed Mr. Filip De Bock as permanent representative.

Base fees for auditing the annual (consolidated) financial statements of Telenet Group Holding NV and its subsidiaries are determined by the general meeting of shareholders after review and approval by the Company's audit committee and board of directors.

Audit and audit related fees for 2015, in relation to services provided by KPMG Bedrijfsrevisoren, amounted to EUR 709,400 (2014: EUR 645,800), which was composed of audit services for the annual financial statements of EUR 597,800 (2014: EUR 571,900) and audit related services of EUR 111,600 (2014: EUR 73,900). Audit related services mainly related to services in connection with attestation reports required by Belgian Company Law as well as other ad hoc attestation reports.

Audit and audit related fees for 2015 in relation to services provided by other offices in the KPMG network amounted to EUR 82,500 (2014: EUR 81,500), which was composed of audit services for the annual financial statements.

Statutory auditor's report to the general meeting of Telenet Group Holding NV as of and for the year ended 31 December 2015

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our report on the consolidated financial statements as of and for the year ended 31 December 2015, as defined below, as well as our report on other legal and regulatory requirements.

Report on the consolidated financial statements—unqualified opinion

We have audited the consolidated financial statements of Telenet Group Holding NV (“the Company”) and its subsidiaries (jointly “the Group”), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR'000 3.598.485 and the consolidated statement of profit or loss and other comprehensive income shows a profit for the year of EUR'000 175.662.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the Company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Unqualified opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and consolidated financial position as at 31 December 2015 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not modify the scope of our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements includes the information required by law, is consistent, in all material respects, with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 22 March 2016

KPMG Bedrijfsrevisoren
Statutory Auditor
represented by

Filip De Bock
Bedrijfsrevisor

Telenet Group Holding NV
December 31, 2014
consolidated financial statements

Telenet Group Holding NV

1 Consolidated statement of financial position

	<u>Note</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
(in thousands of euro)			
Assets			
Non-current assets:			
Property and equipment	5.4	1,417,539	1,386,053
Goodwill	5.5	1,241,813	1,241,813
Other intangible assets	5.6	248,386	251,916
Deferred tax assets	5.14	101,984	82,117
Other assets	5.8	3,696	7,683
Total non-current assets		3,013,418	2,969,582
Current assets:			
Inventories	5.9	17,060	15,386
Trade receivables	5.7	111,665	118,670
Other current assets	5.8	77,869	83,829
Cash and cash equivalents	5.10	189,076	214,103
Total current assets		395,670	431,988
Total assets		3,409,088	3,401,570
Equity and Liabilities			
Equity:			
Share capital	5.11	12,711	12,582
Share premium and other reserves	5.11	1,019,107	982,163
Retained loss	5.11	(2,394,309)	(2,465,933)
Remeasurements	5.11	(10,545)	(7,498)
Total equity attributable to owners of the Company		(1,373,036)	(1,478,686)
Non-controlling interests	5.11	10,757	8,292
Total equity		(1,362,279)	(1,470,394)
Non-current liabilities:			
Loans and borrowings	5.12	3,654,731	3,790,420
Derivative financial instruments	5.13	114,152	110,959
Deferred revenue	5.18	1,709	2,682
Deferred tax liabilities	5.14	133,448	109,436
Other liabilities	5.15	82,533	90,828
Total non-current liabilities		3,986,573	4,104,325
Current liabilities:			
Loans and borrowings	5.12	78,757	77,909
Trade payables		114,377	141,826
Accrued expenses and other current liabilities	5.17	325,190	340,558
Deferred revenue	5.18	73,048	78,985
Derivative financial instruments	5.13	28,421	39,850
Current tax liability	5.14	165,001	88,511
Total current liabilities		784,794	767,639
Total liabilities		4,771,367	4,871,964
Total Equity and liabilities		3,409,088	3,401,570

The notes are an integral part of these consolidated financial statements.

Telenet Group Holding NV

2 Consolidated statement of profit or loss and other comprehensive income

		For the years ended December 31,	
	Note	2014	2013
(in thousands of euro, except per share data)			
Profit for the period			
Revenue	5.18	1,707,097	1,641,290
Cost of services provided	5.19	(934,808)	(994,788)
Gross profit		772,289	646,502
Selling, general and administrative expenses	5.19	(240,052)	(257,342)
Operating profit		532,237	389,160
Finance income		2,386	58,471
Net interest income and foreign exchange gain	5.20	2,386	2,183
Net gain on derivative financial instruments	5.13	—	56,288
Finance expense		(334,044)	(264,940)
Net interest expense, foreign exchange loss and other finance expense	5.20	(259,262)	(264,940)
Net loss on derivative financial instruments	5.13	(67,370)	—
Loss on extinguishment of debt	5.20	(7,412)	—
Net finance expenses	5.20	(331,658)	(206,469)
Other income		444	1
Profit before income tax		201,023	182,692
Income tax expense	5.21	(91,758)	(66,328)
Profit for the period		109,265	116,364
Other comprehensive income for the period, net of income tax			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/(asset)	5.16	(2,303)	(1,454)
Deferred tax	5.14	(744)	—
Other comprehensive income for the period, net of income tax		(3,047)	(1,454)
Total comprehensive income for the period		106,218	114,910
Profit attributable to:		109,265	116,364
Owners of the Company		109,262	116,355
Non-controlling interests		3	9
Total comprehensive income for the period, attributable to:		106,218	114,910
Owners of the Company		106,215	114,901
Non-controlling interests		3	9
Earnings per share			
Basic earnings per share in €	5.22	0.94	1.02
Diluted earnings per share in €	5.22	0.94	1.00

The notes are an integral part of these consolidated financial statements.

Telenet Group Holding NV

3 Consolidated statement of changes in shareholders' equity

(in thousands of euro, except share data)	Note	Attributable to equity holders of the Company							
		Number of shares	Share capital	Share premium	Equity-based compensation reserve	Legal reserve	Reserve for own shares	Other reserves	Retained loss
January 1, 2013		113,408,536	12,331	6,084	43,818	70,021	(5,763)	827,427	(1,674,427)
Total comprehensive income for the period									
Profit for the period		—	—	—	—	—	—	—	116,355
Other comprehensive income		—	—	—	—	—	—	—	—
Total comprehensive income for the period		—	—	—	—	—	—	—	116,355
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Reallocation of prior year's profit to legal reserve	5.11	—	—	—	—	2,426	—	—	(2,426)
Recognition of share-based compensation	5.11	—	—	—	10,547	—	—	—	—
Dividend	5.11	—	—	—	—	—	—	—	(905,435)
Proceeds received upon exercise of Warrants	5.11	2,310,616	251	26,602	—	—	—	—	—
Annulment capital reduction and dividend related to own shares	5.11	—	—	—	—	—	—	936	—
Disposal of treasury shares	5.11	—	—	—	15	—	50	—	—
Total contributions by and distributions to owners of the Company		2,310,616	251	26,602	10,562	2,426	50	936	(907,861)
Changes in ownership interests in subsidiaries									
Capital contributions by NCI		—	—	—	—	—	—	—	—
Total transactions with owners of the Company		2,310,616	251	26,602	10,562	2,426	50	936	(907,861)
December 31, 2013		115,719,152	12,582	32,686	54,380	72,447	(5,713)	828,363	(2,465,933)

Telenet Group Holding NV

(in thousands of euro, except share data)	Note	Attributable to equity holders of the Company							
		Number of shares	Share capital	Share premium	Equity-based compensation reserve	Legal reserve	Reserve for own shares	Other reserves	Retained loss
January 1, 2014		115,719,152	12,582	32,686	54,380	72,447	(5,713)	828,363	(2,465,93)
Total comprehensive income for the period									
Profit for the period		—	—	—	—	—	—	—	109,26
Other comprehensive income		—	—	—	—	—	—	—	—
Total comprehensive income for the period		—	—	—	—	—	—	—	109,26
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Reallocation of prior year's profit to legal reserve	5.11	—	—	—	—	1,949	—	—	(1,94)
Recognition of share-based compensation	5.11	—	—	—	8,311	—	—	—	—
Cost of equity transaction	5.11	—	—	—	—	—	—	(33)	—
Own shares acquired	5.11	—	—	—	—	—	(48,205)	—	—
Own shares sold	5.11	—	—	—	—	—	52,470	(427)	(26,40)
Obligation to acquire own shares	5.11	—	—	—	—	—	—	—	(9,28)
Proceeds received upon exercise of Warrants and Options	5.11	836,237	91	10,345	—	—	—	—	—
Issuance of share capital through Employee Share Purchase Plan	5.11	352,650	38	12,534	—	—	—	—	—
Total contributions by and distributions to owners of the Company		1,188,887	129	22,879	8,311	1,949	4,265	(460)	(37,63)
Changes in ownership interests in subsidiaries									
Capital contributions by NCI		—	—	—	—	—	—	—	—
Total transactions with owners of the Company		1,188,887	129	22,879	8,311	1,949	4,265	(460)	(37,63)
December 31, 2014		116,908,039	12,711	55,565	62,691	74,396	(1,448)	827,903	(2,394,30)

The notes are an integral part of these consolidated financial statements.

Telenet Group Holding NV

4 Consolidated statement of cash flows

		For the years ended December 31,	
	Note	2014	2013
		(in thousands of euro)	
Cash flows provided by operating activities:			
Profit for the period		109,265	116,364
Adjustments for:			
Depreciation, amortization, impairment and restructuring	5.19	359,397	445,815
Gain on disposal of property and equipment and other intangible assets	5.19	(2,049)	(2,942)
Income tax expense	5.21	91,758	66,328
Decrease in allowance for bad debt	5.7	(1,397)	(1,549)
Net interest income and foreign exchange gain	5.20	(2,386)	(2,183)
Net interest expense, foreign exchange loss and other finance expense	5.20	259,262	264,940
Net loss/(gain) on derivative financial instruments	5.13 & 5.20	67,370	(56,288)
Loss on extinguishment of debt	5.20	7,412	—
Other income		(444)	(1)
Share based payments	5.19	8,311	10,547
Change in:			
Trade receivables		8,402	(6,591)
Other assets		(3,784)	(4,156)
Deferred revenue		(6,910)	(2,462)
Trade payables		(25,749)	(6,374)
Other liabilities		(9,279)	(1,700)
Accrued expenses and other current liabilities		(39,272)	9,351
Interest paid		(236,978)	(239,573)
Interest received		519	1,073
Income taxes paid		(11,843)	(53)
Net cash provided by operating activities		571,605	590,546
Cash flows used in investing activities:			
Purchases of property and equipment		(210,884)	(256,647)
Purchases of intangibles		(110,873)	(110,563)
Acquisitions of subsidiaries and affiliates, net of cash acquired		(75)	(447)
Proceeds from sale of property and equipment and other intangibles		3,237	3,884
Purchases of broadcasting rights for resale purposes		(11,301)	(25,608)
Proceeds from the sale of broadcasting rights for resale purposes		11,301	25,608
Net cash used in investing activities		(318,595)	(363,773)
Cash flows used in financing activities:			
Repayments of loans and borrowings	5.12	(728,756)	(7,400)
Proceeds from loans and borrowings	5.12	573,683	—
Payments of finance lease liabilities		(35,428)	(31,248)
Payments for debt issuance costs		(12,773)	(374)
Payments for early termination of derivative financial instruments	5.13	(75,548)	—
Payments for other financing activities		—	(3,793)
Repurchase of own shares	5.11	(48,205)	—
Sale of own shares	5.11	25,643	65
Proceeds from exercise of options and warrants	5.11	10,436	26,853
Proceeds from capital transactions with equity participants		344	2,094
Proceeds from issuance of share capital through Employee Share Purchase Plan	5.11	12,572	—
Payments related to capital reductions and dividends	5.11	(5)	(905,167)
Net cash used in financing activities		(278,037)	(918,970)
Net decrease in cash and cash equivalents		(25,027)	(692,197)
Cash and cash equivalents:			
at January 1	5.10	214,103	906,300
at December 31	5.10	189,076	214,103

The notes are an integral part of these consolidated financial statements.

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Notes to the Consolidated Financial Statements December 31, 2014

5 Notes to the consolidated financial statements for the year ended December 31, 2014

5.1 REPORTING ENTITY AND BASIS OF PREPARATION

5.1.1 Reporting entity

The accompanying consolidated financial statements present the operations of Telenet Group Holding NV, its subsidiaries and other consolidated companies (hereafter collectively referred to as the “Company” or “Telenet”). Through its broadband network, the Company offers cable television, including premium television services, broadband internet and telephony services to residential subscribers in Flanders and certain communes in Brussels as well as broadband internet, data and voice services in the business market throughout Belgium and parts of Luxembourg. The Company also offers mobile telephony services through an MVNO partnership with Mobistar. Telenet Group Holding NV and its principal operating subsidiaries are limited liability companies organized under Belgian law. Subsidiaries and special purpose entities have been incorporated in Luxembourg in order to structure the Company’s financing operations.

5.1.2 Basis of preparation

In accordance with the EU Regulation 1606/2002 of July 19, 2002, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“EU IFRS”). The financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. The methods used to measure fair values are discussed further in note 5.2.8. The principal accounting policies are set out in section 5.2 below.

5.1.3 Functional and presentation currency

These consolidated financial statements are presented in euro (“€”), which is the Company’s functional currency, rounded to the nearest thousand except when indicated otherwise.

5.1.4 Use of estimates and judgments

The preparation of financial statements in accordance with EU IFRS requires the use of certain critical accounting estimates and management judgment in the process of applying the Company’s accounting policies that affects the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following notes:

• note 5.3.6:	Financial instruments: fair values
• note 5.4:	Property and equipment
• note 5.5:	Goodwill
• note 5.6:	Other intangible assets
• note 5.13:	Derivative financial instruments
• note 5.14:	Deferred taxes

A number of the Company’s accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, the Company uses market observable data to the extent available.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the fair value techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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For further information about the assumptions made in measuring fair values we refer to note 5.3.6 Financial Instruments and note 5.11.2 Employee share based compensation.

5.1.5 Going Concern

The consolidated financial statements as of December 31, 2014 showed a negative consolidated equity amounting to €1,362.3 million, mainly as a result of the Company's historical shareholder disbursements policy, including various capital reductions.

The Company considers its most optimal equity structure on a consolidated level, based on a certain net leverage range as described in note 5.3.5, even in case of a negative equity on a consolidated level.

The statutory annual accounts of Telenet Group Holding NV as of and for the year ended December 31, 2014 presented a positive equity of €4,357.6 million compared to €4,502.9 million at December 31, 2013. This positive equity is a result of the 2013 contribution in kind by Telenet Group Holding NV of its shares of Telenet NV in its wholly owned subsidiary Telenet Service Center BVBA. In contrast to its statutory annual accounts, the Company's consolidated statement of financial position does not reflect that particular transaction, which was carried out at fair value. This is one of the main reasons why the Company's consolidated equity remained negative at December 31, 2014.

The board of directors has considered the Company's net equity position and has prepared the consolidated financial statements applying the accounting policies consistently on a going concern basis taking into account amongst others:

- the forecasted earnings for the next years;
- a projected steadily strong positive cash flow;
- maturities of financial obligations as disclosed in note 5.3.3.

5.1.6 Approval by board of directors

These consolidated financial statements were authorized for issue by the board of directors on March 25, 2015.

5.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

No changes to the significant accounting policies have been made, except as explained in note 5.2.19, which addresses new standards, interpretations, amendments and improvements.

5.2.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company. The consolidated financial statements include the accounts of Telenet Group Holding NV and all of the entities that it directly or indirectly controls. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance.

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Special Purpose Entities (SPEs)

The Company has established special purpose entities (SPEs) for financing purposes. The Company does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Company, the Company concludes that it controls the SPE. SPEs controlled by the Company were established under terms that impose strict limitations on the decision-making powers of the SPEs' management and that result in the Company being exposed to, or having rights to, variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity.

Associates and joint ventures

The Company's interest in equity-accounted investees comprises interests in associates and joint ventures.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint ventures are accounted for using the equity method and are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of the equity-accounted investees, until the date on which significant influence or joint control ceases.

5.2.2 Segment Reporting

Operating segments are the individual operations of a company that the chief operating decision maker ("CODM") reviews regularly in allocating resources to these segments and in assessing segment performance. Telenet's segment reporting is presented based on how Telenet's internal financial information is organized and reported to the CEO, who is Telenet's CODM, the Senior Leadership Team and the board of directors.

The CEO, the Senior Leadership Team and the board of directors of Telenet manage the Company as a single operation, and assess its performance and make resource allocation decisions based on an overall Profit and Loss Statement. The Profit and Loss Statement is analyzed at least on a monthly basis with only revenue and direct costs allocated to separate product and service lines. The primary measure of profit within the Profit and Loss Statement used by the CODM to assess performance is Adjusted EBITDA, and the Profit and Loss Statement does not present Adjusted EBITDA for separate product and service lines. Notwithstanding that revenue and direct costs are allocated to the separate product and service lines, as a differentiated Profit and Loss Statement is not used by the CODM to manage Telenet's operations, assess performance or make resource allocation decisions, Telenet has determined that its operations constitute one single segment.

5.2.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When components of an item of property and equipment have different useful lives, they are accounted for as separate components of property and equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Depreciation is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of property and equipment.

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The following useful lives are used for the depreciation of property and equipment:

- Buildings and improvements 10-33 years
- Network 3-30 years
- Furniture, equipment and vehicles 2-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Based on the results of the Company's periodic review of the useful lives of its assets, the Company changed the useful life for fiber network assets and associated capitalized construction costs from 20 to 30 years, prospectively as from January 1, 2013.

Government grants related to assets are recorded as a deduction from the cost in arriving at the carrying amount of the asset. The grant is recognized in the income statement over the life of a depreciable asset as a reduction of depreciation expense.

The Company includes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

The cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of repairs and maintenance of property and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

The fair value of property and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction. The market price of items of equipment is based on the quoted market prices for similar items.

It is the Company's policy to remove an asset's gross cost and accumulated depreciation at the end of an asset's useful life if the asset is no longer used by the Company, except when the asset is classified as held for sale.

5.2.4 Intangible assets

Intangible assets with finite useful lives are measured at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

- Network user rights Life of the contractual right
- Trade name 15 years
- Customer relationships and supply contracts 5 to 15 years
- Broadcasting rights Life of the contractual right
- Software development costs 3 years
- Out of market component on future lease obligations acquired as part
of a business combination Term of the lease agreement

Amortization methods, useful lives and residual values are reviewed at each reporting date and are adjusted if appropriate.

Costs associated with maintaining computer software are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets.

Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software and payroll and payroll-related costs for employees who are directly associated with and who devote time to the project. Capitalization of these costs ceases no later than the point at which the project is substantially complete and ready for its intended purpose.

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Internally-generated intangible assets are amortized on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognized, development expenditure is recognized as an expense in the period in which it is incurred.

Broadcasting rights are capitalized as an intangible asset when the value of the contract is measurable upon signing. For such broadcasting rights with respect to movies the amortizations during the first three months of the license period are based on the actual number of runs to reflect the pattern of consumption of the economic benefits embodied in the content rights. As for the remaining months of the license period the pattern of consumption of the future economic benefits can no longer be determined reliably, the straight-line method is used until the end of the license period. Broadcasting rights with respect to sports contracts are amortized on a straight-line basis over the sports season.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated brands, is recognized in the statement of profit or loss and other comprehensive income as incurred.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of trade names acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the trade name being owned.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

It is the Company's policy to remove an asset's gross cost and accumulated amortization at the end of an asset's useful life if the asset is no longer used by the Company, except when the asset is classified as held for sale.

5.2.5 Impairment of financial and non-financial assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of profit or loss and other comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

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The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”). An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis.

In respect of assets other than goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.2.6 Acquisition accounting and goodwill

Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date on which control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable.

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in the statement of profit or loss and other comprehensive income.

The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are generally recognized in the statement of profit or loss and other comprehensive income. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the statement of profit or loss and other comprehensive income.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The cost of an investment in an equity-accounted investee comprises the purchase price and other costs directly attributable to the acquisition of the investment.

Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. The Company has identified one cash-generating unit to which all goodwill was allocated. If the

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recoverable amount of the cash-generating unit is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets pro-rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill is not reversed in a subsequent period.

5.2.7 Foreign currency transactions

The Company's functional and presentation currency is the euro, which is also the functional currency of each of the Company's subsidiaries. Transactions in currencies other than the euro are translated at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising on translation are included in profit or loss for the period. In order to manage its exposure to certain foreign exchange risks, the Company enters into forward contracts (see below for details of the Company's accounting policies with respect to such derivative financial instruments).

5.2.8 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, loans and borrowings, and trade and other payables.

Cash and cash equivalents

Cash equivalents consist principally of money market funds, commercial paper and certificates of deposit with remaining maturities at acquisition of 3 months or less. Except for money market funds, which are recognized at fair value with changes through the statement of profit or loss and other comprehensive income, cash and cash equivalents are carried at amortized cost using the effective interest rate method, less any impairment losses.

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those instruments.

Trade receivables

Trade receivables do not carry any interest and are stated at their amortized cost less any allowance for doubtful amounts.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The carrying amounts of trade receivables approximate fair value because of the short maturity of those instruments.

Loans and borrowings

Interest-bearing bank loans are recorded at the proceeds received, net of direct issuance costs. Finance charges, including premiums payable on settlement or redemption and direct issuance costs, are accounted for on an accrual basis using the effective interest method and are recorded as a component of the related debt to the extent that they are not settled in the period in which they arise.

The Company initially recognizes debt securities issued on the date that they are originated. Such liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

Trade payables

Trade payables are not interest bearing and are stated at amortized cost. The carrying amounts of trade payables approximate fair value because of the short maturity of those instruments.

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Derivative financial instruments

The Company's activities are exposed to changes in foreign currency exchange rates and interest rates.

The Company seeks to reduce its exposure through the use of certain derivative financial instruments in order to manage its exposure to exchange rate and interest rate fluctuations arising from its operations and funding.

The use of derivatives is governed by the Company's policies approved by the board of directors, which provides written principles on the use of derivatives consistent with the Company's risk management strategy.

The Company has entered into various derivative instruments to manage interest rate and foreign currency exchange rates exposure.

Derivatives are measured at fair value. The Company does not apply hedge accounting to its derivative instruments. Accordingly, changes in the fair values of derivative instruments are recognized immediately in the statement of profit or loss and other comprehensive income.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value through the statement of profit or loss and other comprehensive income.

For interest rate derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity in the consolidated statement of cash flows.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are presented in the reserve for own shares. When own shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

5.2.9 Revenue recognition

Subscription fees for telephony, internet and premium cable television are prepaid by subscribers on a monthly basis and recognized in revenue as the related services are provided, i.e. in the subsequent month. Subscription fees for analog cable television are prepaid by subscribers predominantly on an annual basis and recognized in revenue on a straight-line basis over the following twelve months. Revenue from usage based premium television, mobile and fixed telephone and internet activity is recognized on actual usage.

Installation fees charged to residential customers are recognized as revenue by reference to the stage of completion of the installation. As installation ordinarily does not take long, installation fees are recognized generally as revenue on completion of the installation. Due to the specific characteristics of a business transaction, upfront installation fees charged to business customers are considered part of an integrated solution. The installation is not considered to have stand-alone value and revenue from installation fees charged to business customers is recognized on a straight-line basis as the ongoing services are provided, i.e. deferred and recognized over the average customer relationship.

Together with subscription fees, basic cable television subscribers are charged a copyright fee for the content received from public broadcasters that is broadcasted over the Company's network. These fees contribute to the cost the Company bears in respect of copyright fees paid to copyright collecting agencies for certain content provided by the public broadcasters and other copyright holders. The Company reports copyright fees collected from cable subscribers on a gross basis as a component of revenue due to the fact that the Company is acting as a principal in the arrangement between the public broadcaster and other copyright holders which does not represent a pass-through arrangement. Indeed, the Company bears substantial risk in setting the level of copyright fees charged to subscribers as well as in collecting such fees.

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For multiple element arrangements, the recognition criteria of revenue are applied to the separately identifiable components of the transaction. A component within an arrangement is separated if it has stand-alone value to the customer and if its fair value can be measured reliably. The fair value of the consideration received or receivable is allocated to the separate components of the arrangement using the residual fair value method. The allocation of arrangement consideration to delivered items is limited to amounts of revenue that are not contingent on the Company's future performance.

Revenue from termination fees is recognized at the time of the contract cancellation, if and only if collectability of the fee is reasonably assured. If collectability of the termination fee is not reasonably assured at the time of billing, revenue is deferred until cash is received.

Customers may be charged a downgrade fee when they switch to a lower tier service. Generally, the downgrade is not considered to have stand-alone value to the customer and downgrade fees are therefore deemed to be part of the overall consideration for the ongoing service. Revenue from downgrade fees is recognized on a straight-line basis over the longer period of (i) the related subscription contract or (ii) the expected remaining length of the customer relationship.

Digital television customers may rent a set-top box from Telenet. When customers elect to change the type of set-top box that they rent from Telenet, they may be charged a swap fee. The swap to a different type of set-top box is not considered to have stand-alone value to the customer and revenue from swap fees is recognized on a straight-line basis over the shorter period of (i) the expected remaining length of the customer relationship or (ii) the useful life of the set-top box.

Amounts billed for certain premium voice and SMS content are not presented as revenues but are netted against the corresponding expenses, because Telenet carries no legal responsibilities for the collection of these services and acts solely on behalf of the third-party content providers.

5.2.10 Operating expenses

Operating expenses consist of interconnection costs, network operations, maintenance and repair costs and cable programming costs, including employee costs and related depreciation and amortization charges. The Company capitalizes most of its installation costs, including direct labor costs. Copyright and license fees paid to the holders of those rights and their agents are the primary component of the Company's cable programming costs. Other direct costs include costs that the Company incurs in connection with providing its residential and business services, such as interconnection charges as well as bad debt expense. Network costs consist of costs associated with operating, maintaining and repairing the Company's broadband network and customer care costs necessary to maintain its customer base.

5.2.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the amount can be reliably measured. Provisions are measured at the Company's best estimate of the expenditure required to settle its liability and are discounted to present value where the effect is material.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced to those affected. Future operating losses are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

5.2.12 Leases

At inception of an arrangement, including arrangements that convey to the Company the right to use equipment, fibers or capacity for an agreed period of time in return for a series of payments, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if

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fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Subsequently, the lease liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Company's incremental borrowing rate.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the Company. Property and equipment acquired by way of a finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and any impairment losses. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in long-term debt with the interest element of the finance cost charged to the statement of profit or loss and other comprehensive income over the lease period. All other leases are classified as operating lease payments and recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case they are depreciated over their useful lives.

5.2.13 Income taxes

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit, and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that is not a business combination and that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Current and deferred tax is charged or credited to the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also dealt with in equity.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors,

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including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

5.2.14 Employee benefits

Pension and other post-employment benefit obligations

The Company provides both defined benefit and defined contribution plans to its employees, directors and certain members of management.

For defined contribution plans, the Company pays fixed contributions into a separate entity. The Company has no obligation, beyond the average minimum guaranteed rate of return as defined by law, to pay further amounts in case the pension fund has insufficient assets to pay all employee benefits relating to current and prior service. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

As a result of the guaranteed rates of return, those plans qualify as defined benefit plans. Considering the uncertainty with respect to the future evolution of the minimum guaranteed rates of return in Belgium and the Company's assessment that a pure application of the projected unit credit method would not lead to a true and fair view of the obligations of the company with respect to these kind of plans, the Company opted not to apply the projected unit credit method to determine the benefit obligations of these plans.

Instead the Company applied an approach whereby, for plans for which the minimum guaranteed rate of return as defined by law is not fully insured, the net liability (if any) recognized in the balance sheet is based on the potential shortfall, determined by individual plan participant, between the Company's pension obligation (based on the applicable legal minimum guaranteed return) and the accumulated contributions based on the actual credited rates of return at the balance sheet date (i.e. the net liability is based on the deficit measured at intrinsic value).

A defined benefit plan is a post-employment benefit plan that is not a defined contribution plan.

The defined benefit pension plans typically pay benefits to employees at retirement using formulas based upon years of service and compensation rates near retirement. Those schemes are generally funded by payments from the participants and the Company to insurance companies as determined by periodic actuarial calculations.

For defined benefit pension plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The discount rate is based on the yield at the reporting date on high quality corporate bonds (average yield on AA corporate bonds in euro, benchmarked against the iBoxx € AA Corporates index) taking into account the duration of the Company's obligations.

The net defined benefit liability/(asset) recognized in the balance sheet corresponds to the difference between the defined benefit obligation and the plan assets. In case of a surplus, the net defined benefit (asset) is limited to the present value of future economic benefits available in the form of a reduction in contributions or a cash refund.

Remeasurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses on the defined benefit obligation, the return on plan assets (excluding interest income) and changes in the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI).

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense is recognized in profit or loss.

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Past service cost resulting from plan amendments or curtailments is recognized immediately in profit or loss.

The Company also provides post-retirement health care benefits to certain employees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans.

Other long term employee benefit obligations

The Company provides long term service awards to its employees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognized immediately in profit or loss.

Share-based payments

The Company issues equity-settled share-based payments to certain employees which are measured at fair value at the date of grant. The grant date fair value of options granted to employees is calculated using a Black-Scholes pricing model and recognized as share-based payments expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. Measurement inputs for the Black-Scholes model include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognizes the cumulative impact of the revision of original estimates, if any, in the statement of profit or loss and other comprehensive income, and a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5.2.15 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business, less the estimated costs of sale, and a reasonable profit margin based on the effort required to sell the inventories.

5.2.16 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise warrants and options granted to employees and the CEO.

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5.2.17 Finance income and expenses

Finance income mainly comprises interest income on funds invested, changes in the fair value of financial instruments and net gains on financial instruments. Interest income is recognized as it accrues in the statement of profit or loss and other comprehensive income, using the effective interest method.

Finance expense mainly comprises interest expense on loans and borrowings, changes in the fair value of financial instruments and net losses on financial instruments.

Foreign currency gains and losses are reported on a net basis.

5.2.18 Customer acquisition costs

Customer acquisition costs are the directly attributable costs incurred in signing up a new customer. These include, but are not limited to, incentives paid to retailers, commissions paid to external dealers or agents, and sales commissions to the Company's staff.

Customer acquisition costs paid to a party other than the customer are capitalized as intangible assets if and only if the definition and recognition criteria are met, the costs are incremental to the subscriber contracts, and can be measured reliably. As these criteria are generally not met, customer acquisition costs are generally expensed as incurred.

Cash incentives given to customers are not viewed as customer acquisition costs, but are recognized as a deduction from revenue.

Benefits in kind given to customers, to the extent they do not represent a separate component of the arrangement, are recognized as an expense in the appropriate periods.

5.2.19 Changes in accounting policies

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2014.

- *IFRS 10 Consolidated Financial Statements*
- *IFRS 11 Joint Arrangements*
- *IFRS 12 Disclosure of Interests in Other Entities*
- *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*
- *IAS 28 Investments in Associates and Joint Ventures (2011)*
- *Amendments to IAS 36 Impairment of assets—Recoverable Amount Disclosures for Non-Financial Assets*
- *Amendments to IFRS 2 Definition of Vesting Condition*
- *Amendments to IFRS 3 Accounting for Contingent Consideration in a Business Combination*

The adoption of these standards and amendments did not have a material impact on the Company's financial position, statement of profit or loss and other comprehensive income or cash flows.

Subsidiaries

Subsidiaries are entities controlled by the Company.

As a result of IFRS 10, the Company has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. IFRS 10 introduces a new control model that focuses on whether the Company has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

Joint arrangements

As a result of IFRS 11, the Company has changed its accounting policy for its interests in joint arrangements. Under IFRS 11, the Company has classified its interests in joint arrangements as either joint

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operations (if the Company has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Company has rights only to the net assets of an arrangement). When making this assessment, the Company considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

Interests in equity-accounted investees

As the Company already applied equity method accounting for its interests in associates and joint ventures under IAS 31, the adoption of IFRS 11 had no material impact on the Financial Statements.

5.2.20 Forthcoming requirements

Standards, annual improvements, amendments and interpretations to existing standards that are not yet effective for the year ended December 31, 2014 and have not been early adopted by the Company

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after January 1, 2015, or later periods, but the Company has not early adopted them. The adoption of these standards, amendments and interpretations, except for IFRS 15, is not expected to have a material impact on the Company's financial result or financial position:

IFRS 9 Financial Instruments (effective for annual periods beginning on or after January 1, 2018).

IFRS 15 Revenue from Contracts with Customers, issued by the IASB in May 2014, requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This standard would be effective for annual periods beginning on or after January 1, 2017, but has not yet been endorsed by the EU. The Company is currently evaluating the effect that IFRS 15 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

Amendments to IFRS 10 and IAS 28—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after January 1, 2016).

Amendments to IFRS 11—Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after January 1, 2016).

Amendments to IAS 16 and IAS 38—Clarification of Acceptable Methods of Depreciation and Amortisation. These amendments would be effective for annual periods beginning on or after January 1, 2016, but have not yet been endorsed by the EU.

Amendments to IAS 19 Employee benefits—Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after January 1, 2015) introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties.

5.3 RISK MANAGEMENT

5.3.1 General

The Company is exposed to various risks within the context of its normal business activities, which could have a material adverse impact on its business, prospects, results of operations and financial condition. Therefore, controlling these risks is very important for the management of the Company. To support its growth and help the management and the Audit Committee to deal with the challenges the Company faces, the Company has set up a risk management and internal control system. The purpose of the internal control and risk management framework is to enable the Company to meet its objectives. The most important components of this system are described in our Corporate Governance Statement under 7.4 Internal control and risk management systems.

The Company conducts its business in a rapidly changing environment that gives rise to numerous risks and uncertainties that it cannot control. Please refer to 3 Risk factors for more detailed information.

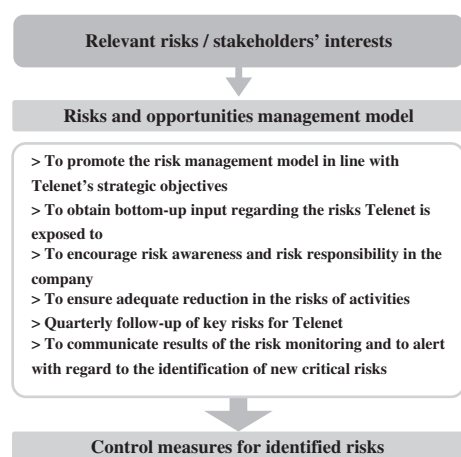
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Telenet is involved in a number of legal procedures risen in the normal course of operations, as Telenet operates within a highly competitive environment. Legal proceedings may arise in connection with such as intellectual property, advertising campaigns, product offerings and acquisition opportunities. Telenet discusses in note 5.24.1 certain procedures, which are still pending and to which the Company is involved. Outside the procedures described in note 5.24.1, Telenet does not expect the legal proceedings in which it is a party or by which it is threatened to have a material adverse effect on the activities or consolidated financial position. However, the Company notes that the outcome of legal proceedings can be extremely difficult to predict, and Telenet offers therefore no guarantees.

Identification of risks

In the risk identification process, Telenet takes a broad range of risks into account that could have a current and/or future impact on the Company. The Senior Leadership Team monitors the most important identified risks on a quarterly basis. The risks are first listed according to importance, and are then mapped on the basis of the category (A), the owner (B) and the control measures (C).



A. Telenet distinguishes the following categories:

- Corporate governance
- Customer satisfaction
- Customer support
- External Factors
- Finance
- HR
- Innovation
- IT and network operations
- Legislation and regulations
- Marketing/Communication
- Network technology
- Outsourcing
- Production life cycle management
- Reporting
- Sales

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- Security
- Strategy
- Suppliers
- Other

B. The risk owner has the following responsibilities:

- Defining how the risk should be monitored, in other words making a decision regarding the risk management measures;
- Identifying gaps in the supervision (lack of control, set-up/implementation of control);
- Supporting and monitoring the implementation of action plans;
- Re-evaluating the risk coverage on a regular basis.

C. Risks can be accepted, mitigated, avoided or transferred:

- Risk management measures are documented and, in the case of risk mitigation, it may be necessary to define action plans in order to enhance the control;
- Action plans are documented in the risk management measures that clearly indicate who/what/when;
- The risk management measures include a target date for all action plans.

The following items are reviewed in terms of the follow-up on the action plans:

- Progress status
 - Not yet started
 - Under development
 - Completed
 - Removed (the reason for removing an action plan must be provided)
- Follow-up
 - Per quarter for each of the main risks for Telenet
 - Annually for other risks that have been assessed as relevant
- Progress assessment

The use of a centralized risk register incorporating all information relating to any relevant risk simplifies the analysis of the correlation between the registered risks, the determination of the priority of the risk management measures and the identification of the synergy between the risk management actions.

5.3.2 Credit risk

Qualitative disclosures

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to the Company in relation to lending, hedging, settlement and other financial activities. The Company is exposed to credit risk from its operating activities and treasury activities.

The largest share of the gross assets subject to credit risk from operating activities are trade receivables from residential and small business customers located throughout Belgium and parts of Luxembourg. Accordingly, the Company has no significant concentration of credit risk. The risk of material loss from non-performance from these customers is not considered likely. The Company establishes reserves for doubtful accounts receivable to cover the potential loss from non-payment by these customers.

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As for credit risk on financial instruments, the Company maintains credit risk policies with regard to its counterparties to minimize overall credit risk. These policies include an assessment of a potential counterparty's financial condition, credit rating and other credit criteria and risk mitigation tools as deemed appropriate. The Company maintains a policy of entering into such transactions only with highly rated European and US financial institutions. To minimize the concentration of counterparty credit risk, the Company enters into derivative transactions with a portfolio of financial institutions. Likewise, cash and cash equivalents are placed with highly rated financial institutions and only highly rated money market funds are used.

Quantitative disclosures

The Company considers its maximum exposure to credit risk to be as follows:

	December 31, 2014	December 31, 2013
	(in thousands of euro)	
Cash and cash equivalents (including money market funds, certificates of deposits)	189,076	214,103
Trade receivables	113,626	122,028
Derivative financial instruments	9	66
Receivables from sale of sports broadcasting rights	3,465	15,805
Outstanding guarantees to third parties for own liabilities (cash paid)	888	2,165
Total	307,064	354,167

More detailed financial information has been disclosed under the respective notes to the consolidated financial statements of the Company.

5.3.3 Liquidity risk

Qualitative disclosures

The principal risks to the Company's sources of liquidity are operational risks, including risks associated with decreased pricing, reduced subscriber growth, increased marketing costs and other consequences of increasing competition and potentially adverse outcomes with respect to the Company's litigations as described in note 5.24.1. Telenet's ability to service its debt and to fund its ongoing operations will depend on its ability to generate cash. Although the Company anticipates generating positive cash flow after deducting interest and taxes, the Company cannot assure that this will be the case. The Company may not generate sufficient cash flow to fund its capital expenditures, ongoing operations and debt obligations.

Telenet Group Holding NV is a holding company with no source of operating income. It is therefore dependent on capital raising abilities and dividend payments from subsidiaries to generate funds. The terms of the 2010 Amended Senior Credit Facility contain a number of significant covenants that restrict the Company's ability, and the ability of its subsidiaries to, among other things, pay dividends or make other distributions, make capital expenditures, incur additional debt and grant guarantees. The agreements and instruments governing its debt contain restrictions and limitations that could adversely affect the Company's ability to operate its business.

Telenet believes that its cash flow from operations and its existing cash resources, together with available borrowings under the 2010 Amended Senior Credit Facility, will be sufficient to fund its currently anticipated working capital needs, capital expenditures and debt service requirements.

For the year ended December 31, 2013, no additional financing or refinancing activities occurred.

In March 2014, the Company announced an extension offer for Term Loans Q, R and T under its existing 2010 Amended Senior Credit Facility and the redemption of the Senior Secured Notes due 2016. As a result of the aforementioned refinancing, which was completed in April 2014, the Company issued a new €474.1 million floating rate Term Loan under the 2010 Amended Senior Credit Facility ("Term Loan W") due June 30, 2022 carrying a margin of 3.25% over EURIBOR. In addition, the Company issued a new

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€882.9 million floating rate Term Loan under the 2010 Amended Senior Credit Facility (“Term Loan Y”) due June 30, 2023 carrying a margin of 3.50% over EURIBOR. The net proceeds of these new issuances, together with available cash and cash equivalents, were used to fully redeem the outstanding amounts under Term Loans Q, R and T and the €100.0 million Senior Secured Notes due 2016. As a result, the Company does not have any maturities of its outstanding debt prior to November 2020.

In addition, as part of the aforementioned refinancing, the Company also launched an extension process for its existing Revolving Facility (“Facility S”) with maturity December 31, 2016 carrying a margin of 2.75% over EURIBOR. Lenders under the Revolving Facility were asked to renew and extend their commitments into a new Revolving facility (“Facility X”) with maturity September 30, 2020 carrying a margin of 2.75% over EURIBOR. As a result, the Company now has full access to a committed Revolving Facility of €322.9 million, being €36.9 million under “Facility S” (with availability up to December 31, 2016) and €286.0 million under “Facility X” (with availability up to September 30, 2020).

The 2010 Amended Senior Credit Facility is discussed in greater detail in note 5.12.1 and 5.12.2 of the consolidated financial statements of the Company.

In order to manage its exposure to floating rate debt, the Company entered into interest rate cap, collar and swap contracts for a total nominal amount of €2.7 billion at December 31, 2014 (2013: €3.3 billion).

The Company has implemented a policy on financial risk management. With respect to liquidity and funding risks, the key objectives can be summarized as:

- ensure that at all times the Company has access to sufficient cash resources to meet its financial obligations as they fall due and to provide funds for capital expenditure and investment opportunities as they arise;
- ensure that the Company has sufficient excess liquidity to ensure that the Company can meet its non-discretionary financial obligations in the event of unexpected business disruption;
- ensure compliance with borrowing facilities covenants and undertakings.

A minimum level of cash and cash equivalents is maintained in order to meet unforeseen cash expenses. The Company’s funding requirements and funding strategy are reviewed annually.

A limit has been set regarding the maximum amount that can be invested per derivative product type. On top of this limit, the authorized financial counterparties have been determined and limits have been set for each counterparty by reference to their long-term credit rating.

Quantitative disclosures

The Company’s aggregate contractual obligations as at December 31, 2014 and 2013 were as follows:

Situation as per December 31, 2014	Payments due by period (in thousands of euro)						
	Total	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
Contractual obligations							
Long term debt ⁽¹⁾⁽³⁾	4,854,119	168,237	168,207	167,830	167,626	176,933	4,005,286
Finance lease obligations ⁽¹⁾⁽³⁾	492,067	58,466	57,217	55,737	52,944	44,297	223,406
Operating lease obligations	42,788	20,087	8,706	6,391	2,992	1,833	2,779
Other contractual obligations ⁽²⁾	1,303,129	190,146	156,714	97,754	48,004	44,541	765,970
Interest Rate Derivatives ⁽³⁾	205,616	25,895	27,064	26,569	24,494	24,494	77,100
Accrued expenses and other							
current liabilities ⁽⁴⁾	248,329	248,329	—	—	—	—	—
Trade payables	114,377	114,377	—	—	—	—	—
Total contractual obligations	7,260,425	825,537	417,908	354,281	296,060	292,098	5,074,541

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Situation as per December 31, 2013	Payments due by period (in thousands of euro)						
	Total	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
Contractual obligations							
Long term debt ⁽¹⁾⁽³⁾	4,986,518	179,487	179,284	278,418	598,357	333,356	3,417,616
Finance lease obligations ⁽¹⁾⁽³⁾	478,764	56,381	52,702	51,456	50,164	47,559	220,502
Operating lease obligations	40,743	19,885	7,400	6,064	2,514	1,864	3,016
Other contractual obligations ⁽²⁾	1,376,988	187,539	130,440	91,341	62,784	55,452	849,432
Interest Rate Derivatives ⁽³⁾	250,540	44,032	42,315	40,866	30,514	40,680	52,133
Foreign Exchange Derivatives	31,184	31,184	—	—	—	—	—
Accrued expenses and other							
current liabilities ⁽⁴⁾	244,697	244,697	—	—	—	—	—
Trade payables	141,826	141,826	—	—	—	—	—
Total contractual obligations	7,551,260	905,031	412,141	468,145	744,333	478,911	4,542,699

1 Interest included.

2 Represents fixed minimum commitments under certain programming and purchase agreements, amounts associated with certain operating costs resulting from the Interkabel acquisition, commitments under the operating agreement with Norkring (Note 5.12.6) as well as commitments related to the 3G spectrum (Note 5.6).

3 Contractual obligations with a floating interest rate are based on the rate outstanding as at December 31.

4 Excluding compensation and employee benefits, VAT and withholding taxes and the current portion of the Interkabel out of market component.

5.3.4 Market risk

The Company is exposed to market risks relating to fluctuations in interest rates and foreign exchange rates, primarily between the US dollar and euro. The Company uses financial instruments to manage its exposure to interest rate and foreign exchange rate fluctuations. Each of these risks is discussed below.

Qualitative disclosures on foreign exchange risk

The Company undertakes certain transactions in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The Company's functional currency is the euro. However, the Company conducts, and will continue to conduct, transactions in currencies other than the euro, particularly the US dollar. About 2.8% (2013: 4.4%) of the Company's costs of operations (primarily the costs of network hardware equipment, software and premium cable television rights) were denominated in US dollars, while all of its revenue was generated in euros. The Company has significant US dollar obligations with respect to the contracts it is party to for the supply of premium content. Decreases in the value of the euro relative to the US dollar would increase the cost in euro of the Company's US dollar denominated costs and expenses, while increases in the value of the euro relative to the US dollar would have the reverse effect.

The Company has historically covered a portion of its US dollar cash outflows arising on anticipated and committed purchases through the use of foreign exchange derivative instruments. The Company uses forward foreign exchange contracts to manage the exchange rate risk arising from:

- purchases of goods and services in foreign currency;
- capital equipment priced in foreign currency or subject to price changes due to movements in exchange rates;
- payments of royalties, franchise or license fees denominated in a foreign currency.

Although the Company takes steps to protect itself against the volatility of currency exchange rates, there is a residual risk that currency risks due to volatility in exchange rates could have a material adverse effect on the Company's financial condition and results of operations.

The outstanding forward foreign exchange derivatives as of December 31, 2014 and 2013, are disclosed in more detail in note 5.13 to the consolidated financial statements of the Company.

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Qualitative disclosures on interest rate risk

The Company is mainly exposed to interest rate risk arising from borrowings at floating interest rates, interest bearing investments and finance leases. The Company limits its exposure to floating interest rates through the use of derivative instruments. The risk is managed by maintaining an appropriate mix of interest rate swap contracts, interest rate cap contracts, interest rate collar contracts and basis swap contracts.

The Company implemented a policy on financial risk management. With respect to interest rate risk, the key objectives can be summarized as:

- only long term interest exposures (+ 1 year) are managed;
- cash debt servicing costs, from movements in interest rates, are minimized;
- all derivative instruments used are designated to actual interest exposures and are authorized under the policy;
- interest cover ratios included in borrowing covenants are complied with.

As of December 31, 2014, the Company carried a total debt balance (including accrued interest) of €3,733.5 million, of which €1,357.0 million principal amount is owed under the 2010 Amended Senior Credit Facility, €1,200.0 million principal amount is related to the three Notes issued in 2010 and 2011, and €700.0 million principal amount relates to the Senior Secured Fixed Rate Notes due 2022 and 2024 issued in August 2012. The Company's total debt balance at December 31, 2014 also included €38.5 million for the outstanding portion of the 3G mobile spectrum. The remainder primarily represents the capital lease obligations associated with the Interkabel Acquisition. On December 31, 2014, fixed interest rates applied to 51.9% of the Company's total debt (2013: 52.4%).

As referred to above, the outstanding interest rate derivatives as of December 31, 2014 and 2013, are disclosed in more detail in note 5.13 to the consolidated financial statements of the Company.

Quantitative disclosures

Interest rate sensitivity testing

For interest rate derivatives and floating rate debt, the Company has used a sensitivity analysis technique that measures the change in the fair value or interest expense of these financial instruments for hypothetical changes in the relevant base rate applicable at year-end, holding all other factors constant.

The sensitivity analysis is for illustrative purposes only—in practice, market rates rarely change in isolation and are likely to be interdependent. A change of 25 basis points in interest rates at the reporting date would have increased (decreased) the profit for the period and would have changed the fair values of the Company's interest rate derivatives as set out in the table below:

(in thousands of euro)	2014		2013	
	+0.25%	-0.25%	+0.25%	-0.25%
Interest				
2010 Amended Senior Credit Facility	(3,427)	3,427	(3,512)	3,512
Senior Secured Floating Rate Notes	(1,011)	1,011	(1,011)	1,011
Finance leases	(10)	10	(18)	18
Interest rate derivatives	(4,422)	4,422	(4,575)	4,575
	(8,870)	8,870	(9,116)	9,116
Changes in fair value				
Swaps	31,455	(31,455)	16,397	(16,397)
Caps	51	(4)	56	(26)
Collars	3,233	(4,333)	7,233	(7,971)
	34,739	(35,792)	23,686	(24,394)
Total	25,869	(26,922)	14,570	(15,278)

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The following table summarizes the Company's interest obligations under the outstanding floating rate indebtedness and interest rate derivatives. The amounts generated from this sensitivity analysis are forward-looking estimates of market risk assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets.

Situation as per December 31, 2014 +0.25% (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2010 Amended SCF Term Loan W	16,910	16,956	16,910	16,910	16,910	42,252
2010 Amended SCF Term Loan Y	33,730	33,823	33,730	33,730	33,730	118,010
€400 million Senior Secured Notes due 2021	17,046	17,092	17,046	17,046	17,046	25,592
Finance Lease	12	8	4	—	—	—
Interest Derivatives	21,825	22,654	22,147	20,102	20,102	64,926
Total	89,523	90,533	89,837	87,788	87,788	250,780

Situation as per December 31, 2014 -0.25% (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2010 Amended SCF Term Loan W	14,507	14,546	14,507	14,507	14,507	36,247
2010 Amended SCF Term Loan Y	29,254	29,335	29,254	29,254	29,254	102,350
€400 million Senior Secured Notes due 2021	15,018	15,059	15,018	15,018	15,018	22,547
Finance Lease	2	1	1	—	—	—
Interest Derivatives	29,965	31,474	30,991	28,887	28,887	89,904
Total	88,746	90,415	89,771	87,666	87,666	251,048

Situation as per December 31, 2013 +0.25% (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2010 Amended SCF Term Loan Q	16,318	16,318	16,363	9,478	—	—
2010 Amended SCF Term Loan R	33,272	33,272	33,363	33,272	33,272	19,325
2010 Amended SCF Term Loan T	7,069	7,069	7,088	7,069	7,069	—
€400 million Senior Secured Notes due 2021	17,853	17,853	17,901	17,853	17,853	43,873
Finance Lease	33	16	11	5	—	—
Interest Derivatives	39,457	37,804	36,406	36,855	37,127	38,357
Total	114,002	112,332	111,132	104,532	95,321	101,555

Situation as per December 31, 2013 -0.25% (in thousands of euro)	Interest payments due by period					
	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2010 Amended SCF Term Loan Q	14,133	14,133	14,172	8,209	—	—
2010 Amended SCF Term Loan R	29,223	29,223	29,303	29,223	29,223	16,973
2010 Amended SCF Term Loan T	6,182	6,182	6,199	6,182	6,182	—
€400 million Senior Secured Notes due 2021	15,825	15,825	15,868	15,825	15,825	38,890
Finance Lease	12	6	4	2	—	—
Interest Derivatives	48,608	46,826	45,327	44,781	44,098	45,435
Total	113,983	112,195	110,873	104,222	95,328	101,298

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For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not the Company's earnings or cash flows. The Company does not currently have any obligation to redeem fixed rate debt prior to maturity and, accordingly, interest rate risk and changes in fair market value should not have a significant effect on the fixed rate debt until the Company would be required to refinance such debt.

Foreign currency sensitivity testing

The Company is mainly exposed to market risks relating to fluctuations in foreign exchange rates between the US dollar and euro.

The following table details the Company's sensitivity to a 10% increase and decrease of the relevant foreign exchange rate. We utilize 10% as the sensitivity rate when reporting foreign currency risk internally as it represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis primarily includes the effect on Telenet's US dollar denominated payables (primarily payables associated with network hardware equipment, software and premium cable television rights).

<u>December 31, 2014</u>	<u>Foreign currency</u>	<u>Amount in foreign currency</u>	<u>Gain/(loss) in thousands of euro</u>			
			<u>10% increase</u>		<u>10% decrease</u>	
Trade payables	USD	4,540	(417)	<i>On profit or loss</i>	341	<i>On profit or loss</i>
	GBP	(4)	1	<i>On profit or loss</i>	(1)	<i>On profit or loss</i>
<u>December 31, 2013</u>	<u>Foreign currency</u>	<u>Amount in foreign currency</u>	<u>Gain/(loss) in thousands of euro</u>			
			<u>10% increase</u>		<u>10% decrease</u>	
Trade payables	USD	7,064	(570)	<i>On profit or loss</i>	466	<i>On profit or loss</i>
	GBP	13	(2)	<i>On profit or loss</i>	1	<i>On profit or loss</i>

5.3.5 Capital Risk

The Company manages its capital to ensure that the Company and its subsidiaries will be able to continue as a going concern in order to provide sustainable and attractive returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital risk on the basis of the net leverage ratio. The net leverage ratio is calculated as per the 2010 Amended Senior Credit Facility definition, using net total debt, excluding (a) subordinated shareholder loans, (b) capitalized elements of indebtedness under the Clientele and Annuity Fees, (c) any finance leases entered into on or prior to August 1, 2007, and (d) any indebtedness incurred under the network lease entered into with the pure intermunicipalities up to a maximum aggregate amount of €195.0 million, divided by last two quarters' annualized EBITDA.

As of December 31, 2014, the outstanding balance of the Company's 2010 Amended Senior Credit Facility and outstanding cash balance resulted in a Net Total Debt to Consolidated Annualized EBITDA ratio of 3.7x compared to 4.0x at the end of December 2013. The decrease in the Company's net leverage ratio compared to year-end 2013 reflected the absence of major shareholder disbursements apart from the €48.2 million Share Repurchase Program 2014 as mentioned in Note 5.11.1. The Company's current net leverage ratio is significantly below the covenant of 6.0x and the availability test of 5.0x.

Under the 2010 Amended Senior Credit Facility the Company has access to the additional committed Revolving Facility S of €36.9 million and Facility X of €286.0 million, subject to compliance with the covenants mentioned above, with availability up to and including December 31, 2016 and September 30, 2020.

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5.3.6 Financial instruments: fair values

Carrying amount versus fair value

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position and their levels in the fair value hierarchy are summarized in the table below. The fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation techniques.

The following tables show the carrying amounts and fair values of financial assets and liabilities, including their levels of fair value hierarchy.

The table below does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

December 31, 2014 (in thousands of euro)	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Derivative financial assets	5.13	9	9	—	9	—
Total financial assets carried at fair value . . .		<u>9</u>	<u>9</u>	<u>—</u>	<u>9</u>	<u>—</u>
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.13	142,573	142,573	—	142,573	—
Total financial liabilities carried at fair value		<u>142,573</u>	<u>142,573</u>	<u>—</u>	<u>142,573</u>	<u>—</u>
Financial liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities (excluding deferred financing fees)	5.12					
—2010 Amended Senior Credit Facility . . .		1,357,903	1,350,837	—	1,350,837	—
—Senior Secured Fixed Rate Notes		1,528,581	1,651,240	1,651,240	—	—
—Senior Secured Floating Rate Notes		400,748	403,248	403,248	—	—
—Finance lease obligations		370,427	327,426	—	327,426	—
—Clientele fee > 20 years		90,123	80,384	—	80,384	—
—3G Mobile Spectrum		38,479	32,406	—	32,406	—
Total financial liabilities carried at amortized cost		<u>3,786,261</u>	<u>3,845,541</u>	<u>2,054,488</u>	<u>1,791,053</u>	<u>—</u>

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December 31, 2013 (in thousands of euro)	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Derivative financial assets	5.13	66	66	—	66	—
Total financial assets carried at fair value . . .		<u>66</u>	<u>66</u>	<u>—</u>	<u>66</u>	<u>—</u>
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.13	150,809	150,809	—	150,809	—
Total financial liabilities carried at fair value		<u>150,809</u>	<u>150,809</u>	<u>—</u>	<u>150,809</u>	<u>—</u>
Financial liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities (excluding deferred financing fees)	5.12					
—2010 Amended Senior Credit Facility . . .		1,405,117	1,419,561	—	1,419,561	—
—Senior Secured Fixed Rate Notes		1,629,259	1,742,262	1,742,262	—	—
—Senior Secured Floating Rate Notes		400,738	402,878	402,878	—	—
—Finance lease obligations		358,020	304,525	—	304,525	—
—Clientele fee > 20 years		83,097	64,238	—	64,238	—
—3G Mobile Spectrum		45,879	36,845	—	36,845	—
Total financial liabilities carried at amortized cost		<u>3,922,110</u>	<u>3,970,309</u>	<u>2,145,140</u>	<u>1,825,169</u>	<u>—</u>

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Unobservable inputs	Inter-relationship between unobservable inputs and fair value measurements
Interest rate derivatives	Discounted cash flows: the fair value of the interest rate derivatives is calculated by the Company based on swap curves flat, taking into account the credit risk of both the Company and the respective counterparties to the instruments. The Company also compares the fair values thus calculated to the respective instruments' fair value as provided by the counterparty.	The credit risk of both the Company and the respective counterparties to the instruments.	The estimated fair value would increase (decrease) if: —the credit risk of the company were lower (higher) —the credit risk of the countercompany were higher (lower).
Foreign exchange forwards and embedded derivatives	Discounted cash flows: the fair value of forward exchange contracts is calculated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate. This calculation is compared to the listed market price, if available.	Not applicable.	Not applicable.

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Financial instruments not measured at fair value

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurements</u>
Loans, borrowings and finance lease liabilities: —2010 Amended Senior Credit Facility	Market comparison technique: The fair values are based on broker quotes. The brokers providing the quotes are among the most active in the trading of the Senior Credit Facility, and regularly provide quotes to the market. No adjustments to this pricing are needed.	Not applicable.	Not applicable.
Loans, borrowings and finance lease liabilities: —Finance lease obligations —Clientele fee > 20 years —3G Mobile spectrum	Discounted cash flows.	Discount rate.	The estimated fair value would increase (decrease) if: —the discount rate were lower (higher).

During the year ended December 31, 2014, no financial assets or liabilities measured at fair value have been transferred between the levels of the fair value hierarchy.

5.4 PROPERTY AND EQUIPMENT

<u>(in thousands of euro)</u>	<u>Land, buildings, and leasehold improvements</u>	<u>Network</u>	<u>Construction in progress</u>	<u>Furniture, equipment, and vehicles</u>	<u>Total</u>
Cost					
At January 1, 2013	108,389	2,326,498	131,002	50,119	2,616,008
Additions	403	—	281,575	198	282,176
Transfers	3,333	345,747	(348,798)	4,401	4,683
Disposals	—	(4,926)	—	(37)	(4,963)
Write off of fully depreciated assets	—	(304,957)	—	(3,474)	(308,431)
At December 31, 2013	112,125	2,362,362	63,779	51,207	2,589,473
Additions	723	568	280,120	44	281,455
Transfers	4,261	270,182	(278,549)	4,106	—
Disposals	(1,506)	(2,642)	—	(35)	(4,183)
Write off of fully depreciated assets	(399)	(197,201)	—	(4,982)	(202,582)
At December 31, 2014	115,204	2,433,269	65,350	50,340	2,664,163
Accumulated Depreciation					
At January 1, 2013	33,737	1,208,276	—	36,516	1,278,529
Depreciation charge for the year	5,791	220,469	—	5,389	231,649
Transfers	1,337	3,158	—	111	4,606
Disposals	—	(2,896)	—	(37)	(2,933)
Write off of fully depreciated assets	—	(304,957)	—	(3,474)	(308,431)
At December 31, 2013	40,865	1,124,050	—	38,505	1,203,420
Depreciation charge for the year	6,092	238,021	—	5,065	249,178
Transfers	—	—	—	—	—
Disposals	(784)	(2,587)	—	(21)	(3,392)
Write off of fully depreciated assets	(399)	(197,201)	—	(4,982)	(202,582)
At December 31, 2014	45,774	1,162,283	—	38,567	1,246,624
Carrying Amount					
At December 31, 2014	69,430	1,270,986	65,350	11,773	1,417,539
At December 31, 2013	71,260	1,238,312	63,779	12,702	1,386,053
Carrying Amount of Finance Leases included in Property and Equipment					
At December 31, 2014	26,729	290,196	—	—	316,925
At December 31, 2013	29,704	273,112	—	—	302,816

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The Company's accrued capital expenditures mainly consist of network growth and upgrades, as well as refurbishments and replacements of network equipment.

The Company assesses the estimated useful lives of its property and equipment each reporting period to determine whether events or circumstances warrant a revision of these estimated useful lives. Based on the results of the Company's periodic review of the useful lives of its assets, the Company changed the useful life for fiber network assets and associated capitalized construction costs from 20 to 30 years, prospectively as from January 1, 2013. No changes were necessary based on the 2014 re-assessment.

For further information regarding finance lease obligations, we refer to note 5.12.6 to the consolidated financial statements of the Company.

For further information regarding assets pledged as security, we refer to note 5.12.5.

For the year ended December 31, 2014, the Company removed €202.6 million of gross cost and accumulated depreciation related to fully depreciated assets which are no longer used by the Company (€308.4 million for the year ended December 31, 2013).

Disposals of property and equipment for the year ended December 31, 2014 mainly consisted of:

- Disposal of leasehold improvements with a loss on disposal equal to the remaining net book value amounting to €0.7 million;
- Sale of hard disks from recycled HD Digicorders with a zero net book value, resulting in a gain on disposal of €0.4 million;
- Sale of set-top boxes with a zero net book value, resulting in a gain on disposal of €0.6 million; and
- Sale of scrap material with a zero net book value, resulting in a gain on disposal of €1.7 million.

Disposals of property and equipment for the year ended December 31, 2013 mainly consisted of:

- Sale of hard disks from recycled HD Digicorders with a zero net book value, resulting in a gain on disposal of €1.4 million;
- Sale of set-top boxes with a net book value of €1.7 million, with no gain or loss on disposal; and
- Sale of scrap material with a zero net book value, resulting in a gain on disposal of €1.1 million.

The Company determined that its property and equipment constitute a single cash generating unit for the purpose of impairment testing.

5.5 GOODWILL

The total amount of goodwill remained unchanged during 2014 and stood at €1,241.8 million.

The changes in the Company's goodwill for the years ended December 31, 2014 and 2013 are as follows:

(in thousands of euro)

January 1, 2013	1,241,798
2013 Acquisition of subsidiaries	
—Ulana Business Management Ltd	2
—Magrina Sàrl	13
December 31, 2013	1,241,813
2014 Acquisition of subsidiaries	—
December 31, 2014	1,241,813

The Company performed its annual review for impairment during the third quarter of 2014 and 2013, respectively. Goodwill was allocated to one cash generating unit. The recoverable amount of the cash generating unit was based on its value in use and was determined by discounting the future cash flows to be generated from its continuing use (Discounted Cash Flow method). The value in use of the cash generating unit for the year ended December 31, 2014 was determined in a similar manner to the year ended December 31, 2013.

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The key assumptions for the value in use calculations used to determine the recoverable amount are those regarding the discount rates and expected changes to selling prices, product offerings, direct costs, EBITDA margins and terminal growth rates. The discount rate used is a pre-tax measure estimated based on past experience, and industry average weighted cost of capital. Changes in selling practices and direct costs are based on past practices and expectations of future changes in the market. The calculation uses cash flow projections based on financial budgets approved by management, the Company's Long-Range Plan through 2019, and a pre-tax discount rate of 8.7% (10.2% for the year ended December 31, 2013) based on current market assessments of the time value of money and the risks specific to the Company. The development of the Long-Range Plan relies on a number of assumptions, including:

- market growth, the evolution of the Company's market share and the resulting trends in the number of subscribers;
- the product mix per subscriber;
- the average revenue per subscriber;
- the expected evolution of various direct and indirect expenses;
- the expected evolution in other variable and fixed costs;
- the estimated future capital expenditure (excluding capital expenditure that improves or enhances the Company's assets' performance).

The assumptions were derived mainly from:

- available historic data;
- external market research and observations with respect to e.g. inflation, changes in the remuneration index, evolutions of the number of households, connection points, etc.;
- internal market expectations based on trend reports, the current state of important negotiations, etc.

For the year ended December 31, 2014, as well as for the year ended December 31, 2013, cash flows beyond the five-year period have been extrapolated using no growth rate, based on historical data and macro-economic conditions. This growth rate does not exceed the long-term average growth rate for the industry as published periodically in the Bulletins of the European Central Bank (ECB).

The Discounted Cash Flow calculation for determining the value in use and net recoverable amount mentioned above was reviewed for reasonableness by comparing the result of the calculation to the market capitalization of the Company.

The key assumptions used are reviewed and updated on a yearly basis by the Company's management. Taking into account the considerable excess of the cash generating unit's recoverable amount over its carrying amount, and based on sensitivity testing performed, management is of the opinion that any reasonably possible changes in key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount at December 31, 2014.

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5.6 OTHER INTANGIBLE ASSETS

(in thousands of euro)	Network user rights	Trade name	Software	Customer relationships	Broadcasting rights	Other	Subtotal	Broadcasting rights for resale purposes	Total
Cost									
At January 1,									
2013	102,222	121,514	315,283	212,776	108,788	21,125	881,708	—	881,708
Additions	267	—	59,685	—	30,832	—	90,784	10,052	100,836
Disposals	—	—	(484)	—	—	—	(484)	(10,052)	(10,536)
Write-off of fully amortized assets ...	(267)	—	(7,671)	—	(10,568)	—	(18,506)	—	(18,506)
At December 31,									
2013	102,222	121,514	366,813	212,776	129,052	21,125	953,502	—	953,502
Additions	—	—	59,476	—	46,535	—	106,011	114	106,125
Disposals	—	—	(1,463)	—	—	—	(1,463)	(114)	(1,577)
Write-off of fully amortized assets ...	—	—	(8,852)	—	(98,107)	—	(106,959)	—	(106,959)
At December 31,									
2014	102,222	121,514	415,974	212,776	77,480	21,125	951,091	—	951,091
Accumulated Amortization									
At January 1,									
2013	41,543	95,242	234,667	115,002	51,705	2,586	540,745	—	540,745
Amortization charge of the year	7,667	8,089	46,223	20,195	43,722	224	126,120	—	126,120
Disposals	—	—	(52)	—	—	—	(52)	—	(52)
Write-off of fully amortized assets ...	(267)	—	(7,671)	—	(10,568)	—	(18,506)	—	(18,506)
Impairment loss	53,279	—	—	—	—	—	53,279	—	53,279
At December 31,									
2013	102,222	103,331	273,167	135,197	84,859	2,810	701,586	—	701,586
Amortization charge of the year	—	8,089	32,874	18,753	48,303	262	108,281	—	108,281
Disposals	—	—	(203)	—	—	—	(203)	—	(203)
Write-off of fully amortized assets ...	—	—	(8,852)	—	(98,107)	—	(106,959)	—	(106,959)
At December 31,									
2014	102,222	111,420	296,986	153,950	35,055	3,072	702,705	—	702,705
Carrying Amount									
At December 31,									
2014	—	10,094	118,988	58,826	42,425	18,053	248,386	—	248,386
At December 31,									
2013	—	18,183	93,646	77,579	44,193	18,315	251,916	—	251,916

The Company's intangible assets other than goodwill each have finite lives and are comprised primarily of trade name, software development and acquisition costs, customer relationships, broadcasting rights, out of market component of future leases and contracts with suppliers.

The Company assesses the estimated useful lives of its finite-lived intangible assets each reporting period to determine whether events or circumstances warrant a revision of these estimated useful lives. The Company changed the useful life of its software, prospectively on January 1, 2014, from 3 to 4 years based upon the outcome of the 2013 re-assessment. The assessment performed in 2014 did not result in any revision to the estimated useful lives of intangible assets.

For the year ended December 31, 2014, the Company removed €107.0 million of gross cost and accumulated amortization related to fully amortized assets which are no longer used by the Company (€18.5 million for the year ended December 31, 2013). During 2011, the Company acquired the exclusive broadcasting rights associated with the Belgian football championship for three seasons from July 2011 to

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May 2014, as well as non-exclusive rights to certain matches for the two seasons from July 2012 to May 2014 for €89.4 million. These intangible assets became fully amortized upon their expiration in May 2014 and are presented as a write-off of fully amortized assets in the table above.

In June 2014, the Company acquired the non-exclusive broadcasting rights of the Belgian football championship for the three seasons beginning with the 2014—2015 season. For the 2014-2015 season, Telenet acquired a non-exclusive license to broadcast the signal of the live matches in return for a fixed license fee. The agreement entitles the Pro League to grant the broadcasting rights via a different arrangement for the subsequent seasons. At acquisition date, the non-exclusive broadcasting rights related to the 2014-2015 season met the recognition criteria for intangible assets and were capitalized as broadcasting rights for an amount of €31.1 million.

Following an auction launched in March 2011 by the BIPT, Telenet Tecteo BidCo NV, a subsidiary of the Company in which the Walloon cable operator Tecteo SCRL owns a 25% stake, acquired the fourth 3G mobile spectrum license in Belgium. The Company recognized the acquired spectrum as an intangible asset for an amount of €71.5 million, equal to the net present value at the acquisition date of the yearly installments. Up until December 31, 2013, this intangible asset was being amortized on a straight-line basis through the expiry date of the underlying license of March 15, 2021.

In December 2013, the Company's management determined that it would not be able to utilize the spectrum rights following the conclusion in the fourth quarter of 2013 of negotiations with network operators in Belgium and the absence of regulatory alternatives. This triggered an impairment test of the intangible asset related to the Company's 3G mobile spectrum license. The Company determined that the asset's value in use was zero at December 31, 2013. Further, it was the Company's assessment that there is no basis for making a reliable estimate of the asset's fair value less costs to sell. Consequently, the Company's analysis concluded that the recoverable amount of the intangible asset related to the 3G mobile spectrum was zero at December 31, 2013, and Telenet recorded an impairment charge of €53.3 million during the fourth quarter of 2013 to reduce the carrying amount of this intangible asset to zero. On February 13, 2014, the Company notified the BIPT that it would return the acquired spectrum rights, and the Company returned these rights in June 2014.

At the time of the acquisition of the 3G mobile spectrum license, the Company opted to pay the corresponding purchase price in annual installments. At December 31, 2014, the Company had not been discharged from any part of these contractual obligations and consequently, the Company maintained the corresponding liability (€38.5 million) as of December 31, 2014.

Concurrently with the acquisition of the 3G mobile spectrum license, the Company also exercised its call option to acquire a certain number of 2G mobile spectrum frequencies for a total consideration of €31.5 million, which would become available in November 2015. On December 12, 2013, the Company notified the BIPT that it will not utilize its right to use the 2G mobile spectrum frequencies. On December 15, 2014, the BIPT published the outcome of its request for offers on the 2G frequencies previously earmarked for Telenet. It is the Company's assessment that, as a result of this early notification and started re-allocation of the 2G spectrum, the Company will not be required to honor its commitment to acquire this 2G spectrum in November 2015.

For information regarding finance leases of intangible assets, see note 5.12.6 to the consolidated financial statements of the Company.

5.7 TRADE RECEIVABLES

	December 31, 2014	December 31, 2013
	(in thousands of euro)	
Trade receivables	113,626	122,028
Less: allowance for bad debt	(1,961)	(3,358)
Trade receivables, net	111,665	118,670

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At December 31, 2014 and 2013, respectively, the aging of the Company's current trade receivables can be detailed as follows:

(in thousands of euro)	Not due	<u>Past due</u>					<u>Total</u>
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days	
December 31, 2014	60,394	37,110	3,865	2,141	1,612	8,504	113,626
December 31, 2013	59,309	41,222	5,029	1,743	4,526	10,199	122,028

All invoices related to residential customers are due within 20 days. For other clients, the payment due date is set at 30 or 60 days. In accordance with the Company's accounting policies and based on historical experience, trade receivables that are less than 120 days past due are not considered impaired. At December 31, 2014, a total amount of €44.7 million (2013: €52.5 million) was past due but not considered impaired for these reasons. With respect to these trade receivables, there are no indications that the debtors will not meet their payment obligations. The credit quality of trade and other receivables is assessed, and the Company monitors customer credit risk, based on a credit policy established by the Company's management.

Outstanding trade receivables past due for more than 120 days are considered as potentially impaired and are subject to detailed analysis at the customer level, and a provision for impairment of trade receivables is established based upon objective evidence that the Company will not be able to collect the amounts. Significant financial difficulties of the debtor, defaults in payments, and other adverse debtor circumstances are considered indicators that the trade receivable is impaired. Based on the necessary and appropriate underlying documentation, receivables more than 120 days past due for which it is likely that the amount due will be recovered, are excluded from the calculation of the allowance for bad debts. For the remaining receivables more than 120 days past due, a bad debt allowance is provided for at 100%.

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Company believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The following table shows the development of the provision for impairment of trade receivables:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	(in thousands of euro)	
Provision for impairment of trade receivables at the beginning of the year	(3,358)	(4,907)
Additions	(2,718)	(4,310)
Reductions and write-offs	4,115	5,859
Provision for impairment of trade receivables at the end of the year	<u>(1,961)</u>	<u>(3,358)</u>

When a trade receivable is uncollectible, it is written off against the provision for impairment of trade receivables. Trade receivables impairment losses have been included in cost of services provided in the consolidated statement of profit or loss and other comprehensive income. The Company does not hold any receivables in foreign currency.

5.8 OTHER ASSETS

5.8.1 Non-current

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	(in thousands of euro)	
Outstanding guarantees to third parties for own liabilities (cash paid)	888	2,165
Receivables from sale of sports broadcasting rights	1,404	4,578
Investments in equity accounted investees	1,395	877
Derivative financial instruments	9	63
Other non-current assets	<u>3,696</u>	<u>7,683</u>

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5.8.2 Current

	December 31, 2014	December 31, 2013
	(in thousands of euro)	
Recoverable withholding taxes	279	305
Prepaid content	7,004	6,092
Prepayments	22,900	15,044
Unbilled revenue	41,688	44,947
Receivables from sale of sports broadcasting rights	2,061	11,227
Other	3,937	6,214
Other current assets	77,869	83,829

Unbilled revenue generally represents revenue for which the Company has already provided a service or product in accordance with the customer agreement but for which the customer has not yet been invoiced.

The current receivables from the sale of broadcasting rights at December 31, 2013 includes €7.5 million that relates to the Belgian football broadcasting rights. Concurrent with the acquisition of the exclusive broadcasting rights for the main fixtures of the Belgian football championship for the three seasons starting July 2011, the Company entered into agreements with various third parties for the partial or full resale of certain of these rights. Taking into account the three-year term of the contract and the deferred payment terms, the cost or cash price equivalent of the sold part of the rights was determined by means of a net present value calculation using the effective interest method by applying an incremental borrowing rate of 3.89%. This resulted in an initial aggregate receivable balance €67.5 million. As per December 31, 2014, and 2013 no non-current receivables regarding Belgian football were outstanding.

5.9 INVENTORIES

As of December 31, 2014, inventories amounted to €17.1 million (2013: €15.4 million) and consisted mainly of mobile handsets as well as tablets, HD Digiboxes, other DTV materials, wireless modems and powerline adaptors. The increase compared to the end of 2013 of €1.7 million was mainly due to an increase in the mobile handsets inventory of €3.1 million, an increase in the wireless modems inventory of €0.9 million, partially compensated by a decrease in the HD Digiboxes inventory of €3.1 million.

In 2014, inventories of €79.3 million (2013: €54.0 million) were recognized as an expense during the period and included in “cost of sales”.

The net book value of inventories also includes inventory impairments to reduce the carrying values to the net realizable value. These inventory impairments amounted to €0.7 million and €1.5 million for the years ended December 31, 2014 and 2013, respectively.

5.10 CASH AND CASH EQUIVALENTS

	December 31, 2014	December 31, 2013
	(in thousands of euro)	
Cash at bank and on hand	155,158	145,305
Certificates of deposit	33,918	68,798
Total cash and cash equivalents	189,076	214,103

On December 31, 2014, the certificates of deposit had a weighted average interest rate of 0.45% (2013: 0.35%) and an average maturity of 60 days (2013: 49 days). Cash and cash equivalents are placed with highly rated financial institutions in order to minimize the overall credit risk. The investments of our cash and cash equivalents at December 31, 2014 and 2013 were in compliance with the Company’s Risk Management policies.

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5.11 SHAREHOLDERS' EQUITY

5.11.1 Shareholders' equity

On December 31, 2014, Telenet Group Holding NV had the following shares outstanding, all of which are treated as one class in the earnings per share calculation:

- 116,813,166 ordinary shares (2013: 115,624,279 shares);
- 94,843 Liquidation Dispreference Shares (2013: 94,843 shares), held by Interkabel and Binan Investments B.V. (a subsidiary of Liberty Global Plc), which have the same rights as the ordinary shares except that they are subject to an €8.02 liquidation dispreference, such that in any liquidation of Telenet Group Holding NV the Liquidation Dispreference Shares would only participate in the portion of the proceeds of the liquidation that exceed €8.02 per share. Liquidation Dispreference Shares may be converted into ordinary shares at a rate of 1.04 to 1; and
- 30 Golden Shares (2013: 30 shares) held by the financing intermunicipalities¹, which have the same rights as the ordinary shares and which also give their holders the right to appoint representatives to the Regulatory Board, which oversees the public interest guarantees related to Telenet's offering of digital television.

As of December 31, 2014, share capital amounted to €12.7 million (2013: €12.6 million).

Own shares

On February 13, 2014, the Company announced the initiation of a new share repurchase program, referred to as the "Share Repurchase Program 2014". Under this program, the Company could acquire from time to time up to a maximum of 1.1 million of its outstanding ordinary shares, for a maximum consideration of €50.0 million, within the three months following February 13, 2014. The Company purchased a total of 1,100,000 shares under the Share Repurchase Program 2014, for a total amount of €48.2 million. All repurchased shares are being held by the Company to cover the Company's obligations under existing stock option plans.

After the delivery of 1,483,974 own shares by the Company to the beneficiaries following the exercise of stock options under the SSOP 2010-2014 and the ESOP 2013 during 2014 (see below), the Company still holds 34,478 shares under the Share Repurchase Program 2014 for a total amount of €1.4 million, representing 0.03% of the total outstanding shares as of December 31, 2014. Taking into account a par value of €0.11 per share on December 31, 2014, this represents an amount of €3,793 in the share capital of the company.

On December 17, 2014, the Company borrowed 200,000 shares from its majority shareholder Binan Investments B.V. under a "Stock Lending Agreement". These shares were borrowed to cover the Company's obligations under existing stock option plans.

After the delivery of 200,000 shares by the Company to the beneficiary following the exercise of stock options under the SSOP 2010-2014 on December 19, 2014, the Company holds none of the shares borrowed under this Stock Lending Agreement as per December 31, 2014. Re-measured at the closing stock quotation at year end 2014, a corresponding liability was recognized amounting to €9.3 million (see Note 5.17).

Under the "Stock Lending Agreement", the Company has an obligation to deliver 200,000 shares to Binan Investments B.V. on or before June 15, 2015.

¹ The financing intermunicipalities, currently holding the Golden Shares, are: IFIGGA, FINEA, FINGEM, IKA, FINILEK, FINIWO and FIGGA.

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5.11.2 Employee share based compensation

Warrant Plan 2007 and Warrant Plan 2010

The details regarding the Warrant Plan 2007 and Warrant Plan 2010 issued by the Company with outstanding warrants as per December 31, 2014, are summarized in the table below:

Warrant Plan	Issuance of warrants		Warrants granted				
	Date approved by the extraordinary shareholders' meeting	Total number of warrants issued	Name of the grant	Date offered	Number of warrants offered	Number of warrants accepted	Beneficiaries
Warrant Plan 2007	December 27, 2007	3,300,000	Warrant Plan 2007 septies	September 28, 2010	189,900	189,900	certain employees
Warrant Plan 2010	April 28, 2010	2,800,000	Warrant Plan 2010 primo	September 28, 2010	1,147,600	1,006,700	certain employees
			Warrant Plan 2010 bis	December 10, 2010	70,500	50,500	certain employees
			Warrant Plan 2010 ter	August 11, 2011	184,500	147,500	certain employees

Under the aforementioned plans, the warrants vest in equal parts per quarter over a period of four years and each warrant gives the holder the right to subscribe to one new share of the Company.

As of July 15, 2014, there were no more warrants outstanding under the Warrant Plan 2007 quater and the Warrant Plan 2007 sexies.

Specific Stock Option Plan 2010-2014

On March 24, 2010, the board of directors approved a specific stock option plan for the former CEO for a total number of 850,000 stock options on existing shares (the Specific Stock Option Plan 2010-2014 or SSOP 2010-2014). Each of these stock options entitled the holder thereof to purchase from the Company one existing share of the Company. On April 28, 2010, the extraordinary shareholders' meeting of the Company approved certain terms and conditions of the SSOP 2010-2014.

The grant of 850,000 stock options under the SSOP 2010-2014 was effectively made to the former CEO on September 4, 2010, who accepted this offer on October 3, 2010. After giving effect to the impact of the 2011 and 2012 capital reduction and the 2013 extraordinary dividend payment, the beneficiary held 1,342,624 stock options under the SSOP 2010-2014.

The vesting of these stock options was contingent upon the achievement of certain performance criteria. The Remuneration & Nomination Committee, in consultation with the CEO, determined for each installment the performance criteria and each year the Remuneration & Nomination Committee decided whether these criteria were met.

All stock options under the Telenet Specific Stock Option Plan 2010-2014 vested and became exercisable during defined exercise periods following January 1, 2014. All options under the SSOP 2010-2014 had an expiration date of September 4, 2017. On April 16, 2014 and December 19, 2014, the beneficiary of the SSOP 2010-2014 exercised 900,000 and 442,624 respectively of his outstanding stock options under this plan, resulting in the delivery of in total 1,342,624 shares by the Company. All options under this plan were exercised prior to December 31, 2014.

Employee Stock Option Plan 2013

On April 22, 2013, the board of directors approved a general stock option plan for the employees, for a total number of 1,200,000 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 24, 2013 (the Employee Stock Option Plan 2013 or ESOP 2013). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

In 2013, the board of directors authorized two grants under this plan (ESOP 2013 primo and ESOP 2013 bis) to certain beneficiaries.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

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During 2014, beneficiaries of the ESOP 2013 plan exercised a total of 141,350 stock options, resulting in the delivery of a total of 141,350 own shares held by the Company.

CEO Stock Option Plan 2013

On April 22, 2013, the board of directors also approved a specific stock option plan for the Company's CEO for a total number of 200,000 options on existing shares (the CEO Stock Option Plan 2013 or CEO SOP 2013). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company. On April 24, 2013, the extraordinary shareholders' meeting of the Company approved upfront certain terms and conditions of the CEO Stock Option Plan 2013.

The grant of these 200,000 stock options, with an exercise price of €34.33 per option, was effectively made to the CEO on July 4, 2013, who accepted this offer on October 2, 2013.

The vesting of the stock options under the CEO SOP 2013 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria on October 3, 2013, and it is the Remuneration Committee that will decide whether these criteria have been met. As the applicable performance criteria have been achieved for 2013 and 2014, the first tranche of 50,000 stock options vested on July 4, 2014 and the second tranche of 100,000 stock options will vest on July 4, 2015.

Subject to the achievement of the additional performance criteria for 2015, the last tranche of 50,000 stock options can vest on July 4, 2016.

Any stock options that vest under the CEO SOP 2013 become exercisable during defined exercise periods following July 4, 2016. All options under the CEO SOP 2013 have an expiration date of July 4, 2018.

CEO Stock Option Plan 2014

On November 8, 2013, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 185,000 options on existing shares (the CEO Stock Option Plan 2014 or CEO SOP 2014). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 185,000 stock options, with an exercise price of €38.88 per stock option, was effectively made to the CEO on November 8, 2013 and was accepted on February 5, 2014.

The vesting of the stock options under the CEO SOP 2014 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria and it is the Remuneration Committee that will decide whether these criteria have been met.

On February 10, 2015, the Remuneration Committee decided that the applicable performance criteria for 2014 have been achieved. Subject to the achievement of the cumulative performance criteria for 2014 and 2015, as determined in the CEO SOP 2014 Plan, the first tranche of 138,750 stock options can vest on June 26, 2016 and the second tranche of 46,250 stock options can vest on March 1, 2017, subject to the achievement of the performance criteria for 2016 as determined by the Remuneration Committee.

Any stock options that vest under the CEO SOP 2014 become exercisable during defined exercise periods following June 26, 2016. All options under the CEO SOP 2014 have an expiration date of June 26, 2020.

CEO Stock Option Plan 2014 bis

On June 26, 2014, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 180,000 options on existing shares (the CEO Stock Option Plan 2014 bis or CEO SOP 2014bis). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

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The grant of these 180,000 stock options, with an exercise price of €39.38 per stock option, was effectively made to the CEO on July 15, 2014, who accepted this offer on September 13, 2014.

The vesting of the stock options under the CEO SOP 2014 bis is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of Adjusted EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria on June 26, 2014, and it is the Remuneration Committee that will decide whether these criteria have been met. On February 10, 2015, the Remuneration Committee determined that the first tranche of 45,000 stock options will vest on July 15, 2015.

Subject to the achievement of the performance criteria for 2014 and 2015 as determined by the Remuneration Committee, the second tranche of 67,500 stock options can vest on July 15, 2016 and the last tranche of 67,500 stock options can vest on July 15, 2017 if the performance criteria for 2014, 2015 and 2016 are achieved.

Any stock options that vest under the CEO SOP 2014 bis become exercisable during defined exercise periods following July 15, 2017. All options under the CEO SOP 2014 bis have an expiration date of July 15, 2019.

Employee Stock Option Plan 2014

On December 5, 2014, the board of directors approved a general stock option plan for the employees, for a total number of 830,500 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 24, 2013 (the Employee Stock Option Plan 2014 or ESOP 2014). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On December 12, 2014, the board of directors authorized a grant under this plan to certain beneficiaries. On January 31, 2015, a total of 766,500 stock options were accepted.

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

The details regarding the stock option plans issued by the Company are summarized in the table below:

Stock Option Plan	Issuance of stock options		Stock options granted				
	Date approved by the board of directors	Total number of stock options issued	Name of the grant	Date offered	Number of stock options offered	Number of stock options accepted	Beneficiaries
Specific Stock Option Plan							
2010-2014	March 24, 2010	850,000	SSOP 2010-2014	September 4, 2010	850,000	850,000	Former CEO
Employee Stock Option Plan							
2013	April 22, 2013	1,200,000	ESOP 2013 primo ESOP 2013 bis	July 4, 2013 October 22, 2013	985,000 58,000	741,448 58,000	certain employees certain employees
CEO Stock Option Plan 2013	April 22, 2013	200,000	CEO SOP 2013	July 4, 2013	200,000	200,000	CEO
CEO Stock Option Plan 2014	November 8, 2013	185,000	CEO SOP 2014	November 8, 2013	185,000	185,000	CEO
CEO Stock Option Plan 2014 bis	June 26, 2014	180,000	CEO SOP 2014 bis	July 15, 2014	180,000	180,000	CEO
Employee Stock Option Plan 2014	December 5, 2014	830,500	ESOP 2014	December 12, 2014	830,500	766,500	certain employees

For accounting purposes, the grant dates of all of the above mentioned grants were defined as the date the beneficiaries accepted the offer, except for the CEO SOP 2014bis, due to applicable discretion by the Remuneration & Nomination Committee to determine the performance criteria of the plan. For this plan the grant date is not deemed to be achieved and therefore the fair value of the options is re-measured

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periodically until the discretion clause is removed. The fair values of the warrants and the stock options were determined using the Black-Scholes option-pricing model.

The grant dates for accounting purposes, as well as the underlying assumptions for determining the grant date fair value can be summarized as follows:

	Grant Date (for accounting purposes)	Fair Value at grant date (in euro)	Share Price (in euro)	Exercise Price (in euro) ⁽¹⁾	Expected Volatility	Expected Option Life	Expected Dividends	Risk-free interest rate
Warrant Plan 2007								
quater warrants	July 30, 2009	4.91-5.93	16.35	14.36	32.2%-36.4%	3.61 years	0.0%	1.83%-2.61%
Warrant Plan 2007								
sexies warrants	January 17, 2010	6.10-7.15	20.97	18.98	32.5%-38.8%	3.61 years	0.0%	1.45%-2.33%
Warrant Plan 2007								
septies warrants	November 12, 2010	10.04-11.72	28.70	24.02	38.7%-44.6%	3.61 years	0.0%	1.70%-2.32%
Warrant Plan 2010								
primo warrants	November 12, 2010	10.04-11.72	28.70	24.02	38.7%-44.6%	3.61 years	0.0%	1.70%-2.32%
Warrant Plan 2010 bis								
warrants	January 24, 2011	8.04-10.43	28.76	28.79	38.8%-43.8%	3.61 years	0.0%	2.74%-3.42%
Warrant Plan 2010 ter								
warrants	September 26, 2011	6.34-15.10	27.44	26.35	30.9%-70.2%	3.61 years	0.0%	2.36%-2.95%

(1) Exercise price upon grant, i.e. before any adjustments.

	Grant Date (for accounting purposes)	Fair Value at grant date (in euro)	Share Price (in euro)	Exercise Price (in euro)		Expected Volatility	Expected Option Life	Expected Dividends	Risk-free interest rate
				Initially	Adjusted				
Specific Stock									
Option Plan									
2010-2014	October 3, 2010	10.18	24.77	23.00	14.57	36.9%	5.7 years	0.0%	2.44%
“	February 23, 2011	15.31	31.39	24.00	15.20	36.9%	5.3 years	0.0%	3.62%
“	February 15, 2012	11.85	28.82	25.00	15.83	32.2%	4.3 years	0.0%	2.08%
“	March 14, 2013	18.24	39.13	26.00	16.46	23.3%	3.3 years	0.0%	0.33%
ESOP 2013 primo									
Stock Options	July 31, 2013	5.99-8.45	36.40	34.33	—	21.0%-23.3%	4.4 years	0.0%	0.47%-1.07%
ESOP 2013 bis									
Stock Options	November 30, 2013	7.25-9.81	40.50	36.75	—	20.2%-22.6%	4.4 years	0.0%	0.36%-0.89%
CEO SOP 2013									
Stock Options	October 2, 2013	7.91-10.01	36.85-39.13	34.33	—	20.5%-22.6%	4.0 years	0.0%	1.03%-1.07%
CEO SOP 2014									
Stock Options	February 5, 2014	12.12	44.13	38.88	—	22.3%	5.0 years	0.0%	1.05%
“	March 11, 2014	12.31	45.64	38.88	—	22.2%	5.2 years	0.0%	1.06%
CEO SOP 2014 bis									
Stock Options	December 31, 2014(*)	11.33(*)	46.44(*)	39.38	—	22.6%(*)	3.9 years(*)	0.0%(*)	0.07%(*)
“	December 31, 2014(*)	11.02(*)	46.44(*)	39.38	—	21.6%(*)	3.9 years(*)	0.0%(*)	0.07%(*)
“	December 31, 2014(*)	11.14(*)	46.44(*)	39.38	—	22.0%(*)	3.9 years(*)	0.0%(*)	0.07%(*)
ESOP 2014 Stock									
Options	January 31, 2015	8.54-10.57	49.21	45.27	—	20.9%-22.1%	4.3 years	0.0%(*)	-0.01%-0.00%

(*) The Board of Directors has significant discretion to allow a deviation of 5% on the determined absolute performance criteria. As a result, grant date is not achieved from accounting perspective and therefore is re-measured periodically until the discretion clause is removed.

The assumptions included in the table above reflect the fair value calculation based on a grant date as per December 31, 2014.

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Effect of extraordinary dividend payment on the outstanding options and warrants

Upon the payment of the extraordinary dividend on May 8, 2013, the Company adjusted all options and warrants to ensure that benefits granted to the option and warrant holders were not reduced. The number of options and warrants was increased and the exercise price was decreased by a factor, which is the ratio of the quoted closing market price of the Telenet Group Holding NV shares on the cum date less the amount of the extraordinary dividend per share versus the quoted market price on the cum date. The cum date is the last day that the share is traded with the relevant coupon attached, i.e. the date that falls 4 business days before the date on which the extraordinary dividend is paid (payment date).

	Extraordinary dividend			Amount payment per share (in euro)	Adjustment factor
	Coupon n°	Cum date	Payment date		
Extraordinary dividend 2013	7	May 2, 2013	May 8, 2013	7.90	.811905

As a result of the 2013 adjustment, fair values of the options and warrants before and after the extraordinary dividend payment remained the same for all option and warrant holders resulting in no additional compensation expense. The aforementioned modification to the different warrant plans can be summarized as follows:

Extraordinary dividend 2013	Outstanding number of warrants		Exercise price of the warrants (in euro)	
	before payment	after payment	before payment	after payment
Warrant Plan 2007 bis warrants	2,503	3,083	9.94	8.07
Warrant Plan 2007 quater warrants	355,568	437,944	9.85	8.00
Warrant Plan 2007 quinquies warrants	219,124	269,889	13.75	11.16
Warrant Plan 2007 sexies warrants	41,302	50,871	13.43	10.90
Warrant Plan 2007 septies warrants	131,000	161,349	18.73	15.21
Warrant Plan 2009 warrants	262,478	323,286	9.75	7.92
Warrant Plan 2010 primo warrants	604,446	744,473	18.73	15.21
Warrant Plan 2010 bis warrants	24,481	30,153	22.45	18.23
Warrant Plan 2010 ter warrants	113,236	139,469	23.86	19.37

The options under the SSOP 2010-2014 were also amended following the payment of the extraordinary dividend payment in 2013, whereby the number of options was increased and the exercise price was decreased by the same factor 0.811905.

The aforementioned modification of 2013 to the SSOP 2010-2014 option plan can be summarized as follows:

Extraordinary dividend 2013	Number of outstanding stockoptions		Exercise price stock options (in euro)	
	before payment	after payment	before payment	after payment
Tranche 1	320,614	394,891	17.94	14.57
Tranche 2	256,490	315,911	18.72	15.20
Tranche 3	256,490	315,911	19.5	15.83
Tranche 4	256,490	315,911	20.27	16.46

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All plans

A summary of the activity in the Company's stock option and warrant plans for the years ended December 31, 2014, and 2013 is as follows:

	Outstanding Options and warrants	
	Number of Options and Warrants	Average Exercise Prices (in euro)
January 1, 2013	4,019,303	14.92
Granted		
Specific Stock Option Plan 2010-2014 options (Tranche 4)	256,490	20.27
Employee Stock Option Plan 2013 primo stock options	741,448	34.33
CEO Stock Options Plan 2013	200,000	34.33
Employee Stock Option Plan 2013 bis stock options	58,000	36.75
Additional issued upon plan amendment		
Additional Warrant Plan 2007 bis warrants issued upon plan amendment	580	8.07
Additional Warrant Plan 2007 quater warrants issued upon plan amendment	82,376	8.00
Additional Warrant Plan 2007 quinquies warrants issued upon plan amendment	50,765	11.16
Additional Warrant Plan 2007 sexies warrants issued upon plan amendment	9,569	10.9
Additional Warrant Plan 2007 septies warrants issued upon plan amendment	30,349	15.21
Additional Warrant Plan 2009 warrants issued upon plan amendment	60,808	7.92
Additional Warrant Plan 2010 primo warrants issued upon plan amendment	140,027	15.21
Additional Warrant Plan 2010 bis warrants issued upon plan amendment	5,672	18.23
Additional Warrant Plan 2010 ter warrants issued upon plan amendment	26,233	19.37
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 1)	74,277	14.57
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 2)	59,421	15.20
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 3)	59,421	15.83
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 4)	59,421	16.46
Exercised		
Warrant Plan 2007 bis warrants exercised	(169,874)	9.91
Warrant Plan 2007 ter warrants exercised	(6,234)	10.08
Warrant Plan 2007 quater warrants exercised	(543,359)	9.52
Warrant Plan 2007 quinquies warrants exercised	(269,889)	11.16
Warrant Plan 2007 sexies warrants exercised	(55,174)	11.43
Warrant Plan 2007 septies warrants exercised	(89,500)	18.00
Warrant Plan 2008 warrants exercised	(462,252)	10.88
Warrant Plan 2009 warrants exercised	(323,286)	7.92
Warrant Plan 2010 primo warrants exercised	(333,700)	17.63
Warrant Plan 2010 bis warrants exercised	(26,088)	21.34
Warrant Plan 2010 ter warrants exercised	(31,260)	20.76
Stock option Plan 2013 primo stock options exercised	(1,900)	34.33
Forfeited		
Warrant Plan 2007 sexies warrants forfeited	(665)	13.43
Warrant Plan 2010 primo warrants forfeited	(8,547)	18.12
December 31, 2013	3,612,432	20.09

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	Outstanding Options and warrants	
	Number of Options and Warrants	Average Exercise Prices (in euro)
Granted		
CEO Stock Options Plan 2014	185,000	38.88
CEO Stock Options Plan 2014 bis	180,000	39.38
Exercised		
Warrant Plan 2007 quater warrants exercised	(339,900)	8.00
Warrant Plan 2007 sexies warrants exercised	(7,161)	10.90
Warrant Plan 2007 septies warrants exercised	(104,435)	15.21
Warrant Plan 2010 primo warrants exercised	(332,429)	15.21
Warrant Plan 2010 bis warrants exercised	(17,312)	18.23
Warrant Plan 2010 ter warrants exercised	(35,000)	19.37
Specific Stock Option Plan 2010-2014 options exercised	(1,342,624)	15.46
Stock Option Plan 2013 primo stock options exercised	(127,050)	34.33
Stock Option Plan 2013 bis stock options exercised	(14,300)	36.75
Forfeited		
Warrant Plan 2010 primo warrants forfeited	(493)	15.21
Warrant Plan 2010 ter warrants forfeited	(4,251)	19.37
Stock Option Plan 2013 primo stock options forfeited	(3,000)	34.33
Lapsed		
Warrant Plan 2007 quater warrants lapsed	(2,155)	8.00
December 31, 2014	1,647,322	30.69

The options and warrants in the table below were exercised resulting in the receipt of payments of €36.1 million and €26.9 million during the years ended December 31, 2014 and 2013, respectively. Warrant Plan 2007 and Warrant Plan 2010 warrants were exchanged on a one-for-one basis for newly issued ordinary shares. SSOP 2010-2014 stock options and ESOP 2013 stock options were exchanged on a one-for-one basis for existing ordinary shares of the Company.

Class of options and warrants	Number of options and warrants exercised	Exercise date	Exercise price at exercise date (in euro)	Share price at exercise date (in euro)
Warrant Plan 2007 quater warrants	33,685	10/04/2014	8.00	42.44
	306,215	15/07/2014	8.00	39.05
Warrant Plan 2007 sexies warrants	7,161	15/07/2014	10.90	39.05
Warrant Plan 2007 septies warrants	76,662	10/04/2014	15.21	42.44
	8,885	15/07/2014	15.21	39.05
	8,888	10/10/2014	15.21	44.40
	10,000	19/12/2014	15.21	45.52
Warrant Plan 2010 primo warrants	111,206	10/04/2014	15.21	42.44
	50,819	15/07/2014	15.21	39.05
	110,190	10/10/2014	15.21	44.40
	60,214	19/12/2014	15.21	45.52
Warrant Plan 2010 bis warrants	1,976	10/04/2014	18.23	42.44
	11,381	15/07/2014	18.23	39.05
	1,976	10/10/2014	18.23	44.40
	1,979	19/12/2014	18.23	45.52
Warrant Plan 2010 ter warrants	12,580	10/04/2014	19.37	42.44
	6,378	15/07/2014	19.37	39.05
	7,065	10/10/2014	19.37	44.40
	8,977	19/12/2014	19.37	45.52

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<u>Class of options and warrants</u>	<u>Number of options and warrants exercised</u>	<u>Exercise date</u>	<u>Exercise price at exercise date (in euro)</u>	<u>Share price at exercise date (in euro)</u>
SSOP 2010-2014 stock options	394,891	16/04/2014	14.57	42.47
	315,911	16/04/2014	15.20	42.47
	189,198	16/04/2014	15.83	42.47
	126,713	19/12/2014	15.83	45.52
	315,911	19/12/2014	16.46	45.52
ESOP 2013 primo stock options	21,600	10/04/2014	34.33	42.44
	22,900	7/07/2014	34.33	39.05
	61,300	10/10/2014	34.33	44.40
	21,250	19/12/2014	34.33	45.52
ESOP 2013 bis stock options	800	10/04/2014	36.75	42.44
	13,500	10/10/2014	36.75	44.40
TOTAL:	2,320,211			

The following table summarizes information about stock options and warrants outstanding and exercisable as of December 31, 2014:

<u>Class of options and warrants</u>	<u>Number of options and warrants outstanding</u>	<u>Number of options and warrants exercisable</u>	<u>Weighted average remaining contractual life</u>	<u>Current exercise prices (in euro)</u>
Warrant Plan 2007 septies warrants	38,414	38,414	9 months	15.21
Warrant Plan 2010 primo warrants	306,079	306,079	9 months	15.21
Warrant Plan 2010 bis warrants	5,962	5,962	11 months	18.23
Warrant Plan 2010 ter warrants	78,669	48,420	19 months	19.37
ESOP 2013 primo stock options	609,498	208,848	42 months	34.33
ESOP 2013 bis stock options	43,700	8,900	46 months	36.75
SOP 2013 stock options	200,000	0	42 months	34.33
SOP 2014 stock options	185,000	0	54 months	38.88
SOP 2014 bis stock options	180,000	0	54 months	39.38
TOTAL OUTSTANDING	1,647,322			

Total compensation expense associated with the Company's option and warrant plans amounted to €8.3 million in 2014 (2013: €9.5 million).

Performance shares

In December 2011, Telenet granted its Senior Leadership Team members (other than its chief executive officer) a total of 31,914 performance shares ("the 2011 Telenet Performance Shares"). The performance target applicable to the 2011 Telenet Performance Shares was the achievement of a compound annual growth rate (CAGR) for operating free cash flow (OFCF), when comparing 2013 OFCF to 2010 OFCF. A performance range of 75% to 150% of the target OFCF CAGR would generally result in award recipients earning between 50% to 150% of their 2011 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. On February 11, 2014, The Remuneration & Nomination Committee and the Board of Directors decided that the performance criteria for the 2011 Telenet Performance Shares had not been achieved, and as a consequence, the unvested awards were canceled. However, the Board of Directors decided to grant an additional cash bonus to the relevant members of the Senior Leadership Team, for a maximum amount of €1.0 million, to be allocated under the discretion of the CEO of the Company.

In October 2012, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 33,896 performance shares ("the 2012 Telenet Performance Shares"). The performance target applicable to the 2012 Telenet Performance Shares is the achievement of a compound

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annual growth rate (CAGR) for operating free cash flow (OFCF), when comparing 2014 OFCF to 2011 OFCF. A performance range of 75% to 150% of the target OFCF CAGR would generally result in award recipients earning between 50% to 150% of their 2012 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. On February 10, 2015, The Remuneration & Nomination Committee and the Board of Directors decided that the performance criteria for the 2012 Telenet Performance Shares have been achieved, and as a consequence, the earned 2012 Telenet Performance Shares will vest on October 24, 2015. Any compensation costs attributable to the 2012 Telenet Performance Shares are recognized over the requisite service period of the awards and are included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income.

In October 2013, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 28,949 performance shares ("the 2013 Telenet Performance Shares"). The performance target applicable to the 2013 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Adjusted EBITDA, when comparing the Adjusted EBITDA during the period started as of January 1, 2013 and ending on December 31, 2015 to the Adjusted EBITDA for the period started on January 1, 2012 and ended on December 31, 2012. A performance range of 75% to 150% of the target Adjusted EBITDA CAGR would generally result in award recipients earning between 50% to 150% of their 2013 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2013 Telenet Performance Shares will vest on October 25, 2016. Any compensation costs attributable to the 2013 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income.

In May 2014, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 27,694 performance shares ("the 2014 Telenet Performance Shares"). The performance target applicable to the 2014 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Adjusted EBITDA, when comparing the Adjusted EBITDA during the period started as of January 1, 2014 and ending on December 31, 2016 to the Adjusted EBITDA for the period started on January 1, 2013 and ended on December 31, 2013. A performance range of 75% to 150% of the target Adjusted EBITDA CAGR would generally result in award recipients earning 50% to 150% of their 2014 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2014 Telenet Performance Shares will vest on May 22, 2017. Any compensation costs attributable to the 2014 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in compensation expense in Telenet's consolidated statement of profit or loss and other comprehensive income.

In 2014, Telenet recognized €0.4 million of compensation expense in respect of the Telenet Performance Shares plans (2013: €1.0 million).

5.11.3 Employee share purchase plan 2014

In 2014, the board of directors approved the issuance of a new Employee Share Purchase Plan (the "Employee Share Purchase Plan 2014" or "ESPP 2014") within the limits of the authorized capital as approved by the extraordinary shareholder's meeting of April 25, 2012, for a maximum amount of €5.0 million (excluding share premium). In March 2014, the board of directors offered to all of Telenet's employees the opportunity to purchase new shares of the Company under the terms of the ESPP 2014 at a discount of 16.67% to the average share purchase price over the 20 business day period following March 31, 2014. Based on the average share price of €42.78 during this 20 business day period, the shares were offered to the personnel at a subscription price of €35.65. As the shares were fully vested at the time of the transaction, the Company recognized €3.0 million as compensation expense in 2014 for the 352,650 shares that were purchased.

5.12 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Company's exposure to risks, including interest rate and liquidity risk, see note 5.3.

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The balances of loans and borrowings specified below include accrued interest as of December 31, 2014 and 2013.

	December 31, 2014	December 31, 2013
	(in thousands of euro)	
2010 Amended Senior Credit Facility:		
Revolving Credit Facility S	74	299
Revolving Credit Facility X	699	—
Term Loan Q	—	431,079
Term Loan R	—	798,720
Term Loan T	—	175,019
Term Loan W	474,128	—
Term Loan Y	883,002	—
Senior Secured Fixed Rate Notes		
€500 million Senior Secured Notes due 2020	504,073	504,073
€100 million Senior Secured Notes due 2016	—	100,678
€300 million Senior Secured Notes due 2021	307,508	307,508
€450 million Senior Secured Notes due 2022	460,625	460,625
€250 million Senior Secured Notes due 2024	256,375	256,375
Senior Secured Floating Rate Notes		
€400 million Senior Secured Notes due 2021	400,748	400,738
Finance lease obligations	370,427	358,020
3G Mobile Spectrum	38,479	45,879
Clientele fee > 20 years	90,123	83,097
	3,786,261	3,922,110
Less: deferred financing fees	(52,773)	(53,781)
	3,733,488	3,868,329
Less: current portion	(78,757)	(77,909)
Total non-current loans and borrowings	3,654,731	3,790,420

As of December 31, 2014 and 2013, all loans and borrowings were denominated in euro. Fixed interest rates applied to 51.94% of the total loans and borrowings (2013: 52.41%). The weighted average interest rates at December 31, 2014, were 6.37% on fixed rate loans (2013: 6.29%) and 3.55% on floating rate loans (2013: 3.81%).

5.12.1 2010 Amended Senior Credit Facility

On August 1, 2007 (the “Signing Date”), Telenet BidCo NV (the “Borrower”), a former indirect subsidiary of Telenet Group Holding NV, executed a new Senior Credit Facility agreement (the “Senior Credit Facility”). This Senior Credit Facility provided for a total amount of €2,300.0 million in Term Loans and revolving credit lines.

In 2009 and 2010, the Company amended and restructured the Senior Credit Facility (the “2010 Amended Senior Credit Facility”) resulting in extension of the average maturity of its term debt and improved economics. Subsequently, the net proceeds of the €500.0 million Senior Secured Notes due 2020 (see note 5.12.3) were partially used to redeem certain outstanding Term Loans.

In 2011, the Company further improved its debt maturity profile through several novations. The net proceeds of the €300.0 million Senior Secured Notes due 2021 and the €400.0 million Senior Secured Notes due 2021 (see note 5.12.3) were partially used to redeem outstanding Term Loans.

In February 2012, the Company issued an additional Facility under its 2010 Amended Senior Credit Facility (Term Loan T) for an aggregate amount of €175.0 million with a maturity date of December 31, 2018 and carrying a floating interest rate of 3.50% over the EURIBOR rate.

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5.12.2 2013 and 2014 activity on the 2010 Amended Senior Credit Facility

No changes occurred to the 2010 Amended Senior Credit Facility during the year ended December 31, 2013.

In March 2014, the Company announced an extension offer for Term Loans Q, R and T under its existing 2010 Amended Senior Credit Facility and the redemption of its Senior Secured notes due 2016 ("Facility N" under the existing 2010 Amended Senior Credit Facility).

As a result of the aforementioned refinancing, which was completed in April 2014, the Company issued a new €474.1 million floating rate Term Loan under the 2010 Amended Senior Credit Facility ("Term Loan W") due June 30, 2022 carrying a margin of 3.25% over EURIBOR. In addition, we issued a new €882.9 million floating rate Term Loan under the 2010 Amended Senior Credit Facility ("Term Loan Y") due June 30, 2023 carrying a margin of 3.50% over EURIBOR. The net proceeds of these new issuances, together with available cash and cash equivalents, were used to fully redeem the outstanding amounts under Term Loans Q, R and T and the €100.0 million Senior Secured Notes due 2016. As a result, the Company does not have any maturities of outstanding debt prior to November 2020.

In addition, as part of the aforementioned refinancing, Telenet International Finance also launched an extension process for its existing Revolving Facility ("Facility S") with maturity December 31, 2016 carrying a margin of 2.75% over EURIBOR. Lenders under Facility S were asked to renew and extend their commitments into a new revolving facility ("Facility X") with maturity September 30, 2020 and carrying a margin of 2.75% over EURIBOR. As a result, Telenet International Finance has full access to a committed Revolving Facility of €322.9 million, being €36.9 million under "Facility S" (with availability up to December 31, 2016) and €286.0 million under "Facility X" (with availability up to September 30, 2020).

The unamortized deferred financing fees related to Term Loan Q, R and T that were early redeemed amounted to €3.9 million and were accounted for as a loss on extinguishment of debt upon early redemption.

5.12.3 Senior Secured Notes

Issuance of €500.0 million Senior Secured Fixed Rate Notes due 2020

Telenet Finance Luxembourg S.C.A. (further referred to as "TFL") was incorporated on September 28, 2010 under the laws of the Grand Duchy of Luxembourg as a special purpose financing company for the primary purpose of facilitating the offering of Senior Secured Notes.

On October 28, 2010 TFL entered into a Global Note offering (the "Senior Secured Notes due 2020"). TFL was incorporated as a corporate partnership limited by shares and is 99.99% owned by a charitable trust and 0.01% by Telenet Finance Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL is a special purpose entity for financing purposes (SPE), incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SPE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Notes due 2020 (being €500.0 million) were used by TFL to fund an additional facility under the 2010 Amended Senior Credit Facility, (the "Finco Loan" or "Facility M"), denominated in euro, borrowed by Telenet International Finance S.à r.l. ("TIF").

The Senior Secured Notes due 2020 were issued on October 28, 2010 and all cash was received on November 3, 2010. The Senior Secured Notes due 2020 have a principal value of €500.0 million and were issued at par. The interest rate on the Senior Secured Notes due 2020 amounts to 6.375% annually and accrued interest is paid semi-annually on May 15 and November 15 commencing May 15, 2011. The final maturity of these Senior Secured Notes is November 15, 2020.

The net proceeds from this offering were partially used to redeem the outstanding Term Loans H, I and L2 under the Company's 2010 Amended Senior Credit Facility before maturity for an aggregate €201.7 million.

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Issuance of €100.0 million Senior Secured Fixed Rate Notes due 2016

Telenet Finance Luxembourg II S.A. (further referred to as “TFL II”) was incorporated on October 28, 2010 under the laws of the Grand Duchy of Luxembourg as a special purpose financing company for the primary purpose of facilitating the offering of Senior Secured Notes.

On November 26, 2010 TFL II entered into a Global Note offering (the “Senior Secured Notes due 2016”). TFL II was incorporated as a limited liability company and is owned for 100.00% by a charitable trust.

TFL II is an SPE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SPE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL II is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Notes due 2016 (being €100.0 million) were used by TFL II to fund an additional facility under the 2010 Amended Senior Credit Facility, (the “Proceeds Loan” or “Facility N”), denominated in euro, borrowed by Telenet International Finance S.à r.l. (“TIF”).

The Senior Secured Notes due 2016 were issued on and the cash was received on November 26, 2010. These Senior Secured Notes due 2016 had a principal value of €100.0 million and were issued with a premium, at 101.75%. The interest rate on the Senior Secured Notes due 2016 amounted to 5.30% annually and accrued interest was paid semi-annually on May 15 and November 15 commencing May 15, 2011. The final maturity of these Senior Secured Notes was November 15, 2016.

The net proceeds from this offering were primarily used for general corporate purposes, including distributions to the Company’s direct and indirect shareholders.

The proceeds of the aforementioned refinancing in April 2014 of the 2010 Amended Senior Credit Facility of the Facilities W and Y, together with available cash and cash equivalents, were used to fully redeem the outstanding amounts under Term Loans Q, R and T and the €100.0 million Senior Secured Notes due 2016.

The unamortized deferred financing fees related to the €100.0 million Senior Secured Notes due 2016 that were early redeemed amounted to €3.5 million and were accounted for as a loss on extinguishment of debt upon early redemption.

Issuance of €300.0 million Senior Secured Fixed Rate Notes due 2021

Telenet Finance III Luxembourg S.C.A. (further referred to as “TFL III”) was incorporated on January 28, 2011 under the laws of the Grand Duchy of Luxembourg as a special purpose financing company for the primary purpose of facilitating the offering of Senior Secured Notes.

On February 9, 2011 TFL III entered into a Global Note offering (the “Senior Secured Notes due 2021”). TFL III was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance III Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL III is an SPE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SPE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL III is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Fixed Rate Notes due 2021 (being €300.0 million) were used by TFL III to fund an additional facility under the 2010 Amended Senior Credit Facility, (the “Finco Loan” or “Facility O”), denominated in euro, borrowed by Telenet International Finance S.à r.l. (“TIF”).

The Senior Secured Fixed Rate Notes due 2021 were issued on February 9, 2011 and all cash was received on February 15, 2011. The Senior Secured Fixed Rate Notes due 2021 have a principal value of €300.0 million and were issued at par. The interest rate on the Senior Secured Fixed Rate Notes due 2021 amounts to 6.625% annually and accrued interest is paid semi-annually on February 15 and August 15 commencing August 15, 2011. The final maturity of these Senior Secured Fixed Rate Notes is February 15, 2021.

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The net proceeds from this offering were partially used to redeem before maturity the outstanding Term Loans K and L1 under the Company's 2010 Amended Senior Credit Facility for an aggregate of €286.5 million.

Issuance of €400.0 million Senior Secured Floating Rate Notes due 2021

Telenet Finance IV Luxembourg S.C.A. (further referred to as "TFL IV") was incorporated on May 23, 2011 under the laws of the Grand Duchy of Luxembourg as a special purpose financing company for the primary purpose of facilitating the offering of Senior Secured Notes.

On June 8, 2011 TFL IV entered into a Global Note offering (the "Senior Secured Notes due 2021"). TFL IV was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance IV Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL IV is an SPE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SPE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL IV is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Floating Rate Notes due 2021 (being €400.0 million) were used by TFL IV to fund an additional facility under the 2010 Amended Senior Credit Facility, (the "Proceeds Loan" or "Facility P"), denominated in euro, borrowed by Telenet International Finance S.à r.l. ("TIF").

The Senior Secured Floating Rate Notes due 2021 were issued on June 8, 2011 and the cash was received on June 15, 2011. These Senior Secured Floating Rate Notes due 2021 have a principal value of €400.0 million and were issued at par. The interest rate on the Senior Secured Floating Rate Notes due 2021 is the 3M EURIBOR +3.875% and accrued interest is paid quarterly on March 15, June 15, September 15 and December 15 commencing September 15, 2011. The final maturity of these Senior Secured Notes is June 15, 2021.

The net proceeds from this offering were used to redeem €400.1 million on the outstanding Term Loan G and J under the Company's 2010 Amended Senior Credit Facility.

Issuance of €450.0 million Senior Secured Fixed Rate Notes due 2022 and €250.0 million Senior Secured Fixed Rate Notes due 2024

Telenet Finance V Luxembourg S.C.A. (further referred to as "TFL V") was incorporated on November 16, 2011 under the laws of the Grand Duchy of Luxembourg as a special purpose financing company for the primary purpose of facilitating the offering of Senior Secured Notes.

On August 13, 2012 TFL V entered into two Global Note offerings (the "Senior Secured Notes due 2022" and the "Senior Secured Notes due 2024"). TFL V was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance V Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL V is an SPE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SPE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL V is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Fixed Rate Notes due 2022 (being €450.0 million) and the Senior Secured Fixed Rate Notes due 2024 (being €250.0 million) were used by TFL V to fund two additional facilities under the 2010 Amended Senior Credit Facility, (the "Finco Loan" or "Facilities U and V"), denominated in euro, borrowed by Telenet International Finance S.à r.l. ("TIF").

The Senior Secured Fixed Rate Notes due 2022 and 2024 were issued on August 13, 2012 and the cash was received on August 16, 2012. These Senior Secured Fixed Rate Notes due 2022 and 2024 have a principal value of €450.0 million and €250.0 million, respectively, and were issued at par.

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The interest rate on the Senior Secured Fixed Rate Notes due 2022 is 6.25% annually and accrued interest is paid semi-annually on August 15 and February 15 commencing February 15, 2013. The final maturity of these Senior Secured Notes is August 15, 2022. The interest rate on the Senior Secured Fixed Rate Notes due 2024 is 6.75% annually and accrued interest is paid semi-annually on August 15 and February 15 commencing February 15, 2013. The final maturity of these Senior Secured Notes is August 15, 2024.

The net proceeds of this offering were envisioned to be used entirely to fund the proposed share repurchases under a Self Tender Offer. Due to the cancellation of the Self Tender Offer on September 20, 2012, the proceeds from this offering were still available as cash and cash equivalents as at December 31, 2012.

5.12.4 Repayment schedule

Aggregate future principal payments on the total borrowings under all of the Company's loans and borrowings other than finance leases as of December 31, 2014 are shown in the following table:

	<u>Total Facility as per</u>	<u>Drawn amount</u>	<u>Undrawn amount</u>	<u>Maturity Date</u>	<u>Interest rate</u>	<u>Interest payments due</u>
	<u>December 31, 2014</u>					
	(in thousands of euro)					
2010 Amended Senior Credit Facility:						
Term Loan W	474,084	474,084	—	June 30, 2022	Floating 1-month EURIBOR + 3.25%	Monthly
Term Loan Y	882,916	882,916	—	June 30, 2023	Floating 1-month EURIBOR + 3.50%	Monthly
Revolving Credit Facility (Facility S)	36,851	—	36,851	December 31, 2016	Floating 1-month EURIBOR + 2.75%	Not applicable
Revolving Credit Facility (Facility X)	286,000	—	286,000	September 30, 2020	Floating 1-month EURIBOR + 2.75%	Not applicable
Senior Secured Fixed Rate Notes						
€500 million Senior Secured Notes due 2020	500,000	500,000	—	November 15, 2020	Fixed 6.375%	Semi-annually (May and Nov.)
€300 million Senior Secured Notes due 2021	300,000	300,000	—	February 15, 2021	Fixed 6.625%	Semi-annually (Feb. and Aug.)
€450 million Senior Secured Notes due 2022	450,000	450,000	—	August 15, 2022	Fixed 6.25%	Semi-annually (Feb. and Aug.)
€250 million Senior Secured Notes due 2024	250,000	250,000	—	August 15, 2024	Fixed 6.75%	Semi-annually (Feb. and Aug.)
Senior Secured Floating Rate Notes						
€400 million Senior Secured Notes due 2021	400,000	400,000	—	June 15, 2021	Floating 3-month EURIBOR + 3.875%	Quarterly (March, June, Sep. and Dec.)
Total notional amount	3,579,851	3,257,000	322,851			

5.12.5 Guarantees and covenants

Telenet NV and Telenet International Finance S.à r.l. guarantee the obligations of each of Telenet NV and Telenet International Finance S.à r.l. under the 2010 Amended Senior Credit Facility, to the extent permitted by law.

In addition, security has been granted under the 2010 Amended Senior Credit Facility by Telenet Group Holding NV, Telenet Service Center BVBA, Telenet NV, Telenet Vlaanderen NV and Telenet International Finance S.à r.l. over substantially all their assets.

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The above-mentioned security interests include:

- pledges of all shares of Telenet NV, Telenet Vlaanderen NV and Telenet International Finance S.à r.l.;
- mortgages of (i) €800 million granted by the former Telenet Operaties NV (succeeded by Telenet NV), (ii) €625 million granted by the former MixtICS NV (succeeded by Telenet NV), (iii) €625 million granted by Telenet Vlaanderen NV, and (iv) €50 million granted by the former Telenet Solutions NV (succeeded by Telenet NV); a portion of the mortgages have been granted in a non-joined (non-cumulative) manner with certain other mortgages and certain floating charges;
- non-exercised mortgage mandates of (i) €650 million granted by Telenet NV (formerly called Telenet BidCo NV), (ii) €450 million granted by the former Telenet Operaties NV (succeeded by Telenet NV), (iii) €450 million granted by the former MixtICS NV (succeeded by Telenet NV) and (iv) €450 million granted by Telenet Vlaanderen NV;
- floating charges (*pand op handelszaak*) of (i) €1.25 billion granted by the former Telenet Operaties NV (succeeded by Telenet NV), (ii) €135 million granted by Telenet NV, (iii) €250 million granted by Telenet NV (formerly called Telenet BidCo NV), (iv) €865 million granted by the former MixtICS NV (succeeded by Telenet NV), (v) €865 million granted by Telenet Vlaanderen NV, (vi) €75 million granted by the former PayTVCo NV (succeeded by Telenet NV) and (vii) €75 million granted by the former Codenet NV (afterwards renamed to Telenet Solutions NV and succeeded by Telenet NV); a portion of the floating charges have been granted in a non-joined manner (non-cumulative) with certain other floating charges and certain mortgages;
- a non-exercised floating charge mandate of €865 million granted by Telenet NV, which is granted in a non-joined (non-cumulative) manner with the floating charges referred to in (i), (iv), (vi) and (vii) above;
- pledges of all present and future receivables owed to Telenet Group Holding NV, Telenet NV and Telenet Vlaanderen NV;
- pledges of all present and future securities (other than shares in subsidiaries) held by Telenet NV and Telenet Vlaanderen NV;
- a pledge over all present and future notes issued by Finance Center Telenet S.à r.l. and owned by Telenet International Finance S.à r.l.;
- pledges of all present and future intercompany receivables owed to Telenet International Finance S.à r.l. by Telenet NV, Telenet Luxembourg Finance Center S.à r.l. and Finance Center Telenet S.à r.l.; and
- pledges on all present and future bank accounts of Telenet Group Holding NV, Telenet NV, Telenet Vlaanderen NV and Telenet International Finance S.à r.l.

The total executable principal amount under the mortgages and floating charges, taking into account non-cumulation within and between floating charges and mortgages, was €2,125,000,000 on December 31, 2014.

As of December 31, 2014, the Company was in compliance with all of its financial covenants.

In respect of the obligations under the notes issued by Telenet Finance Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance S.à r.l. (Telenet Finance Luxembourg S.C.A.'s general partner);
- all of Telenet Finance Luxembourg S.C.A.'s rights, title and interest under the 2010 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007 and the additional facility M accession agreement pursuant to which Telenet Finance Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance Luxembourg S.C.A.'s bank account.

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Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance Luxembourg S.C.A.

In respect of the obligations under the notes issued by Telenet Finance III Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance III Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance III S.à r.l. (Telenet Finance III Luxembourg S.C.A.'s general partner);
- all of Telenet Finance III Luxembourg S.C.A.'s rights, title and interest under the 2012 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007 and the additional facility O accession agreement pursuant to which Telenet Finance III Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance III Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance III Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance III Luxembourg S.C.A.

In respect of the obligations under the notes issued by Telenet Finance IV Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance IV Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance IV S.à r.l. (Telenet Finance IV Luxembourg S.C.A.'s general partner);
- all of Telenet Finance IV Luxembourg S.C.A.'s rights, title and interest under the 2010 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007 and the additional facility P accession agreement pursuant to which Telenet Finance IV Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance IV Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance IV Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance IV Luxembourg S.C.A.

In respect of the obligations under the notes issued by Telenet Finance V Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance V Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance V S.à r.l. (Telenet Finance V Luxembourg S.C.A.'s general partner);
- all of Telenet Finance V Luxembourg S.C.A.'s rights, title and interest under the 2010 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007, the additional facility U accession agreement and the additional facility V accession agreement pursuant to which Telenet Finance V Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance V Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance V Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance V Luxembourg S.C.A.

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5.12.6 Finance lease obligations

Finance lease liabilities are payable as follows:

(in thousands of euro)	Future minimum lease payments		Interest		Present value of future minimum lease payments	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Within one year	58,466	56,381	22,487	21,688	35,979	34,693
In the second to fifth year, inclusive	210,196	201,881	65,205	65,211	144,991	136,670
Thereafter	223,405	220,502	39,094	39,285	184,311	181,217
Total minimum lease payments	492,067	478,764	126,786	126,184	365,281	352,580

The following table summarizes the obligations per type of finance leases:

(in thousands of euro)	Future minimum lease payments		Interest		Present value of future minimum lease payments	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Buildings	22,365	28,211	3,681	4,583	18,684	23,628
Canon	438,077	415,599	115,304	112,255	322,773	303,344
Norkring (Digital Terrestrial Television)	31,625	34,954	7,801	9,346	23,824	25,608
Total minimum lease payments	492,067	478,764	126,786	126,184	365,281	352,580

Canon, Clientele and Annuity agreements

In 1996, the Company acquired the exclusive rights to offer point-to-point services including broadband internet and telephony services, as well as the rights to partly use the capacity of the broadband network owned and controlled by the Pure Intercommunales ("PICs"). In return for this access to a part of the PICs' network, the company paid the so-called Clientele and Annuity Fees. The present value of the Clientele and Annuity Fee payments over the first 20 years (being the life of the longest lived assets that were part of the HFC Upgrade) was initially accounted for as network user rights under intangible assets, and was amortized over 10 or 20 years depending on the useful life of the underlying assets that make up the HFC Upgrade.

Upon completion of the Interkabel acquisition in 2008, the company obtained the ownership and control over the entire network, including the obligation beyond 20 years under the original 50 year Clientele fee agreement and now has the right to use the full capacity of the PICs' network. The term of the Canon Lease Agreement is 38 years (of which still 32 years remained at the end of 2014). Under this agreement, the Company pays recurring Canon Fees which together with the Clientele and Annuity Fees grant full access to the PICs' network. The assets capitalized under the Canon Agreement are depreciated over a period of 15 years. The full access rights acquired under the Canon, Clientele and Annuity agreements are recorded as property and equipment (network) as from October 2008 onwards (see Note 5.4).

On the additional rights of use on the Telenet PICs Network, acquired under the Canon agreement, a contractual interest rate was agreed upon which was favorable in comparison with the market interest rate at that moment. Therefore, this favorable component on the initial Canon lease was separated in the purchase price allocation and recognized as a debit to the liability of the underlying existing Canon Lease. The favorable Out of Market component on the future Canon leases acquired as part of the business combination was recognized as network user rights under intangible assets (see Note 5.6).

For the year ended December 31, 2014, the average effective borrowing rate for the three above mentioned fees was 6.51% (2013: 6.56%).

The Clientele fees payable beyond 20 years are recognized as a non-lease related debt.

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As per December 31, 2014 and 2013, the outstanding liabilities related to the Interkabel agreements, as well as the net book value of the intangible asset can be summarized as follows:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	(in thousands of euro)	
Outstanding lease debt Annuity / Clientele / Canon		
Annuity agreement	15,123	17,467
Clientele agreement	19,940	23,681
Canon agreement	292,385	268,014
Out of Market Component on initial Canon leases acquired as part of a business combination	(4,676)	(5,818)
	322,772	303,344
Outstanding non-lease related Clientele debt Clientele fee > 20 years	90,123	83,096
Intangible asset related to Canon agreement		
Out of Market Component on future Canon leases acquired as part of a business combination	18,055	18,317

Norkring

On May 4, 2010, the Company signed an agreement with Norkring België NV concerning the use of capacity on the latter's broadcasting infrastructure network enabling Telenet to offer digital TV and radio services through Norkring's digital frequency channels in Flanders and Brussels, also referred to as "DTT". Generally, the Company's services are available through the cable network, however through this agreement, the Company would also be able to offer digital TV and radio services—beyond the traditional home—to secluded homes, caravans, holiday homes and cars.

The Norkring agreement provided a right to use Norkring's frequency channels contained in three of their multiplexers (MUX) on an exclusive and non-exclusive basis. This agreement contained a lease with respect to certain capacity for which the Company obtained the exclusive rights, the so-called "MUX 1 capacity". Regarding this MUX 1 capacity, an intangible lease asset was originally recognized under "network user rights" for a net book value of €30.1 million at December 31, 2010. In 2011, the Company recognized an impairment loss of €28.5 million related to this asset, reducing its carrying value to zero as of December 31, 2011. The average effective borrowing rate for the Norkring fee was 6.23% (2013: 6.23%). Payments under the Norkring agreement not related to the "MUX 1 capacity" are accounted for as operating expenses as incurred.

With respect to the Company's decision in the fourth quarter of 2013 to discontinue the provision of DTT services and the related restructuring provision recognized as of December 31, 2013 and 2014, we refer to note 5.15.

Other leases

The Company leases certain assets under finance leases including buildings and certain vehicles with average lease terms of 20 and 5 years, respectively.

For the year ended December 31, 2014, the average effective borrowing rate was 4.36% (2013: 3.91%). All leases are on a fixed repayment schedule and no arrangements include contingent rental payments. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

5.12.7 3G and 2G mobile spectrum

Following an auction launched in March 2011 by the BIPT, Telenet Tecteo BidCo NV, a subsidiary of the Company in which the Walloon cable operator Tecteo SCRL holds a 25% stake, acquired the fourth 3G mobile spectrum license in Belgium (see note 5.6). For the years ended December 31, 2014 and 2013, the average effective borrowing rate for the 3G mobile spectrum was 2.75%.

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With respect to the impairment loss on the intangible asset related to this 3G mobile spectrum license recognized during the fourth quarter of 2013, and for details on the call option to acquire a number of 2G mobile spectrum frequencies, we refer to note 5.6.

5.13 DERIVATIVE FINANCIAL INSTRUMENTS

The Company has entered into various derivative instruments to manage interest rate and foreign currency exposure.

As of December 31, 2014 and 2013, the outstanding forward foreign exchange derivatives were as follows:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	(in thousands of euro)	
Forward Purchase Contracts		
Notional amount in US dollar	—	43,000
Weighted average strike price (US dollar per euro)	—	1.350
Maturity		From January to
	—	December 2014

As of December 31, 2014 and 2013, the outstanding interest rate derivatives were as follows:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	(in thousands of euro)	
Interest Rate Swaps		
Notional amount	1,957,000	2,275,000
Average pay interest rate	1.68%	3.24%
Average receive interest rate	EURIBOR 3M	EURIBOR 3M
Maturity	From 2015 to 2023	From 2015 to 2021
Caps		
Notional amount	51,239	53,024
Average cap interest rate	4.53%	4.59%
Maturity	2017	2017
Collars		
Notional amount	650,000	950,000
Average floor interest rate	2.00%	2.00%
Average cap interest rate	4.00%	4.00%
Maturity	2017	2017

The following tables provide details of the fair value of the Company's financial and derivative instrument assets (liabilities), net:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	(in thousands of euro)	
Current assets	—	3
Non-current assets	9	63
Current liabilities	(28,421)	(39,850)
Non-current liabilities	(114,152)	(110,959)
	(142,564)	(150,743)
Interest rate derivatives	(142,478)	(150,060)
Foreign exchange forwards	—	(689)
Embedded derivatives	(86)	6
	(142,564)	(150,743)

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Realized and unrealized gains (losses) on financial and derivative instruments comprise the following amounts:

	For the years ended December 31,	
	2014	2013
	(in thousands of euro)	
Early termination of derivative financial instruments	(75,548)	—
Change in fair value		
Interest rate derivatives	7,582	55,535
Foreign exchange forwards	689	713
Embedded derivatives	(93)	40
	<u>8,178</u>	<u>56,288</u>
	(67,370)	56,288

In December 2014, the Company early terminated the interest rate derivatives related to the €400.0 million Secured Notes due 2021. The Company paid €75.6 million in this respect in December 2014. The aforementioned contracts were replaced by new swap contracts with a lower base rate, hence reducing the Company's cash interest expense for derivative financial instruments from 2015 onwards.

5.14 DEFERRED TAXES

Telenet Group Holding NV and its consolidated subsidiaries each file separate tax returns, except for Telenet International Finance S.à r.l., Finance Center Telenet S.à r.l., Telenet Luxembourg finance Center S.à r.l. and Magrina S.à r.l. which form a Luxembourg fiscal unity, in accordance with applicable local tax laws. For financial reporting purposes, Telenet Group Holding NV and its subsidiaries calculate their respective tax assets and liabilities on a separate-return basis, except for the aforementioned Luxembourg fiscal unity. These assets and liabilities are combined in the accompanying consolidated financial statements.

The movement in deferred tax assets and liabilities during the current and the prior year, without taking into consideration the offsetting of balances within the same tax entity, is as follows:

(in thousands of euro)	January 1, 2014	(Charged) credited to the statement of profit or loss and other comprehensive income	December 31, 2014
Deferred tax assets:			
Financial instruments	44,213	(2,417)	41,796
Lease obligation	8,521	(1,249)	7,272
Tax loss carry-forwards	32,756	18,970	51,726
Other	15,584	(5,594)	9,990
Total Deferred tax assets	<u>101,074</u>	<u>9,710⁽¹⁾</u>	<u>110,784⁽²⁾</u>
Deferred tax liabilities:			
Property and equipment	(47,503)	(13,263)	(60,766)
Provisions	(36,572)	(8,657)	(45,229)
Goodwill	(25,858)	(1,170)	(27,028)
Intangible assets	(4,571)	3,441	(1,130)
Receivables	(5,372)	4,194	(1,178)
Deferred Financing Fees	(5,587)	(724)	(6,311)
Other	(2,930)	2,325	(605)
Total Deferred tax liabilities	<u>(128,393)</u>	<u>(13,854)⁽¹⁾</u>	<u>(142,247)⁽²⁾</u>

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<u>(in thousands of euro)</u>	<u>Statement of profit or loss and other comprehensive income⁽¹⁾</u>	<u>Statement of financial position⁽²⁾</u>
Deferred tax assets	9,710	110,784
Deferred tax liabilities	(13,854)	(142,247)
	<u>(4,144)</u>	<u>(31,464)</u>
Statement of profit or loss and comprehensive income (see Note 5.21)		
Deferred tax expense in profit or loss (see Note 5.21)	3,400	
Deferred tax expense in OCI	744	
Total deferred tax expense	4,144	
Current tax expense (see Note 5.21)	88,358	
Total Comprehensive Income	92,502	
Less: Deferred tax expense in OCI	(744)	
Total profit or loss	91,758	
Balance Sheet		
Deferred tax assets		101,984
Deferred tax liabilities		(133,448)
		<u><u>(31,464)</u></u>

<u>(in thousands of euro)</u>	<u>January 1, 2013 as restated*</u>	<u>(Charged) credited to the statement of profit or loss and other comprehensive income</u>	<u>December 31, 2013</u>
Deferred tax assets:			
Financial instruments	60,710	(16,497)	44,213
Lease obligation	9,603	(1,082)	8,521
Pensions	174	(174)	—
Tax loss carry-forwards	9	32,747	32,756
Other	26,420	(10,836)	15,584
Total Deferred tax assets	96,916	4,158⁽¹⁾	101,074⁽²⁾
Deferred tax liabilities:			
Property and equipment	(44,171)	(3,332)	(47,503)
Provisions	(26,764)	(9,808)	(36,572)
Goodwill	(21,589)	(4,269)	(25,858)
Intangible assets	(23,175)	18,604	(4,571)
Receivables	(9,405)	4,033	(5,372)
Deferred Financing Fees	(6,073)	486	(5,587)
Other	(3,906)	976	(2,930)
Total Deferred tax liabilities	(135,083)	6,690⁽¹⁾	(128,393)⁽²⁾

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<u>(in thousands of euro)</u>	<u>Statement of profit or loss and other comprehensive income⁽¹⁾</u>	<u>Statement of financial position⁽²⁾</u>
Deferred tax assets	4,158	101,074
Deferred tax liabilities	6,690	(128,393)
	10,848	(27,319)
Statement of comprehensive income (see Note 5.21)		
Deferred tax (benefit) / expense	(10,848)	
Current tax expense	77,176	
	66,328	
Balance Sheet		
Deferred tax assets		82,117
Deferred tax liabilities		(109,436)
		(27,319)

As of December 31, 2014, Telenet Group Holding NV and its subsidiaries had available combined cumulative tax loss carry forwards of €581.8 million (2013: €358.1 million). Under current Belgian and Luxembourg tax laws, these loss carry forwards have an indefinite life and may be used to offset the future taxable income of Telenet Group Holding NV and its subsidiaries.

Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable.

Telenet did not recognize deferred tax assets of €129.6 million (2013: €75.3 million) in respect of losses amounting to €406.7 million (2013: €246.0 million) that can be carried forward against future taxable income because it is not considered more likely than not that these net deferred tax assets will be utilized in the foreseeable future.

5.15 OTHER NON-CURRENT LIABILITIES

	<u>Note</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
		<u>(in thousands of euro)</u>	
Employee benefit obligations	5.16	16,184	13,400
Other personnel related obligations		1,012	1,258
Long service awards	5.16	7,670	6,969
Interkabel out of market opex		14,065	13,609
Asset retirement obligations		1,912	3,484
Liabilities regarding sports broadcasting rights	5.6	8,342	15,030
Restructuring provision Norkring		29,385	33,931
Other		3,963	3,147
Total Other non-current liabilities		82,533	90,828

During the fourth quarter of 2013, the Company decided to discontinue the provision of DTT services which occurred in the first half of 2014. Following this decision, the Company determined that its obligations under the DTT capacity agreement with Norkring België NV constituted an onerous contract as at December 31, 2013. The Company measured the required provision as the net present value of the remaining payments due under this DTT capacity agreement. Telenet recognized the €33.9 million provision as a restructuring expense at December 31, 2013. The remaining non-current and current liabilities related to this restructuring provision amount to respectively €29.4 million and €4.5 million at December 31, 2014.

The acquisition by Telenet in 2011 of the Belgian football broadcasting rights resulted in the recognition of liabilities totaling €155.1 million at the inception of the agreement. No liabilities related to the 2011

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Belgian football contract were outstanding at December 31, 2014, and €17.2 million remained within current liabilities at December 31, 2013 with respect to these specific broadcasting rights (see note 5.17).

Following a tendering procedure in June 2014, the Company acquired the non-exclusive broadcasting rights of the Belgian football championship for the next three seasons starting July 2014. On the acquisition date, the rights related to the first season (2014-2015) met the recognition criteria for intangible assets, which resulted in an addition of broadcasting rights of €31.1 million for which a liability was recognized accordingly. Total non-current and current liabilities regarding sports broadcasting rights amounted to €8.3 million, respectively €18.8 million (see note 5.17) at December 31, 2014, of which €1.3 million and €12.4 million are related to the 2014-2015 Belgian football broadcasting rights, respectively.

The operational expenses charged to Telenet by Interkabel for the maintenance of its network are higher than the Company's benchmark expenses for similar operations and therefore reflects an unfavorable out of market element. In the Interkabel acquisition, this out of market element was recorded at fair value. The underlying liability at December 31, 2014 amounted to €14.1 million (2013: €13.6 million).

5.16 EMPLOYEE BENEFIT PLANS

Assets and liabilities carried on the consolidated statement of financial position, related to the Company's benefit plans can be summarized as follows:

		December 31, 2014			December 31, 2013		
		Total employee benefit plans	of which Defined benefit pension plans	of which Other post retirement plans	Total employee benefit plans	of which Defined benefit pension plans	of which Other post retirement plans
(in thousands of euro)	Note						
			Note 5.16			Note 5.16	
Defined benefit pension plans		2,521	2,521	—	3,053	3,053	—
Other post-retirement plans		13,663	—	13,663	10,347	—	10,347
Total LT employee benefit obligations	5.15	16,184	2,521	13,663	13,400	3,053	10,347
Total LT service awards	5.15	7,670	—	—	6,969	—	—
Total ST service awards		—	—	—	—	—	—
Total employee benefit plans liability/(asset)		23,854	2,521	13,663	20,369	3,053	10,347

The Telenet Pension Plan

The majority of Telenet's employees participate in the Telenet Pension Plan, which requires initial contributions funded into a pension fund. The contributions paid to the pension fund are based on the respective employee's salary.

By law, employers are required to provide an average minimum guaranteed rate of return over the employee's tenure with the Company, currently equal to 3.75% on employee contributions and 3.25% on employer contributions paid as from January 1, 2004 onwards. Those rates may be modified in the future by Royal Decree in which case legislation currently foresees that the new rates also apply to the accumulated past contributions as from the date of modification onwards. Hence, there is a risk that the Company may have to pay additional contributions related to past service. Any such additional contributions will depend on the actual investment returns as well as the future evolution of the minimum guaranteed rates of return.

Since the minimum guaranteed reserves were entirely covered by plan assets and there were no recoverable contributions, no amounts were recognized in the consolidated statement of financial position at December 31, 2014 and 2013.

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The fair value of the plan assets and the amounts recognized in the consolidated statement of financial position reconcile as follows for this plan:

(in thousands of euro)	Fair value of plan assets		Net defined benefit liability (asset)	
	2014	2013	2014	2013
At January 1	46,212	39,384	—	—
Contributions paid by the employer (incl. taxes)	3,569	3,417		
Contributions paid by the employee	1,545	1,480		
Return on plan assets	3,357	2,267		
Benefits paid (incl. taxes)	(714)	(336)		
At December 31	53,969	46,212	—	—
To be compared with:				
Minimum guaranteed reserves	42,062	36,724		
Sum of individual deficits (intrinsic value)	—	—		

The Company's pension fund is actively managed by two independent asset management firms. The investment strategy is based a balanced neutral risk profile with a long-term investment horizon. The Company's pension fund primarily contains investments in investment funds, either active or passive, with a balanced strategic allocation comprising a mix of 51% equities, 45% bonds, 2% real estate and 2% short term investments. The pension fund's performance is monitored and analyzed on a monthly basis by the pension fund's in-house investment specialist and discussed and reviewed on a quarterly basis by the pension fund's board of directors.

The expected 2015 employer contributions (including taxes) amount to €3.7 million.

The average age of plan participants, weighted based on their accumulated contributions, equals 44.7 at December 31, 2014.

Long service awards

The Company has also recognized a liability of €7.7 million at December 31, 2014 (2013: €7.0 million) for long service awards, which have the form of jubilee benefits.

Defined benefit pension plans and other post-retirement benefit plans

Former Electrabel (ICS) employees, as well as some other employees, are covered by defined benefit pension plans, which provide benefits based on the employees' final salaries and their years of service. In accordance with local practice, the benefits are normally paid out in the form of a lump sum.

The defined benefit pension plans are financed through insurance contracts, which provide a guaranteed rate of return. The pension plans are subject to a minimum funding requirement, which is based on the vested reserves to which the plan participants are entitled in case of leaving. The plan assets, which correspond to the insurance reserves, do not include any shares issued by Telenet or property occupied by Telenet.

Telenet also provides post-retirement health care benefits to former Electrabel (ICS) employees. These obligations are financed directly by the Company. Those plans expose the Company to various risks such as interest rate risk (a decrease of bond yields will increase the benefit obligations), investment risk (a lower return on plan assets will decrease the funded status), longevity risk (an increase in life expectancy will increase the benefit obligations for the post-retirement health care plan) and inflation risk (higher than expected salary increases or medical cost increases will increase the benefit obligations).

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The defined benefit obligation, the fair value of the plan assets and the net defined benefit liability/(asset) reconcile as follows (excluding the Telenet Pension Plan):

(in thousands of euro)	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit liability (asset)	
	2014	2013	2014	2013	2014	2013
At January 1	25,755	24,212	(12,355)	(11,551)	13,400	12,661
Components of defined benefit cost included in profit or loss						
Current service cost (incl. administration costs)	1,669	2,073	16	55	1,685	2,128
Interest cost / (income)	831	777	(441)	(312)	390	465
	2,500	2,850	(425)	(257)	2,075	2,593
Components of defined benefit cost included in OCI						
Remeasurements						
Actuarial loss (gain) arising from:						
changes to demographic assumptions						
changes to financial assumptions	4,497	(1,018)			4,497	(1,018)
experience adjustments	(1,588)	1,359			(1,588)	1,359
Return on plan assets excluding interest income			(605)	1,118	(605)	1,118
	2,909	341	(605)	1,118	2,304	1,459
Other						
Contributions paid by the employee	333	398	(333)	(398)	—	—
Contributions paid by the employer (incl. taxes)			(1,595)	(3,313)	(1,595)	(3,313)
Benefits paid (incl. taxes)	(541)	(2,046)	541	2,046	—	—
	(208)	(1,648)	(1,387)	(1,665)	(1,595)	(3,313)
At December 31	30,956	25,755	(14,772)	(12,355)	16,184	13,400
Represented by :					2014	2013
Defined Benefit Pension Plans					2,521	3,053
Other post-retirement plans					13,663	10,347
Total					16,184	13,400

The principal actuarial assumptions used for the purpose of the actuarial valuations are as follows:

Actuarial assumptions at December 31

	Defined Benefit Pension Plans		Other post- retirement plans	
	2014	2013	2014	2013
Discount rate	2.00%	3.25%	2.00%	3.25%
Rate of compensation increase	2.85%	3.07%	—	—
Underlying inflation rate	1.75%	2.00%	1.75%	2.00%
Increase of medical benefits	—	—	4.00%	4.00%
Mortality tables	MR/FR-3	MR/FR-3	MR/FR-3	MR/FR-3

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The following table shows a sensitivity analysis for the key assumptions:

Sensitivity analysis (in thousands of euro)	Change	Defined Benefit Obligation	
	(-)/(+)	decrease (-)	increase (+)
Discount rate	0.25%	32,092	29,859
Rate of compensation increase	0.25%	28,704	33,383
Increase of medical benefits	0.25%	30,312	31,611
Mortality tables	1 year	30,451	31,468

The sensitivity analysis reflects the impact of a change in one assumption while keeping all other assumptions constant. In practice, this is unlikely to be the case as some assumptions may be correlated.

The weighted average duration of the benefit obligations equals 15 years.

The contributions towards defined benefit plans for 2015 are estimated at €1.6 million.

5.17 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31, 2014	December 31, 2013
	(in thousands of euro)	
Customer deposits	22,797	22,757
Compensation and employee benefits	51,272	64,221
VAT and withholding taxes	25,589	31,640
Dividend payable to shareholders	1,012	1,017
Accrued programming fees	44,676	66,378
Accrued capital expenditure	31,213	20,063
Accrued other liabilities—invoices to receive regarding:		
Goods received and services performed	35,538	28,763
Professional fees	15,571	15,254
Warehouse items received	3,814	4,363
Interconnect	20,172	18,839
Advertising, marketing and public relations	7,231	4,338
Infrastructure	9,933	8,560
Other	19,463	19,965
Accrued interest on derivatives	4,193	4,890
Restructuring provision Norkring	4,480	—
Liabilities regarding sports broadcasting rights	18,812	28,491
Liabilities resulting from stocklending	9,288	—
Other current liabilities	136	1,019
Total Accrued expenses and other current liabilities	325,190	340,558

Compared to December 31, 2013, total accrued expenses and other current liabilities decreased by €15.4 million to €325.2 million as of December 31, 2014. This is mainly due to a €21.7 million reduction in accrued programming fees (-32.7%) and a €12.9 million reduction in accrued compensation and employee benefits, representing a decrease of -20.2%. The liabilities for sports broadcasting rights declined €9.7 million as the Belgian football broadcasting rights, which were acquired in June 2011, expired in May 2014. The outstanding liability regarding sports broadcasting rights as of December 31, 2014 amounts to €18.8 million of which €12.4 million is related to the 2014-2015 Belgian football season. These decreases were partially offset by an €11.2 million increase in accrued capital expenditures and the recognition in 2014 of a €9.3 million liability related to the Stock Lending Agreement with Binan Investments B.V. (note 5.25.1).

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5.18 REVENUE

The Company's revenue is comprised of the following:

	For the years ended December 31,	
	2014	2013
	(in thousands of euro)	
Cable television:		
Basic Subscribers ⁽¹⁾	321,182	314,678
Premium Subscribers ⁽¹⁾	232,402	235,716
Residential:		
Internet	522,222	469,334
Telephony ⁽²⁾	482,446	469,503
Distributors/Other	52,329	61,280
Business	96,516	90,779
Total Revenue	1,707,097	1,641,290

For the full year 2014, we generated revenue of €1,707.1 million, representing a 4% increase compared to the prior year when we produced revenue of €1,641.3 million. All of our revenue growth in the period was organic and directly driven by (i) solid multiple-play growth with the number of triple-play subscribers up 10% compared to December 31, 2013, (ii) the benefit from the selective price increase on certain fixed services in February 2014, (iii) a 8% higher contribution from our mobile activities, and (iv) a 6% increase in our business services revenue. These favorable impacts were partly offset by (i) substantially lower revenue from the sale of standalone handsets of €8.7 million on which we generally earn a small margin, (ii) €5.7 million lower analog carriage fees, and (iii) lower usage-related revenue. Excluding the negative impact from the lower standalone handset sales and lower analog carriage fees, our revenue growth rate would have been higher.

The Company also has deferred revenue as follows:

(in thousands of euro)	December 31, 2014	December 31, 2013
Cable television:		
Basic Subscribers ⁽¹⁾	28,892	33,311
Premium Subscribers ⁽¹⁾	6,382	5,979
Residential:		
Internet	12,213	12,041
Telephony ⁽²⁾	7,540	6,861
Distributors/Other	11,029	13,381
Business	8,701	10,094
Total Deferred Revenue	74,757	81,667
Current portion	73,048	78,985
Non-current portion	1,709	2,682

Deferred revenue is generally fees prepaid by the customers and, as discussed in note 5.2.9 to the consolidated financial statements of the Company, is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the related service period.

1 Basic and premium cable television substantially comprises residential customers, but also includes a small portion of business customers.

2 Residential telephony revenue includes the recurring subscription-based revenue from both fixed and mobile telephony subscribers, as well as the interconnection revenue generated by these customers.

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5.19 EXPENSES BY NATURE

		For the years ended December 31,	
	Note	2014	2013
		(in thousands of euro)	
Employee benefits:			
Wages, salaries, commissions and social security costs		130,881	130,190
Other employee benefit costs		22,880	23,198
		153,761	153,388
Depreciation	5.4	249,178	231,649
Amortization	5.6	59,978	82,411
Amortization of broadcasting rights	5.6	48,303	43,721
Impairment of other intangible assets	5.6	—	53,279
Restructuring charges		1,938	34,755
Gain on disposal of property and equipment and other intangible assets		(2,049)	(2,942)
Network operating and service costs		524,523	519,877
Advertising, sales and marketing		67,055	73,107
Share-based payments granted to directors and employees		8,311	10,547
Operating charges related to acquisitions or divestitures		2,135	—
Other costs		61,727	52,338
Total costs and expenses		1,174,860	1,252,130

For the full year 2014, our total operating expenses were €1,174.9 million, down 6% compared to the prior year when we incurred total operating expenses of €1,252.1 million. An 18% year-on-year increase in other costs, which primarily reflects business-supporting and advisory costs, and slightly higher network operating and service costs for the full year 2014 were more than offset by an 8% decrease in our advertising, sales and marketing expenses. Amortization expense declined in total €22.4 million, mainly resulting from a €13.3 million decrease of software amortization expense and the 3G mobile spectrum license amortization (-€7.4 million). Whereas for the latter an amortization expense of €7.4 million was incurred in 2013, no such costs were incurred in 2014 as the asset in question was fully impaired at year end 2013, representing at that time a cost of €53.3 million (see Note 5.6).

Our operating expenses for the full year 2014 reflected a €12.5 million favorable impact from the settlement of certain operational contingencies, and the comparison to 2013 operating expenses was favorably impacted by the net effect of three nonrecurring items: (i) an impairment charge of €53.3 million recognized in the last quarter of 2013 to reduce the carrying amount of our 3G mobile spectrum license to zero following Telenet's assessment that it will not be able to utilize the spectrum rights, (ii) a restructuring charge of €34.8 million recognized in the fourth quarter of 2013, reflecting Telenet's decision at that time to discontinue the provision of DTT (digital terrestrial television) services, and (iii) the benefit from a €15.7 million reversal of depreciation charges in the second quarter of 2013 following a settlement on set-top box related import duties.

The number of full-time equivalents employed by the Company at December 31, 2014 was 2,262 (2013: 2,202).

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5.20 FINANCE INCOME / EXPENSE

		For the years ended	
		December 31,	
	Note	2014	2013
(in thousands of euro)			
Recognized in the statement of profit or loss and comprehensive income			
Finance income			
Net interest income and foreign exchange gain			
Interest income on bank deposits and commercial paper		715	1,139
Interest income on receivables		248	1,044
Net foreign exchange gain		1,423	—
		2,386	2,183
Net gain on derivative financial instruments		—	56,288
		2,386	58,471
Finance expense			
Net interest expense, foreign exchange loss and other finance expense			
Interest expense on financial liabilities measured at amortized cost, and other finance expense		(208,613)	(211,134)
Net interest expense on derivatives at fair value through profit or loss		(44,169)	(45,571)
Amortization of financing cost		(6,480)	(7,270)
Net foreign exchange loss		—	(965)
		(259,262)	(264,940)
Net loss on derivative financial instruments			
Early termination of derivative financial instruments	5.13	(75,548)	—
Change in fair value	5.13	8,178	—
Loss on extinguishment of debt	5.12	(7,412)	—
		(334,044)	(264,940)
Net finance expenses		(331,658)	(206,469)

5.21 INCOME TAX EXPENSE

	<u>For the years ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
(in thousands of euro)		
Current tax expense	88,358	77,176
Deferred tax expense (Note 5.14)	3,400	(10,848)
Income tax expense	91,758	66,328
Effective Tax Rate	45.65 %	36.31 %

The effective tax rate was 45.7% for the year 2014, which is above the effective tax rate of 36.3% for the year 2013. The tax expenses as shown above have been calculated in conformity with Belgian and international tax laws.

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The tax on the Company's profit (loss) before tax differs from the theoretical amount that would arise using the Belgian statutory tax rate applicable to profits (losses) of the consolidated companies as follows:

	For the years ended December 31,	
	2014	2013
	(in thousands of euro)	
Profit before tax	201,023	182,692
Income tax expense at the Belgian statutory rate of 33.99%	68,328	62,097
Income not taxable	(47,892)	(47,596)
Expenses not deductible for tax purposes (incl. prior year adjustments)	26,379	34,811
Benefit of the investment deduction	(5,557)	(5,090)
Recognition of previously unrecognized tax assets	(4,020)	—
Utilisation of previously unrecognized tax losses	(1)	(11)
Tax losses and temporary differences for which no deferred tax asset was recognized	54,620	6,641
Expiration of tax losses	920	—
Adjustments recognized in the current year in relation to the filings for prior years	1,360	(472)
Impact of different tax rates	(3,833)	(3,637)
Tax on capital gain on shares	—	18,296
Penalty for insufficient prepayments	1,453	1,289
Tax expense for the year	91,758	66,328

The tax losses and temporary differences for which no deferred tax asset is recognized amounted to €54.6 million for the year ended December 31, 2014 (€6.6 million for the year ended December 31, 2013) and consisted of positions resulting in a deferred tax asset which is nevertheless not recognized as it is not deemed probable that taxable profit will be available against which the unused tax losses can be utilized in future years.

Recognition of previously unrecognized tax assets amounting to €4.0 million for the year ended December 31, 2014 related to positions for which in the past no deferred tax asset was recognized as it was not deemed probable that taxable profit would be available in future years against which the tax losses could be utilized. In the current year, based on the most recent results, it became sufficiently probable that they can be utilized and therefore the previously unrecognized tax assets were recognized.

5.22 EARNINGS PER SHARE

5.22.1 Basic

The earnings and weighted average number of shares used in calculating basic earnings per share are:

	For the years ended December 31,	
	2014	2013
	(in thousands of euro, except share and per share data)	
Net profit attributable to the equity holders of the Company	109,262	116,355
Weighted average number of ordinary shares	115,940,077	114,417,532
Weighted average number of shares used in the calculation of basic earnings per share	115,940,077	114,417,532
Basic earnings per share in €	0.94	1.02

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5.22.2 Diluted

Diluted earnings per share are calculated by using the treasury stock method by adjusting the weighted average number of shares used in the calculation of basic earnings per share to assume full conversion of all dilutive potential ordinary shares. During the year ended December 31, 2014, the Company had six categories of dilutive potential ordinary shares:

- Warrant Plan 2007 quater
- Warrant Plan 2007 sexies
- Warrant Plan 2007 septies
- Warrant Plan 2010 primo
- Warrant Plan 2010 bis
- Warrant Plan 2010 ter

During the year ended December 31, 2013, the Company had eleven categories of dilutive potential ordinary shares:

- Warrant Plan 2007 bis
- Warrant Plan 2007 ter
- Warrant Plan 2007 quater
- Warrant Plan 2007 quinquies
- Warrant Plan 2007 sexies
- Warrant Plan 2007 septies
- Warrant Plan 2008
- Warrant Plan 2009
- Warrant Plan 2010 primo
- Warrant Plan 2010 bis
- Warrant Plan 2010 ter

The earnings used in the calculation of diluted earnings per share measures are the same as those for the basic earnings per share measures, as outlined above.

	For the years ended December 31,	
	2014	2013
Weighted average number of shares used in the calculation of basic earnings per share	115,940,077	114,417,532
Adjustment for:		
Warrant Plan 2007 bis Warrants	—	8,170
Warrant Plan 2008 Warrants	—	87,864
Warrant Plan 2007 ter Warrants	—	1,221
Warrant Plan 2007 quater Warrants	142,333	362,678
Warrant Plan 2009 Warrants	—	230,532
Warrant Plan 2007 quinquies Warrants	—	171,017
Warrant Plan 2007 sexies Warrants	2,878	26,144
Warrant Plan 2007 septies Warrants	52,503	97,414
Warrant Plan 2010 primo Warrants	330,333	421,836
Warrant Plan 2010 bis Warrants	9,342	15,842
Warrant Plan 2010 ter Warrants	55,456	55,637
Weighted average number of shares used in the calculation of diluted earnings per share	116,532,922	115,895,887
Diluted earnings per share in €	0.94	1.00

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5.23 NON CASH INVESTING AND FINANCING TRANSACTIONS

	For the years ended December 31,	
	2014	2013
	(in thousands of euro)	
Acquisition of property and equipment in exchange for finance lease obligations	44,845	46,798
Acquisition of sports broadcasting rights in exchange for investing obligations	34,271	31,080

5.24 COMMITMENTS AND CONTINGENCIES

5.24.1 Pending litigations

Litigation concerning the agreement-in-principle concluded between Telenet and the PICs, Interkabel and INDI

On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the PICs Agreement), which closed effective October 1, 2008. Telenet has been involved in various litigations concerning the PICs Agreement and the non-binding agreement-in-principle preceding the PICs Agreement. Beginning in December 2007, Belgacom NV/SA (Belgacom), the incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements.

Belgacom lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle on the basis that the PICs should have organized a tendering procedure or public market consultation before entering into the agreement-in-principle, and that the failure to organize such a consultation violates the equality, non-discrimination and transparency principles. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Belgacom in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Belgacom brought this appeal judgment before the Cour de Cassation (the Belgian Supreme Court), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet, dismissing Belgacom's request for the rescission of the agreement-in-principle and the PICs Agreement. On June 12, 2009, Belgacom appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Belgacom is also seeking compensation for damages should the PICs Agreement not be rescinded. However, the claim for compensation has not yet been quantified. At the introductory hearing, which was held on September 8, 2009, the proceedings on appeal were postponed indefinitely at the request of Belgacom.

In parallel with the above proceedings, Belgacom filed a complaint with the Government Commissioner seeking suspension of the approval by the PICs' board of directors of the agreement-in-principle and initiated suspension and annulment procedures before the Belgian Council of State against these approvals and subsequently against the board resolutions of the PICs approving the PICs Agreement. In this complaint, Belgacom's primary argument was that the PICs should have organized a public market consultation before entering into the agreement-in-principle and the PICs Agreement. Belgacom's efforts to suspend approval of these agreements were unsuccessful. In the annulment cases, the Council of State decided on May 2, 2012 to refer a number of questions of interpretation under EU law for preliminary ruling to the European Court of Justice (ECJ). On November 14, 2013, the European Court of Justice ruled that the reasons invoked by the PICs not to organize a market consultation were not overriding reasons of public interest to justify abolishing the PIC's duty to organize such consultation. The annulment cases were subsequently resumed with the Belgian Council of State. On January 16, 2014, the Advocate General with the Council of State recommended that the decisions of the board of the PICs not to organize a public market consultation be annulled, and on May 27, 2014, the Belgian Council of State ruled in favor of Belgacom and annulled (i) the decision of the PICs not to organize a public market consultation and (ii) the decision from the PICs' board of directors to approve the 2008 PICs Agreement. The Belgian Council of State ruling did not annul the 2008 PICs Agreement itself. Belgacom may now resume the civil proceedings which are still pending with the Court of Appeal of Antwerp in order to have the 2008 PICs Agreement annulled and claim damages.

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It is possible that Belgacom or another third party or public authority will initiate further legal proceedings, based on similar or different grounds, in an attempt to block the integration of the PICs' analog and digital television activities or obtain the rescission of the PICs Agreement. No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the rescission of the PICs Agreement and/or to an obligation for Telenet to pay compensation for damages, subject to the relevant provisions of the PICs Agreement, which stipulate that Telenet is only responsible for damages in excess of €20.0 million. In light of the fact that Belgacom has not quantified the amount of damages that it is seeking and Telenet has no basis for assessing the amount of losses Telenet would incur in the unlikely event that the PICs Agreement were to be rescinded, Telenet cannot provide a reasonable estimate of the range of loss that would be incurred in the event the ultimate resolution of this matter were to be unfavorable to Telenet. However, Telenet does not expect the ultimate resolution of this matter to have a material impact on its consolidated results of operations, cash flows or financial position.

Litigation regarding cable access

In December 2010, the Belgium Regulatory Authorities published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium. After a public consultation, the draft decisions were submitted to the European Commission. The European Commission issued a notice on the draft decision that criticized the analysis of the broadcasting markets on several grounds, including the fact that the Belgium Regulatory Authorities failed to analyze upstream wholesale markets. It also expressed doubts as to the necessity and proportionality of the various remedies. The Belgium Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (i) an obligation to make a resale offer at "retail minus" of the cable analog package available to third party operators (including Belgacom), (ii) an obligation to grant third-party operators (except Belgacom) access to digital television platforms (including the basic digital video package) at "retail minus," and (iii) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Belgacom).

After Telenet submitted draft reference offers regarding the obligations described above in February 2012, to which the Belgium Regulatory Authorities subsequently made their observations, launched a national consultation process and consulted with the European Commission. Although the European Commission expressed doubts regarding the analog resale offers on August 8, 2013, the European Commission did not object to the decision on the reference offers. The Belgium Regulatory Authorities published the final decision on September 9, 2013. The regulated wholesale services must be available approximately six months after a third-party operator files a letter of intent and pays an advance payment to each cable operator. On December 27, 2013, wireless operator Mobistar submitted a letter of intent and paid the advance payment on January 10, 2013. Accordingly, the reference offers could be operational as soon as the third quarter of 2014. On April 2, 2013, the Belgium Regulatory Authorities issued a draft decision regarding the "retail-minus" tariffs of minus 35% for basic TV (basic analog and digital video package) and minus 30% for the bundle of basic TV and broadband internet services. A "retail-minus" method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding value-added taxes and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as costs for billing, franchise, consumer service, marketing, and sales). On October 4, 2013, the Belgium Regulatory Authorities notified a draft quantitative decision to the European Commission in which they changed the "retail-minus" tariffs to minus 30% for basic TV (basic analog and digital video package) and to minus 23% for the bundle of basic TV and broadband internet services. Even though the European Commission made a number of comments regarding the appropriateness of certain assumptions in the proposed costing methodology, the Belgian Regulatory Authorities adopted such retail-minus tariffs on December 11, 2013.

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet's appeal and accepted Belgacom's claim that Belgacom should be allowed access to Telenet's, among other operators, broadband internet and digital television

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platforms. Telenet is currently considering the possibility to file an appeal against this decision with the Belgian Supreme Court. Telenet also filed an appeal with the Brussels Court of Appeal against the decisions regarding the qualitative and the quantitative aspects of the reference offer. A decision in this appeal is not expected before the end of 2015. There can be no certainty that Telenet's appeals will be successful.

The regulated wholesale services had to be available approximately six months after a third-party operator files a letter of intent and paid an advance payment to Telenet. As stated above, on December 27, 2013, wireless operator Mobistar submitted a letter of intent and paid the advance payment on January 10, 2014. Telenet has implemented the access obligations as described in its reference offers and, as of June 23, 2014, access to the Telenet network had become operational and can be applied by Mobistar. On November 14, 2014, Belgacom also submitted a request to start access negotiations. Telenet is currently considering the merits of this request.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (i) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (ii) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments.

Interconnection Litigation

Telenet has been involved in regulatory and court proceedings with Belgacom in relation to the increased interconnection fees that it began charging telephone operators to terminate calls made to receivers on the Combined Network in August 2002. Several procedures have been ongoing between Telenet and Belgacom over the past years. In the course of 2013 an overall settlement was reached between the parties regarding this interconnection dispute, in which parties mutually agreed to drop all claims without any payments. All proceedings have now been formally closed.

Copyright Litigations

The issue of copyrights and neighboring rights to be paid for the distribution of television has, during the last two decades, given rise to a number of litigations. Already in 1994, the Belgian Radio and Television Distributors Association (Beroepsvereniging voor Radio- en Televisiedistributie / Union professionnelle de radio et de télédistribution) (the "RTD", renamed afterwards to "Cable Belgium") was involved in discussions with various copyrights collecting agencies regarding the fees to be paid to the latter for the analogue broadcasting of various television programs. In November 2002, the RTD, together with certain Belgian cable operators (among which Telenet), began reaching settlements with the copyright collecting agencies and broadcasters. Pursuant to those settlement agreements, to which Telenet acceded, Telenet agreed to make certain upfront payments as well as to make increased payments over time. Consequently, in August 2003, Telenet increased the copyright fee it charges its subscribers. In July 2004, the Association for the Collection, Distribution and Protection of the Rights of the Artists, Interpreters and Performers (CVBA Vereniging voor de inning, repartitie en de verdediging van de vertolkende en uitvoerende kunstenaars) ("Uradex", later renamed to "Playright") filed a claim against the RTD for €55 million plus interest concerning neighboring rights owed by the members of the RTD to artists and performers represented by Uradex during the period from August 1994 through the end of July 2004.

After the roll-out of digital television, Telenet started in 2006, a judicial procedure against a number of collection agencies. This procedure is related to a discussion between Telenet and these collection agencies about the legal qualification of (i) simulcast (i.e. channels distributed both in analogue and in digital quality), (ii) direct injection (i.e. channels delivered to the distributor over a non-publicly accessible transmission channel) and (iii) all rights included contracts (i.e. contracts in which broadcasters engage to deliver their signals and programs after having cleared all rights necessary for the communication to the public over the distributor's networks).

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On April 12, 2011, the Court of First Instance of Mechelen rendered a positive judgment in the procedure against Sabam, Agicoa, Uradex and other collection agencies, and as part of this procedure, several collection agencies (Sabam not included) filed counterclaims against Telenet for the payment of the invoices that Telenet disputed. The Court validated Telenet's arguments in each of the claims and counterclaims that were the subject of the procedure and, as a result: (i) no retransmission fees have to be paid by Telenet in case of direct injection of a broadcaster's signal into Telenet's network, (ii) no retransmission fees have to be paid in case of simulcast of an analog and digital signal (and consequently, Telenet does not have to pay extra for the distribution of linear digital television signals) and (iii) all-rights-included contracts are deemed legally valid, which means that if Telenet agrees with a broadcaster that the latter is responsible for clearing all copyrights, Telenet is not liable towards the collection agencies.

The collection agencies however lodged an appeal (cf. *infra*). Since Sabam had not filed any counterclaim for the payment of invoices as part of the aforesaid judgment, on April 6, 2011, Sabam separately initiated judicial proceedings before the Commercial Court of Antwerp, claiming payment by Telenet of invoices relating to (i) fees for a period from January 1, 2005 until December 31, 2010 for Telenet's basic digital television package, and (ii) fee advances for the first semester of 2011 for Telenet's basic and optional digital television packages. The claims mainly relate to (i) direct injection and (ii) all-rights-included contracts. Sabam's claim is based on arguments substantially similar to those rejected by the Court of First Instance of Mechelen on April 12, 2011. Simultaneously, Sabam initiated a summary procedure before the President of the Commercial Court of Antwerp, to receive provisional payment of the contested fees and fee advances. On June 30, 2011, the President of the Commercial Court of Antwerp rendered a positive judgment for Telenet in this procedure. Sabam lodged appeal. On June 27, 2012 the Court of Appeal of Antwerp confirmed this judgment and dismissed the claim in summary proceedings of Sabam.

In the case of the appeal against the judgment of April 12, 2011 of the Court of First Instance of Mechelen, the Court of Appeal of Antwerp has rendered an intermediate ruling on February 4, 2013. This judgment to a large extent confirms the reasoning of the Court of First Instance of Mechelen on the disputed issues (qualification of simulcast and all rights included agreements), but re-opens the procedure in order to allow the parties to provide further proof of their actual claims. On January 20, 2014, Coditel has appealed this intermediate ruling before the Supreme Court ("Hof van Cassatie") mainly because of the incorrect qualification of the fees to be paid for the communication to the public as if it would be "retransmission" rights. On 6 May 2014, Telenet also filed a request with the Supreme Court, arguing that the Antwerp Court of Appeal erroneously qualified direct injection as cable retransmission. Because of these proceedings before the Supreme Court, the proceedings before the Antwerp Court of Appeal were suspended.

Telenet does not expect the ultimate resolution of this matter to have a material impact on its consolidated results of operations or financial condition.

5.24.2 Acquisition of a 50% stake in De Vijver Media

On June 16, 2014, Telenet signed an agreement for the acquisition of 50% of the capital of De Vijver Media NV, a Belgian media company active in free-to-air broadcasting (through its TV channels "VIER" and "VIJF") and content production (through its production company "Woestijnvis"). The 50% stake will be acquired through a combination of share purchases (€26.0 million) and share subscription (€32.0 million). Following completion of the transaction, the existing shareholders Corelio Publishing NV and Waterman & Waterman NV (the company of Wouter Vandenhaute, CEO of De Vijver Media, and his business partner Erik Watté) will each hold 25% in De Vijver Media. Telenet will, together with the existing shareholders, jointly control De Vijver Media. The transaction was approved by the European Commission on February 24, 2015. For additional information, we refer to 5.27 Subsequent events.

5.24.3 Other contingent liabilities

Regulation regarding signal integrity

The Flemish Parliament adopted legislation imposing on distributors strict integrity of broadcasting signals and the requirement to request authorization from broadcasters when contemplating offering *inter alia* recording through an electronic program guide. Broadcasters have argued that the high penetration of

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2014

PVR's in the Flemish market, combined with high ad-skipping as a result, undermines the revenue of broadcasters. The Flemish decree provides that broadcasters and distributors must in first instance try to find a commercial solution. In case the parties concerned cannot find a commercial solution, the Flemish decree provides for a mediation procedure, which, if unsuccessful, can eventually lead to civil litigation. This legislation presents risks that could have a negative impact on the Company's ability to launch new innovative applications and to increase the Company's financial obligations to broadcasters.

Other

In addition to the foregoing items, the Company has contingent liabilities related to matters arising in the ordinary course of business including (i) legal proceedings, (ii) issues involving VAT and wage, property and other tax issues, (iii) disputes over certain contracts and (iv) disputes over programming and copyright fees. While the Company generally expects that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts the Company has accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on the Company's results of operations or cash flows in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, the Company cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

5.24.4 Operating leases

The Company leases facilities, vehicles and equipment under cancellable and non-cancellable operating leases. The following schedule details, at December 31, 2014 and 2013, the future minimum lease payments under cancellable and non-cancellable operating leases:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	<u>(in thousands of euro)</u>	
Within one year	20,087	19,885
In the second to fifth year, inclusive	19,922	17,842
Thereafter	2,779	3,016
Total minimum lease payments	42,788	40,743
Minimum lease payments recognized as an expense in the year	24,638	25,689

The Company's operating leases as at December 31, 2014 and December 31, 2013 did not contain any material contingent rentals.

5.25 RELATED PARTIES

The related parties of the Company mainly comprise its shareholders that have the ability to exercise significant influence or control. This consisted of the Liberty Global Consortium for both 2014 and 2013. Related parties further include transactions with Pebble Media NV, Doccle CVBA and Doccle.Up NV.

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2014

The following tables summarize material related party balances and transactions for the period:

5.25.1 Statement of financial position

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	(in thousands of euro)	
Trade receivables		
Liberty Global Consortium (parent)	2,650	766
Associates	453	89
Trade payables and accrued trade liabilities		
Liberty Global Consortium (parent)	28,057	3,309
Associates	454	630
Accrued other liabilities		
Liberty Global Consortium (parent)	9,288	—
Associates	—	—
Property and equipment		
Liberty Global Consortium (parent)	31,677	—
Associates	—	—

The transactions with the entities of the Liberty Global Consortium mainly consist of the purchase of certain property and equipment and other services within the normal course of business from Liberty Global Services B.V. The accrued other liabilities due to Liberty Global Consortium consist of a €9.3 million liability to Binan Investments B.V. resulting from the stock lending agreement in order to fulfill the Company's commitments under the stock option plans.

All transactions with related parties are at regular market conditions.

5.25.2 Statement of profit or loss and other comprehensive income

	<u>For the years ended</u> <u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
	(in thousands of euro)	
Revenue		
Liberty Global Consortium (parent)	1,313	616
Associates	1,385	1,368
Operating expenses		
Liberty Global Consortium (parent)	2,063	315
Associates	1,603	134

5.25.3 Key management compensation

For purpose of this footnote, key management is identified as people involved in strategic orientation of the Company.

	<u>For the years ended</u> <u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
	(in thousands of euro)	
Salaries and other short-term employee benefits	6,949	5,706
Post-employment benefits	479	435
Share-based payments (compensation cost recognized)	4,778	8,411
	<u>12,206</u>	<u>14,552</u>

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2014

5.26 SUBSIDIARIES

5.26.1 Subsidiaries

Details of the Company's subsidiaries as of December 31, 2014 are as follows:

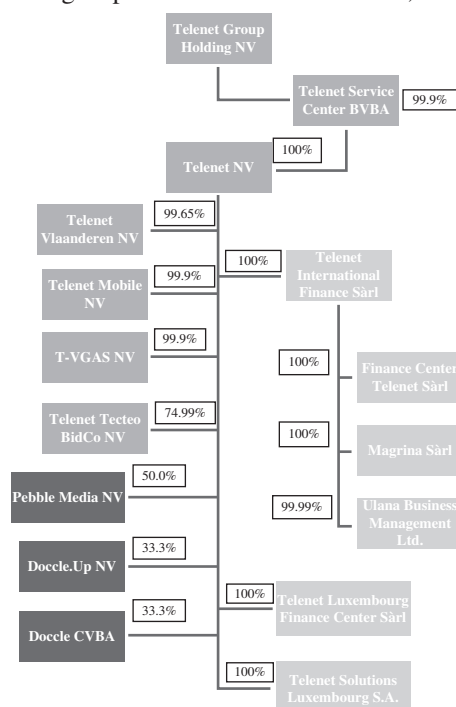
<u>Company</u>	<u>National number/ Trade Register number</u>	<u>Registered office</u>	<u>% Held</u>	<u>Consolidation Method</u>
Telenet Group Holding NV	0477.702.333	Liersesteenweg 4, 2800 Mechelen, Belgium	—	Parent company
Telenet NV	0473.416.418	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Vlaanderen NV	0458.840.088	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
T-VGAS NV	0808.321.289	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Mobile NV	0813.219.195	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
TELENET TECTEO BIDCO NV	0835.821.779	Liersesteenweg 4, 2800 Mechelen, Belgium	74.99%	Fully consolidated
Telenet Service Center BVBA	0842.132.719	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Solutions Luxembourg S.A.	B-73.305	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Telenet International Finance S.à r.l.	B-155.066	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Telenet Luxembourg Finance Center S.à r.l.	B-155.088	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Finance Center Telenet S.à r.l.	B-165.944	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Magrina S. à r.l.	B-182.173	40, Avenue Monterey, L-2163 Luxembourg, Luxembourg	100%	Fully consolidated
Ulana Business Management Ltd.	536635	Commercial House, Millbank Business Park, Lucan, Co. Dublin, Ireland (*)	100%	Fully consolidated

(*) Registered office transferred to Building P2, Eastpoint Business Park, Clontarf, Dublin 3, Ireland as of January 16, 2014

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2014

The group chart as of December 31, 2014 is as follows:



5.26.2 Other consolidated companies

Company	Trade Register Number	Address	% Held	Consolidation Method
Telenet Finance Luxembourg S.C.A. ⁽¹⁾	RCS B.155.894	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance Luxembourg II S.A. ⁽²⁾	RCS B.156.414	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance III Luxembourg S.C.A. ⁽³⁾	RCS B.158.666	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance IV Luxembourg S.C.A. ⁽⁴⁾	RCS B.161.083	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance V Luxembourg S.C.A. ⁽⁵⁾	RCS B.164.890	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance VI Luxembourg S.C.A. ⁽⁶⁾	RCS B.171.030	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated

(1) Telenet Finance Luxembourg S.C.A. was incorporated on September 28, 2010 as a special purpose financing company ("SPE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance Luxembourg and 0.01% by Telenet Finance S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SPE, exposure or rights to variable returns from its involvement with the SPE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SPE created to issue the High Yield Bond.

(2) Telenet Finance Luxembourg II S.A. was incorporated on October 28, 2010 as a special purpose financing company for the primary purpose of facilitating the offering of a Private Placement Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 100.00% by a Dutch charitable trust, called Stichting Telenet Finance Luxembourg II. The Trust Deed relating to the Private Placement offering prohibits the Issuer from engaging in

Telenet Group Holding NV

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any activities other than certain limited activities permitted. The SPE set up for the issuance of the Private Placement Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SPE, exposure or rights to variable returns from its involvement with the SPE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SPE created to issue the Private Placement Bond.

- (3) Telenet Finance III Luxembourg S.C.A. was incorporated on January 28, 2011 as a special purpose financing company ("SPE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance III Luxembourg and 0.01% by Telenet Finance III S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SPE, exposure or rights to variable returns from its involvement with the SPE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SPE created to issue the High Yield Bond.
- (4) Telenet Finance IV Luxembourg S.C.A. was incorporated on May 23, 2011 as a special purpose financing company ("SPE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance IV Luxembourg and 0.01% by Telenet Finance IV S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SPE, exposure or rights to variable returns from its involvement with the SPE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SPE created to issue the High Yield Bond.
- (5) Telenet Finance V Luxembourg S.C.A. was incorporated on November 16, 2011 as a special purpose financing company ("SPE") for the primary purpose of facilitating the offering of a High Yield Bond. On August 10, 2012, the articles of association were amended in order to make it possible to issue more than one High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance V Luxembourg and 0.01% by Telenet Finance V S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offerings prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of the High Yield Bonds is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SPE, exposure or rights to variable returns from its involvement with the SPE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SPE created to issue the High Yield Bond.
- (6) Telenet Finance VI Luxembourg S.C.A. was incorporated on August 14, 2012 as a special purpose financing company ("SPE") for the primary purpose of facilitating the offering of one or more High Yield Bonds. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance VI Luxembourg and 0.01% by Telenet Finance VI S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering(s) will prohibit the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of High Yield Bond(s) is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. It has been determined that the Company has power over the SPE, exposure or rights to variable returns from its involvement with the SPE and ability to use its power to affect those returns and therefore concluded upon that Telenet Group Holding should consolidate the SPE created to issue the High Yield Bond(s).

5.27 SUBSEQUENT EVENTS

Share Repurchase Program 2015

On February 12, 2015, Telenet announced the launch of a share repurchase program (the "Share Repurchase Program 2015"). Under this program, Telenet may acquire from time to time its common stock, to a maximum of 1,100,000 shares, for a maximum consideration of €50.0 million, within a six month period. The share repurchases will be conducted under the terms and conditions approved by the extraordinary general shareholders' meeting of the Company of April 30, 2014. Telenet has mandated an intermediary to

Telenet Group Holding NV

Notes to the Consolidated Financial Statements December 31, 2014

purchase Telenet shares on its behalf. The timing of the repurchase of shares pursuant to the program will be decided by such intermediary independently of Telenet and depend on a variety of factors, including market conditions. All repurchased shares will be held by the Company to cover the Company's obligations under existing stock option plans. Through March 20, 2015, the Company had acquired 323,124 own shares under the Share Repurchase Program 2015 for a total amount of €16.3 million, representing 0.31% of the total number of outstanding shares at that moment.

European Commission gives Telenet the approval for participation in De Vijver Media

On February 24, 2015, the European Commission gave Telenet its approval for the planned 50% investment in De Vijver Media. In June 2014, Telenet announced its intention to take a participation of 50% in De Vijver Media through an acquisition of Sanoma's share for €26.0 million and an additional €32.0 million capital increase. After the transaction, through their company W&W, Wouter Vandenhaute, CEO of De Vijver Media, and his business partner Erik Watté will keep 25% of the shares of De Vijver Media. Corelio will also keep 25% of the shares in De Vijver Media with Telenet holding the remaining 50%. In order to remove any competition concerns by the European Commission, Telenet, W&W and Corelio have given undertakings to guarantee that the channels of De Vijver Media will remain available to other television providers. Upon the completion of the transaction which occurred on February 27, 2015, Telenet will not consolidate the activities of De Vijver Media but will account for its investment applying the equity method.

Incorporation of Idealabs Telenet Fund

On March 10, 2015, Telenet announced the incorporation of Idealabs Telenet Fund, whereby NIKEVENTURES BVBA and Telenet Service Center BVBA each own 50% of the shares. Idealabs Telenet Fund has been incorporated with the purpose of organizing a start-up incubator and accelerator program. Based on a selection procedure organized by Idealabs Telenet Fund, it is intended that each year up to ten business plans for start-ups will be selected. Idealabs Telenet Fund will pay an amount of €25,000 to the selected founders of these start-ups to incorporate the start-up. Following an additional selection process, Idealabs Telenet Fund will select, for each annual group of start-ups, up to five start-ups which will receive additional funding by Idealabs Telenet Fund in the amount of €50,000 each in the form of a convertible loan. Within a period of four months, the selected start-ups will be offered the opportunity to participate in one or more demo-days and attract third-party investors to invest in the start-ups share capital. In the event such third-party investor is found, Idealabs Telenet Fund will be entitled to convert the €50,000 loan into share capital of the start-up against the issuance of shares.

5.28 EXTERNAL AUDIT

The general shareholders' meeting of April 30, 2014 appointed KPMG Bedrijfsrevisoren CVBA ("KPMG") as statutory auditor of the Company for a period of three years. KPMG has appointed Mr. Götwin Jackers as permanent representative.

Base fees for auditing the annual (consolidated) financial statements of Telenet Group Holding NV and its subsidiaries are determined by the general meeting of shareholders after review and approval by the Company's audit committee and board of directors.

Audit and audit related fees for 2014, in relation to services provided by KPMG Bedrijfsrevisoren, amounted to EUR 645,800 (2013: EUR 612,700), which was composed of audit services for the annual financial statements of EUR 571,900 (2013: EUR 566,300) and audit related services of EUR 73,900 (2013: EUR 46,400). Audit related services mainly related to services in connection with attestation reports required by Belgian Company Law as well as other ad hoc attestation reports.

Audit and audit related fees for 2014 in relation to services provided by other offices in the KPMG network amounted to EUR 81,500 (2013: EUR 82,000), which was composed of audit services for the annual financial statements.

Statutory auditor's report to the general meeting of Telenet Group Holding NV as of and for the year ended 31 December 2014

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our report on the consolidated financial statements as of and for the year ended 31 December 2014, as defined below, as well as our report on other legal and regulatory requirements.

Report on the consolidated financial statements—unqualified opinion

We have audited the consolidated financial statements of Telenet Group Holding NV (“the Company”) and its subsidiaries (jointly “the Group”), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR'000 3.409.088 and the consolidated statement of profit or loss and other comprehensive income shows a profit for the year of EUR'000 109.265.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the Company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Unqualified opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and consolidated financial position as at 31 December 2014 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not modify the scope of our opinion on the consolidated financial statements:

The annual report on the consolidated financial statements includes the information required by law, is consistent, in all material respects, with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 25 March 2015

KPMG Bedrijfsrevisoren—Réviseurs d’Entreprises
Statutory Auditor
represented by

Götwın Jackers
Bedrijfsrevisor—Réviseurs d’Entreprises

ANNEX A—THE SENIOR CREDIT FACILITY AGREEMENT

AGREEMENT

**UP TO €2,300,000,000
CREDIT FACILITIES**

for

TELENET BVBA

arranged by

**ABN AMRO BANK N.V.
BNP PARIBAS S.A.
J.P. MORGAN PLC**

with

THE BANK OF NOVA SCOTIA
acting as Facility Agent

and

KBC BANK NV
acting as Security Agent

Originally dated 1 August 2007 and as amended and restated by supplemental agreements dated 22 August 2007, 11 September 2007, 8 October 2007, 23 June 2009, 25 August 2009, 4 October 2010 and 2 November 2015 and as further amended and restated on 10 August 2017.

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THIS AGREEMENT originally dated 1 August 2007 and as amended and restated by supplemental agreements dated 22 August 2007, 11 September 2007, 8 October 2007, 23 June 2009, 25 August 2009 and 4 October 2010, 2 November 2015 and as further amended and restated on 10 August 2017 between the following parties:

- (1) **TELENET BVBA** (formerly Telenet BidCo NV and subsequently Telenet NV), a company registered in Belgium with the Crossroads Bank for Enterprises under number 0473.416.418 (RLP Antwerp, division Mechelen) as original borrower (the “**Original Borrower**” and the “**Company**”);
- (2) **THE PARTIES** listed in Part 1 of Schedule 1 (*Original Parties*) as original guarantors (in this capacity, each an “**Original Guarantor**” and together the “**Original Guarantors**”);
- (3) **ABN AMRO BANK N.V., BNP PARIBAS S.A. and J.P. MORGAN PLC** as mandated lead arrangers (in this capacity each a “**Mandated Lead Arranger**” and together the “**Mandated Lead Arrangers**”);
- (4) **THE FINANCIAL INSTITUTIONS** listed in Part 2 of Schedule 1 (*Original Parties*) as initial original lenders (the “**Initial Original Lenders**”);
- (5) **THE BANK OF NOVA SCOTIA** as facility agent (in this capacity, the “**Facility Agent**”); and
- (6) **KBC BANK NV** as security agent (in this capacity, the “**Security Agent**”).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In this Agreement:

“**2015 Amendment Effective Date**” means 2 November 2015.

“**2017 Amendment Effective Date**” means 10 August 2017.

“**2017 ICA Amendment Effective Date**” means the first date on which the Intercreditor Agreement is amended as contemplated under the definition of Intercreditor Agreement.

“**80% Security Test**” means the requirement that members of the Group generating in aggregate not less than 80% of Consolidated EBITDA (excluding for the purposes of this calculation, any EBITDA attributable to any Joint Venture) have acceded as Guarantors to this Agreement and, in each case, granted Security Interests (or procured the granting of Security Interests) pursuant to the Security Documents over:

- (a) prior to the Asset Security Release Date:
 - (i) all of the shares in the Obligors;
 - (ii) all of the rights of the relevant creditors in relation to any Subordinated Shareholder Loans; and
 - (iii) all or substantially all of the assets of the Guarantors; and
- (b) on or after the Asset Security Release Date:
 - (i) all of the shares in the Obligors; and
 - (ii) all of the rights of the relevant creditors in relation to any Subordinated Shareholder Loans;

as tested by reference to each set of annual financial information relating to the Group delivered to the Facility Agent pursuant to Clause 19.1 (*Financial Statements*).

“**Acceleration Date**” means the date on which a written notice has been served under Clause 22.17 (*Acceleration*).

“**Acceptable Bank**” means

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of (i) BBB+ or higher by Standard & Poor’s or Fitch (ii) Baal or higher by Moody’s or (iii) a comparable rating from an internationally recognised credit rating agency; or

- (b) any other bank or financial institution approved by the Facility Agent (in consultation with the Company).

“Accession Agreement” means a letter, substantially in the form of Schedule 7 (*Form of Accession Agreement*), with such amendments as the Facility Agent may approve or reasonably require.

“Accounting Principles” means IFRS, or, if at the relevant time GAAP has been adopted in accordance with Clause 19.5 (*Change in Accounting Principles*), GAAP.

“Acquisition Cost” means, in relation to a Majority Acquisition and a JV Minority Acquisition, the value of the consideration for that Majority Acquisition or JV Minority Acquisition (as applicable) at the time of completion of the Majority Acquisition or JV Minority Acquisition and for this purpose:

- (a) the value at the time of completion of the Majority Acquisition or JV Minority Acquisition of any consideration to be paid or delivered after the time of completion of the Majority Acquisition or JV Minority Acquisition will be determined in accordance with the Accounting Principles;
- (b) if the entity acquired becomes a member of the Group as a result of the Majority Acquisition, the aggregate principal amount of Financial Indebtedness of any entity acquired outstanding at the time of completion of the Majority Acquisition (including without limitation any Lending Transaction (as defined in Clause 21.13(i) (*Loans and Guarantees*)) made by a member of the Group in connection with the relevant Majority Acquisition) will be counted as part of the consideration for that Majority Acquisition;
- (c) if the entity acquired does not become a member of the Group as a result of the JV Minority Acquisition, the aggregate principal amount of Financial Indebtedness of the entity acquired at the time of completion of the JV Minority Acquisition will be counted as part of the consideration for that JV Minority Acquisition to the extent of the aggregate principal amount of the payment and repayment obligations in respect of such Financial Indebtedness assumed or guaranteed by any member of the Group; and
- (d) subject to paragraphs (a), (b) and (c) above, the value at the time of completion of the Majority Acquisition or JV Minority Acquisition of any non-cash consideration will be determined in accordance with the Accounting Principles,

expressed in Euros, if required, using the Agent’s Spot Rate of Exchange on the date of completion of the relevant Majority Acquisition or JV Minority Acquisition.

“Additional Borrower” means a member of the Group or any Permitted Affiliate Parent which becomes a Borrower after the date of this Agreement pursuant to Clause 29.9 (*Additional Borrowers*).

“Additional Facilities Cap” has the meaning given to such term in paragraph (g) of Clause 2.2 (*Telenet Additional Facility*).

“Additional Guarantor” means a member of the Group or any Permitted Affiliate Parent which becomes a Guarantor after the date of this Agreement pursuant to Clause 29.10 (*Additional Guarantors*).

“Additional Obligor” means an Additional Borrower or an Additional Guarantor.

“Administrative Party” means a Mandated Lead Arranger or an Agent and, where the context so admits or requires, includes each of them.

“Advance” means an advance made to a Borrower under a Telenet Additional Facility (but excluding for the purposes of this definition, any utilisation of a Telenet Additional Facility by way of an Ancillary Facility or a Documentary Credit) as from time to time reduced by repayment or prepayment.

“Affected Documentary Credit” has the meaning given to such term in Clause 15.1 (*Illegality in Relation to an L/C Bank*).

“Affiliate” means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

“Agent” means the Facility Agent or the Security Agent.

“Agent’s Spot Rate of Exchange” means the spot rate of exchange as determined by the Facility Agent for the purchase of Euros in the London foreign exchange market with the relevant currency in which any part of the Acquisition Cost for a Majority Acquisition or JV Minority Acquisition is incurred at or about 11.00 am on a particular day.

“All3Media Intercreditor Agreement” means the intercreditor agreement originally dated 28 September 2006 between, among others, The Royal Bank of Scotland plc as Senior Agent and Security Agent and All3Media Capital Limited, All3Media Intermediate Limited and All3Media Finance Limited as Effective Date Debtors (each as defined therein).

“Alternative Reference Bank Rate” means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facility Agent at its request by the Alternative Reference Banks:

- (a) in relation to LIBOR:
 - (i) (other than where paragraph (ii) below applies) as the rate at which the relevant Alternative Reference Bank could borrow funds in the London interbank market in the relevant currency and for the relevant period were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period; or
 - (ii) if different, as the rate (if any and applied to the relevant Alternative Reference Bank and the relevant currency and period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator; or
- (b) in relation to EURIBOR:
 - (i) (other than where paragraph (ii) below applies) as the rate at which the relevant Alternative Reference Bank believes one prime bank is quoting to another prime bank for interbank term deposits in Euro within the Participating Member States for the relevant period; or
 - (ii) if different, as the rate (if any and applied to the relevant Alternative Reference Bank and the relevant period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator.

“Alternative Reference Banks” means the principal London offices of such banks as may be appointed by the Facility Agent with the consent of the Company.

“Ancillary Facility” means any:

- (a) overdraft, automated payment, cheque drawing or other current account facility;
- (b) forward foreign exchange facility;
- (c) derivatives facility;
- (d) short term loan facility;
- (e) guarantee, bond issuance, documentary or stand-by letter of credit facility;
- (f) performance bond facility; and/or
- (g) such other facility or financial accommodation as may be required in connection with the Business of the Group and which is agreed in writing between the relevant Borrower and the relevant Ancillary Facility Lender.

“Ancillary Facility Commitment” means, in relation to an Ancillary Facility Lender at any time, and save as otherwise provided in this Agreement, the maximum Euro Amount to be made available under an Ancillary Facility granted by it, to the extent not cancelled or reduced or transferred pursuant to the terms of such Ancillary Facility or under this Agreement.

“Ancillary Facility Documents” means the documents and other instruments pursuant to which an Ancillary Facility is made available and the Ancillary Facility Outstandings under it are evidenced.

“Ancillary Facility Final Maturity Date” has the meaning given to such term in Clause 7.1(g) (*Utilisation of Ancillary Facilities*).

“Ancillary Facility Lender” means any Lender which has notified the Facility Agent that it has agreed to its nomination in a Conversion Notice to be an Ancillary Facility Lender in respect of an Ancillary Facility granted pursuant to the terms of this Agreement.

“Ancillary Facility Outstandings” means (without double counting), at any time with respect to an Ancillary Facility Lender and each Ancillary Facility provided by it, the aggregate of:

- (a) all amounts of principal then outstanding under any overdraft, automated payment, cheque drawing, other current account facility or short term loan facility (determined in accordance with the applicable terms) as at such time (net of any Available Credit Balance); and
- (b) in respect of any other facility or financial accommodation, such other amount as fairly represents the aggregate potential exposure of that Ancillary Facility Lender with respect to it under its Ancillary Facility, as reasonably determined by that Ancillary Facility Lender from time to time in accordance with its usual banking practices for facilities or accommodation of the relevant type (including without limitation, the calculation of exposure under any derivatives facility by reference to the mark-to-market valuation of such transaction at the relevant time).

“Annualised EBITDA” means the annualised earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated Annualised EBITDA).

“Annuity Fees” means the amounts payable by Telenet Vlaanderen to Interkabel Vlaanderen CVBA pursuant to Sections 5, 6 and 7 of the contribution deed dated 23 September 1996 pursuant to which Interkabel Vlaanderen CVBA effected a contribution in kind of usage rights to a cable network to Telenet Vlaanderen, as amended on 28 May 1998.

“Anti-Terrorism Law” means each of:

- (a) Executive Order No. 13224 on Terrorist Financing—Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism issued 23 September 2001, as amended by Order 13268 (as so amended, the **“Executive Order”**);
- (b) the Patriot Act;
- (c) the Money Laundering Control Act of 1986 18 U.S.C, section 1956; and
- (d) any updates or replacements to the laws listed above in paragraphs (a) to (c) which are enacted in the United States subsequent to the date of this Agreement.

“Approved Stock Options” means any options, warrants, rights to purchase or other equivalents (however designated) issued or granted by a member of the Group to any former, present or future officers, consultants, directors and/or employees of any member of the Group or its Affiliates to subscribe for share capital or similar rights of ownership in that member of the Group provided that the maximum aggregate amount of such options, warrants, rights to purchase or other equivalents (however designated) shall not exceed 3 per cent. of its issued share capital.

“Asset Passthrough” means a series of transactions between the Borrower Holdco, one or more members of the Group and an Asset Transferring Party where:

- (a) in the case of an asset being transferred by the Borrower Holdco to the Asset Transferring Party, that asset:
 - (i) is first transferred by the Borrower Holdco to a member of the Group; and
 - (ii) may then be transferred between various members of the Group, and is finally transferred (insofar as such transaction relates to the Group) to an Asset Transferring Party; or
- (b) in the case of an asset being transferred by an Asset Transferring Party to the Borrower Holdco, that asset:
 - (i) is first transferred by that Asset Transferring Party to a member of the Group; and
 - (ii) may then be transferred between various members of the Group, and is finally transferred (insofar as such transaction relates to the Group) to the Borrower Holdco,

and where the purpose of each such asset transfer is, in the case of an Asset Passthrough of the type described in paragraph (a) above, to enable the Borrower Holdco to indirectly

transfer assets (other than cash) to that Asset Transferring Party and, in the case of an Asset Passthrough of the type described in paragraph (b) above, is to enable an Asset Transferring Party to indirectly transfer assets (other than cash) to the Borrower Holdco, in either case, by way of transfers of those assets to and from (and, if necessary, between) one or more members of the Group in such a manner as to be neutral to the Group taken as a whole **provided that:**

- (i) the consideration payable (if any) by the first member of the Group to acquire such assets comprises either (A) cash funded or to be funded directly or indirectly by a payment from (in the case of an Asset Passthrough of the type described in paragraph (a) above) the Asset Transferring Party or (in the case of an Asset Passthrough of the type described in paragraph (b) above) the Borrower Holdco, in either case, in connection with that series of transactions, (B) Subordinated Shareholder Loans or (C) the issue of one or more securities;
- (ii) in the case of an Asset Passthrough of the type described in paragraph (a) above, the consideration payable by the Asset Transferring Party is equal to the consideration received or receivable by the Borrower Holdco and, in the case of an Asset Passthrough of the type described in paragraph (b) above, the consideration payable by the Borrower Holdco is equal to the consideration received or receivable by the Asset Transferring Party (and for this purpose, a security issued by one company shall constitute equal consideration to a security issued by another company where such securities have been issued on substantially the same terms and subject to the same conditions);
- (iii) all of the transactions comprising such a series of transactions (from and including the transfer of the assets by the Borrower Holdco to and including the acquisition of those assets by the Asset Transferring Party or *vice versa*) are completed within two Business Days; and
- (iv) upon completion of all of the transactions comprising such a series of transactions, no person (other than another member of the Group) has any recourse to any member of the Group and no member of the Group which is not an Obligor may have any recourse to an Obligor, in each case in relation to such a series of transactions (other than in respect of (A) the Subordinated Shareholder Loans or any rights and obligations under the securities, in each case, mentioned in paragraph (i) above and (B) covenants as to title provided, in the case of an Asset Passthrough of the type described in paragraph (a) above, in favour of the Asset Transferring Party on the same terms as such covenants were provided by the Borrower Holdco in respect of the relevant assets and, in the case of an Asset Passthrough of the type described in paragraph (b) above, in favour of the Borrower Holdco on the same terms as such covenants were provided by the Asset Transferring Party in respect of the relevant assets).

“Asset Securitisation Subsidiary” means any Subsidiary of the Company or any Subsidiary of any Permitted Affiliate Parent or any other member of the Group, as applicable, engaged solely in the business of effecting or facilitating any asset securitisation programme or programmes or one or more receivables factoring transactions.

“Asset Security Release Date” means the date on which the Security (other than any Security referred to in paragraph (b) of the definition of **“80% Security Test”**) is released in accordance with Clause 21.21 (*Asset Security Release*).

“Asset Transferring Party” means the member of the Wider Group (or any person in which a member of the Group owns an interest but which is not a member of the Wider Group or the Group) or, where the asset being transferred is a security, a member of the Group, in each case, who is the initial transferor or final transferee in respect of a transfer to or from the Borrower Holdco, as the case may be, through one or more members of the Group.

“Auditors” means KPMG or such other firm of independent public accountants of international standing which may be appointed by the Company in accordance with this Agreement as its auditors.

“Available Ancillary Facility Commitments” means, in relation to an Ancillary Facility Lender and an Ancillary Facility granted by it at any time, and save as otherwise provided in this Agreement

or in the applicable Ancillary Facility Documents, its Ancillary Facility Commitment at such time, less the Euro Amount of the relevant Ancillary Facility Outstandings at such time, provided always that such amount shall not be less than zero.

“Available Commitments” means, in relation to a Lender, the aggregate amount of Available Telenet Additional Facility Commitments and its Available Ancillary Facility Commitments, or, in the context of a particular Facility, its Available Telenet Additional Facility Commitments or its Available Ancillary Facility Commitments, as the context may require.

“Available Credit Balance” means, in relation to an Ancillary Facility, credit balances on any account of any Borrower of that Ancillary Facility with the Ancillary Facility Lender making available that Ancillary Facility to the extent that those credit balances are freely available to be set off by that Ancillary Facility Lender against liabilities owed to it by that Borrower under that Ancillary Facility.

“Available Telenet Additional Facility Commitments” means, in relation to a Lender and a Telenet Additional Facility, at any time and save as otherwise provided in this Agreement, its Telenet Additional Facility Commitment in relation to that Telenet Additional Facility at such time less the Euro Amount of its share of the Utilisations made under that Telenet Additional Facility, adjusted to take account of:

- (a) any cancellation or reduction of, or any transfer by such Lender or any transfer to it of, any Telenet Additional Facility Commitment in relation to that Telenet Additional Facility, in each case, pursuant to the terms of this Agreement; and
- (b) in the case of any proposed Utilisation, the Euro Amount of its share of (i) any Utilisation under a Telenet Additional Facility which pursuant to any other Request is to be made, or as the case may be, issued under that Telenet Additional Facility and (ii) any Utilisation in respect of any Revolving Facility under that Telenet Additional Facility which is due to be repaid or expire (as the case may be), in each case, on or before the proposed Utilisation Date,

provided always that such amount shall not be less than zero.

“Availability Period” means the period agreed between the Company and the relevant Telenet Additional Facility Lenders in the applicable Telenet Additional Facility Accession Agreement.

“Bank Levy” means the bank levy which is imposed under section 73 of, and Schedule 19 to, the Finance Act 2011 (the **“UK Bank Levy”**) and any levy or Tax of an equivalent nature imposed in any jurisdiction in a similar context or for a similar reason to that in and/or which the UK Bank Levy has been imposed by reference to the equity and liability of a financial institution or other person carrying out financial transactions.

“Borrower” means the Original Borrower or an Additional Borrower.

“Borrower Holdco” means a direct Holding Company of a member of the Group which is not a member of the Group.

“Break Costs” means:

- (a) the amount (if any) by which:
 - (i) the amount of interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in an Advance or Unpaid Sum to the last day of the current Term in respect of that Advance or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Term,
exceeds:
 - (ii) the amount of interest which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the London interbank market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Term; or
- (b) for the purposes of Clause 10.10(a) (*Miscellaneous Provisions*), the loss suffered by any Lender as a result of having to unwind any funding contract for reinvestment of proceeds

which it had entered into or initiated upon receipt of the notice of prepayment and/or cancellation referred to in Clause 10.10(a) (*Miscellaneous Provisions*).

“Business” means any business:

- (a) that consists of the upgrade, construction, creation, development, marketing, acquisition (to the extent permitted under this Agreement), operation, utilisation and maintenance of networks that use existing or future technology for the transmission, reception and delivery of voice, video and/or other data (including networks that transmit, receive and/or deliver services such as multi-channel television and radio, programming, telephony, Internet services and content, high speed data transmission, video, multi-media and related activities);
- (b) that consists of the provision, creation, distribution and broadcasting of Content;
- (c) that comprises being a Holding Company of one or more persons engaged in any business referred to in paragraphs (a), (b) and (d) of this definition; and
- (d) any business or provision of services substantially the same or similar to that of any member of the Wider Group on the 2017 Amendment Effective Date,

and any related ancillary or complementary business to any of the services described above and references to **“business”** or **“ordinary course of business”** shall be similarly construed.

“Business Day” means a day (other than a Saturday or Sunday):

- (a) on which banks are open for general business in London, Paris and Brussels;
- (b) if such reference relates to a date for the payment or purchase of any sum denominated in Euro, which is a TARGET Day;
- (c) if such reference relates to a date for the payment or purchase of any sum denominated in U.S. Dollars, on which banks generally are open for business in New York; and
- (d) if such reference relates to a date for the payment or purchase of any sum denominated in an Optional Currency (other than Euro or U.S. Dollars), the principal financial centre of the country of that currency.

“Business Division Transaction” means any sale, transfer, demerger or partial demerger, contribution, spin off or distribution of, any creation or participation in any joint venture and/or entering into any other transaction or taking any action with respect to, in each case, any assets, undertakings and/or businesses of the Group which comprise all or part of any business division (or its predecessors or successors), to or with any other entity or person, whether or not within the Group, in each case, where such transaction has the prior approval of the Majority Lenders.

“Capital Expenditure” means any expenditure which is or will be treated as a capital expenditure in the audited consolidated financial statements of the Group in accordance with the Accounting Principles.

“Cash” means at any time, without double counting:

- (a) all Cash Equivalent Investments; and
- (b) cash (in cleared balances) denominated in Euro (or any other currency freely convertible into Euro) and credited to an account in the name of a member of the Group, SuperHoldco or any other issuer of Holdco Debt (as applicable) with an Acceptable Bank and to which such member of the Group, SuperHoldco or any other issuer of Holdco Debt (as applicable) is alone (or, in the case of a member of the Group, together with other members of the Group) beneficially entitled and for so long as:
 - (i) such cash is repayable on demand (including any cash held on time deposit which is capable of being broken and the balance received within two Business Days of notice provided that any such cash shall only be taken into account net of any penalties or costs which would be incurred in breaking the relevant time deposit); or
 - (ii) such cash has been deposited with an Acceptable Bank as security for any performance bond, guarantee, standby letter of credit or similar facility the contingent liabilities relating to such having been included in the calculation of Net Total Debt,

and, in any such case,

- (A) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group, SuperHoldco or any other issuer of Holdco Debt (as applicable) or of any other person whatsoever or on the satisfaction of any other condition;
- (B) there is no encumbrance over that cash except for the Security or any encumbrance constituted by a netting or set-off arrangement entered into by a member of the Group, SuperHoldco or any other issuer of Holdco Debt (as applicable) in the ordinary course of their banking arrangements and any security interest granted in connection with such banking arrangements; and
- (C) the cash is freely and (except as mentioned in paragraph (ii) above) immediately available to be applied in repayment or prepayment of the Facilities or Financial Indebtedness of a member of the Group, SuperHoldco or any other issuer of Holdco Debt (as applicable).

“Cash Equivalent Investment” means:

- (a) securities or obligations issued, insured or unconditionally guaranteed by the United States government, the government of the United Kingdom, the relevant member state of the European Union (each, a **“Qualified Country”**) or any agency or instrumentality thereof, in each case having maturities of not more than 24 months from the date of acquisition thereof;
- (b) securities or obligations issued by any Qualified Country, or any political subdivision of any such Qualified Country, or any public instrumentality thereof, having maturities of not more than 24 months from the date of acquisition thereof and, at the time of acquisition, having an investment grade rating generally obtainable from either Standard & Poor’s or Moody’s (or, if at any time neither Standard & Poor’s nor Moody’s shall be rating such obligations, then from another nationally recognised rating service);
- (c) commercial paper issued by any Lender or any bank holding company owning any Lender;
- (d) commercial paper maturing no more than 12 months after the date of acquisition thereof and, at the time of acquisition, having a rating of at least A-2 or P-2 from either Standard & Poor’s or Moody’s (or, if at any time neither Standard & Poor’s nor Moody’s shall be rating such obligations, an equivalent rating from another nationally recognised rating service);
- (e) time deposits, eurodollar time deposits, bank deposits, certificates of deposit or bankers’ acceptances maturing no more than two years after the date of acquisition thereof issued by any Lender or any other bank or trust company (x) having combined capital and surplus of not less than \$250.0 million in the case of U.S. banks and \$100.0 million (or the U.S. Dollar equivalent thereof) in the case of non-U.S. banks or (y) the long-term debt of which is rated at the time of acquisition thereof at least “A-” or the equivalent thereof by Standard & Poor’s, or “A-” or the equivalent thereof by Moody’s (or if at the time neither is issuing comparable ratings, then a comparable rating of another nationally recognised rating agency);
- (f) auction rate securities rated at least Aa3 by Moody’s and AA- by Standard & Poor’s (or, if at any time either Standard & Poor’s or Moody’s shall not be rating such obligations, an equivalent rating from another nationally recognised rating service);
- (g) repurchase agreements or obligations with a term of not more than 30 days for underlying securities of the types described in paragraphs (a), (b) and (e) above entered into with any bank meeting the qualifications specified in paragraph (e) above or securities dealers of recognised national standing;
- (h) marketable short-term money market and similar funds (x) either having assets in excess of \$250.0 million (or U.S. Dollar equivalent thereof) or (y) having a rating of at least A-2 or P-2 from either Standard & Poor’s or Moody’s (or, if at any time neither Standard & Poor’s nor Moody’s shall be rating such obligations, an equivalent rating from another nationally recognised rating service in the United States);
- (i) interests in investment companies or money market funds, 95% the investments of which are one or more of the types of assets or instruments described in paragraphs (a) through (h) above;

- (j) any other debt security approved by the Majority Lenders;
- (k) any other investments used by the Company, any Permitted Affiliate Parent or any member of the Group as temporary investments permitted by the Facility Agent in writing in its sole discretion; and
- (l) in the case of investments by the Company, any Permitted Affiliate Parent or any member of the Group organised or located in a jurisdiction other than the United States or a Participating Member State of the European Union (or any political subdivision or territory thereof), or in the case of investments made in a country outside the United States, other customarily utilised high-quality investments in the country where such member of the Group is organized or located or in which such investment is made, all as conclusively determined in good faith by the Company,

in each case to which any member of the Group, SuperHoldco or any other issuer of Holdco Debt (as applicable) is alone (or, in the case of a member of the Group, together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security Interest (other than Security Interests arising under the Security Documents).

“Change of Control” has the meaning given to such term in Clause 10.2 (*Mandatory Prepayment—Change of Control*).

“Clientele Fees” means the fees payable by a member of the Group to Interkabel Vlaanderen CVBA pursuant to a clientele fee agreement dated 23 September 1996 as amended on 28 May 1998.

“Closing Date” means the date of first utilisation under the Facilities.

“Code” means the United States Internal Revenue Code of 1986, as amended and any rule or regulation issued thereunder from time to time in effect.

“Commitment” means a Telenet Additional Facility Commitment and, where the context so requires, each of them.

“Common Holding Company” has the meaning given to such term in Clause 29.8(a)(v) (*Permitted Affiliate Group Designation*).

“Company Share Pledge” means the share pledge agreement dated 10 October 2007 originally entered into between (amongst others) SuperHoldco and the Security Agent over the entire shareholding in the Company as amended, restated and supplemented.

“Compliance Certificate” means a certificate substantially in the form of Schedule 6 (*Form of Compliance Certificate*) setting out, among other things, calculations of the financial covenant.

“Composite Revolving Facility Instructing Group” means, at any time, a Lender or Lenders under Maintenance Covenant Revolving Facilities whose aggregate undrawn Revolving Facility Commitments (translated into Euros, where such Revolving Facility Commitment is denominated in U.S. Dollars, on the basis of the Agent’s Spot Rate of Exchange on the date of the relevant Telenet Additional Facility Accession Agreement) and participations in outstanding Utilisations (calculated by reference to the Euro Amounts of such Utilisations), in each case, under the Maintenance Covenant Revolving Facilities, exceed 50 per cent. of the total aggregate undrawn Revolving Facility Commitments (translated into Euros, where such Revolving Facility Commitment is denominated in U.S. Dollars, on the basis of the Agent’s Spot Rate of Exchange on the date of the relevant Telenet Additional Facility Accession Agreement) and participations in outstanding Utilisations (calculated by reference to the Euro Amounts of such Utilisations), in each case, under all the Maintenance Covenant Revolving Facilities.

“Confidentiality Undertaking” means a confidentiality undertaking substantially in the recommended form of either the LMA or the LSTA or in any other form agreed between the Company and the Facility Agent.

“Consolidated Annualised EBITDA” means, in the case of a Measurement Period, Consolidated EBITDA for that Measurement Period multiplied by two.

“**Consolidated EBITDA**” means the operating income of the Group for a Measurement Period plus (at the Company’s option):

- (a) depreciation;
- (b) amortisation;
- (c) other non-cash impairment charges;
- (d) earn out payments to the extent such payments are treated as capital payments under the Accounting Principles;
- (e) realised gains (losses) (to the extent not already included) arising out of the maturity or on termination of forward foreign exchange or other currency hedging contracts entered into with respect to operational cash flows;
- (f) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge including any one off reorganisation or restructuring charges;
- (g) any stock based compensation expense;
- (h) other non-cash charges;
- (i) direct acquisition, investment, disposition, recapitalisation, debt incurrence, or equity offering costs (in each case, whether successful or not);
- (j) losses (or gains) on the sale of operating assets;
- (k) the effects of adjustments pursuant to the Accounting Principles attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated merger or acquisition or joint venture investment or the amortisation or write-off or write-down of amounts thereof, net of taxes;
- (l) accrued Management Fees (whether or not paid) and any Holding Company Expenses paid to the extent that they were permitted to be paid under this Agreement for such Measurement Period;
- (m) Specified Legal Expenses;
- (n) the amount of loss on sale of assets in connection with an asset securitisation programme, receivables factoring transaction or other receivables transaction;
- (o) any net earnings or losses attributable to non-controlling interests;
- (p) any share of income or loss on equity investments;
- (q) deferred financing costs written off and premiums paid to extinguish debt early;
- (r) unrealised gains or losses in respect of hedging;
- (s) tangible or intangible asset impairment charges;
- (t) capitalised interest on Subordinated Shareholder Loans;
- (u) accruals and reserves established or adjusted within twelve months after the closing date of any acquisition required to be established or adjusted in accordance with the Accounting Principles;
- (v) any realised and unrealised gains and losses due to changes in the value of equity investments;
- (w) any expense to the extent covered by insurance or indemnity and actually reimbursed;
- (x) any up-front installation fees associated with commercial contract installations completed during the applicable Measurement Period (less any portion of such fees included in earnings);
- (y) any fees or other amounts charged or credited to the Company and the Guarantors related to Intra-Group Services may be excluded to the extent such fees or other amounts:
 - (i) are not included in the Company’s externally reported operating cash flow or equivalent measure; or
 - (ii) are deemed to be exceptional or unusual items;

- (z) any fees and related expenses in relation to any Intra-Group Services paid during the applicable Measurement Period to any Restricted Person;
- (aa) to the extent not already included in operating income, the amount received from business interruption insurance and reimbursements of any expenses covered by indemnification or other reimbursement in connection with any Permitted Acquisition, any investment or any Permitted Disposal;
- (bb) Receivables Fees;
- (cc) any charges or costs in relation to any long-term incentive plan and any interest component of pension or post-retirement benefits schemes; and
- (dd) any gross margin (revenue minus costs of goods sold) recognised by any Affiliate of the Company in relation to the sale of goods and services relating to the Business;

as reflected in, at the Company's option, (i) the internal financial statements of the Reporting Entity which are available immediately preceding the date of determination of Consolidated EBITDA or (ii) the financial statements of the Reporting Entity most recently delivered to the Facility Agent pursuant to Clauses 19.1(a)(i) and (ii) (*Financial Statements*) and all as determined in accordance with IFRS (or GAAP if the Company has adopted GAAP at the relevant time in accordance with Clause 19.5 (*Change in Accounting Principles*)).

"Consolidated Group Borrowings" means, in respect of the Group, at any time and in each case without double counting, (as set forth in accordance with IFRS (or GAAP if the Company has adopted GAAP at the relevant time in accordance with Clause 19.5 (*Change in Accounting Principles*)) on the balance sheet of the Group prepared and delivered to the Facility Agent pursuant to Clause 19.1 (*Financial Statements*)) the aggregate principal, capital or nominal amounts (including any interest capitalised as principal) of Financial Indebtedness (including, without limitation, any Financial Indebtedness under the Finance Documents) of the Group but excluding:

- (a) any Financial Indebtedness of any member of the Group to another member of the Group (including contingent obligations) or under any Subordinated Shareholder Loans, to the extent not prohibited under this Agreement;
- (b) any Financial Indebtedness arising by reason only of mark to market fluctuations in respect of hedging arrangements since the original date on which such hedging arrangements were consummated;
- (c) any portion of the Financial Indebtedness of any member of the Group attributable to minority interests;
- (d) any Financial Indebtedness referred to in paragraphs (k), (p) and (ff) of the definition of "Permitted Financial Indebtedness";
- (e) for a period of 6 months following the date of completion of an acquisition referred to in paragraph (j) of the definition of "Permitted Financial Indebtedness" only, any Financial Indebtedness to the extent outstanding at the time of completion of such acquisition;
- (f) any Financial Indebtedness which is a contingent obligation;
- (g) the aggregate of any Financial Indebtedness up to a maximum amount equal to the Credit Facility Excluded Amount (or its equivalent in other currencies) at the relevant time incurred under a Permitted Credit Facility; and
- (h) any Financial Indebtedness incurred under the Production Facilities to the extent that it is limited recourse to the assets funded by such facilities.

"Content" means any rights to broadcast, transmit, distribute or otherwise make available for viewing, exhibition or reception (whether in analogue or digital format and whether as a channel or an Internet service, a teletext-type service, an interactive service, or an enhanced television service or any part of any of the foregoing, or on a pay-per-view basis, or near video-on-demand, or video-on-demand basis or otherwise) any one or more of audio and/or visual images, audio content, or interactive content (including hyperlinks, re-purposed web-site content, database content plus associated templates, formatting information and other data including any interactive applications or functionality), text, data, graphics, or other content, by means of any means of distribution, transmission or delivery system or technology (whether now known or herein after invented).

“Content Transaction” means any sale, transfer, demerger, contribution, spin-off or distribution of, any creation or participation in any joint venture and/or entering into any other transaction or taking any action with respect to, in each case, any assets, undertakings and/or businesses of the Group which comprise all or part of the Content business of the Group, to or with any other entity or person whether or not within the Group.

“Conversion Notice” has the meaning given to such term in Clause 7.1(a) (*Utilisation of Ancillary Facilities*).

“Cost” means the cost estimated in good faith by the relevant member of the Group to have been incurred or to be received by that member of the Group in the provision or receipt of the relevant service, facility or arrangement, including, without limitation, a proportion of any material employment, property, information technology, administration, utilities, transport and materials or other costs incurred or received in the provision or receipt of such service, facility or arrangement, but excluding costs which are either not material or not directly attributable to the provision or receipt of the relevant service, facility or arrangement.

“Credit Facility Excluded Amount” means the greater of:

- (a) €400,000,000 (or its equivalent in other currencies); and
- (b) 0.25 multiplied by Consolidated Annualised EBITDA for the most recent Measurement Period.

“Default” means:

- (a) an Event of Default; or
- (b) an event or circumstance which would be (with the expiry of a grace period or the giving of notice) an Event of Default.

“Defaulting Lender” means any Lender (other than a Lender which is or becomes a member of the Wider Group):

- (a) which has failed to make its participation in an Advance available or has notified the Facility Agent that it will not make its participation in an Advance available by the Utilisation Date of that Advance in accordance with Clause 5.5 (*Participations in Advances*) or has failed to provide cash collateral (or has notified an L/C Bank that it will not provide cash collateral) in accordance with Clause 6.8 (*Cash Collateral by Non-Acceptable L/C Lender*);
- (b) which has otherwise rescinded or repudiated a Finance Document;
- (c) which is an L/C Bank which has failed to issue a Documentary Credit (or has notified the Facility Agent or the Company (which has notified the Facility Agent) that it will not issue or re-issue a Documentary Credit) in accordance with Clause 6 (*Documentary Credits*) or which has failed to pay a claim (or has notified the Facility Agent or the Company (which has notified the Facility Agent) that it will not pay a claim) in accordance with (and as defined in) Clause 6.6 (*Claims under a Documentary Credit*); or
- (d) with respect to which an “Insolvency Event” has occurred and is continuing, unless, in the case of paragraph (a) above:
 - (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; andpayment is made within two Business Days of its due date; or
 - (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

“Designated Gross Amount” has the meaning given to such term in Clause 7.1(b)(vi) (*Utilisation of Ancillary Facilities*).

“Designated Net Amount” has the meaning given to such term in Clause 7.1(b)(vi) (*Utilisation of Ancillary Facilities*).

“Designated Party” means any person listed:

- (a) in the Annex to the Executive Order;
- (b) on the “Specially Designated Nationals and Blocked Persons” list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury; or
- (c) in any successor list to either of the foregoing.

“Disruption Event” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a material disruption (of a technical or systems-related nature) to the treasury or payments operations of a Finance Party preventing that, or any other Finance Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the party whose operations are disrupted.

“Documentary Credit” means a letter of credit, bank guarantee, indemnity, performance bond or other documentary credit issued or to be issued by an L/C Bank pursuant to Clause 5.1 (*Delivery of Requests*).

“Documentary Credit Beneficiary” means a beneficiary in respect of a Documentary Credit.

“Documentary Credit Term” means the period from the date of the issuance of a Documentary Credit until its Expiry Date.

“Dormant Subsidiary” means a member of the Group which does not trade (for itself or as agent for any person) and does not own, legally or beneficially, assets (including, without limitation, indebtedness owed to it) which in aggregate have a value of more than €10,000 (excluding loans existing on the 2015 Amendment Effective Date owed to it by members of the Group) or its equivalent in other currencies.

“Double Tax Treaty” means any convention between the government of the Kingdom of Belgium and any other government for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains.

“EBITDA” means earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA).

“Effective Date” has the meaning given to such term in Clause 7.1(a) (*Utilisation of Ancillary Facilities*).

“Environmental Approval” means any authorisation required by an Environmental Law.

“Environmental Claim” means any claim by any person in connection with:

- (a) a breach, or alleged breach, of an Environmental Law;
- (b) any accident, fire, explosion or other event of any type involving an emission or substance which is capable of causing harm to any living organism or the environment; or
- (c) any other environmental contamination,

which might result in any liability on any Party.

“Environmental Law” means any law or regulation concerning:

- (a) the protection of health and safety;
- (b) the environment; or

- (c) any emission or substance which is capable of causing harm to any living organism or the environment.

“ERISA” means the United States Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means each trade or business, whether or not incorporated, that would be treated as a single employer with any member of the Group under section 414 of the United States Internal Revenue Code of 1986, as amended. When any provision of this Agreement relates to a past event, the term **“ERISA Affiliate”** includes any person that was an ERISA Affiliate of a member of the Group at the time of that past event.

“EURIBOR” means, in relation to any Advance under this Agreement in Euro:

- (a) the applicable Screen Rate as of the Specified Time for Euro and for a period equal in length to the Term of that Advance; or
- (b) as otherwise determined pursuant to Clause 13.1 (*Unavailability of Screen Rate*).

“Euro” means the single currency of the Participating Member States.

“Euro Amount” means at any time:

- (a) in relation to an Advance denominated in Euros, the amount thereof, and in relation to any other Advance, the Euro equivalent (calculated using the Agent’s Spot Rate of Exchange at the relevant time) of the amount specified in the Request (as at the date thereof) for that Advance, in each case, as adjusted, if necessary, in accordance with the terms of this Agreement and to reflect any repayment, consolidation or division of that Advance;
- (b) in relation to a Documentary Credit, (i) if such Documentary Credit is denominated in Euros, the Outstanding L/C Amount in relation to it at such time or (ii) if such Documentary Credit is not denominated in Euros, the Euro equivalent (calculated using the Agent’s Spot Rate of Exchange at the relevant time) of the Outstanding L/C Amount at such time, calculated as at the later of (A) the date which falls two Business Days before its issue date or any renewal date or (B) the date of any revaluation pursuant to Clause 6.4 (*Revaluation of Documentary Credits*);
- (c) in relation to any Ancillary Facility granted by a Lender, the amount of its Telenet Additional Facility Commitment under the relevant Revolving Facility converted to provide its Ancillary Facility Commitment as at the time of such conversion and in relation to Ancillary Facility Outstandings, (i) if such Ancillary Facility Outstandings are denominated in Euros, the aggregate amount of such Ancillary Facility Outstandings at such time and (ii) if such Ancillary Facility Outstandings are not denominated in Euros, the Euro equivalent (calculated using the Agent’s Spot Rate of Exchange at the relevant time) of the aggregate amount of such Ancillary Facility Outstandings at such time; and
- (d) in relation to any Telenet Additional Facility Outstandings, the aggregate of the Euro Amounts (calculated in accordance with paragraphs (a), (b) and (c) above) of each outstanding Utilisation, made under the relevant Facility or Facilities (as the case may be).

“Event of Default” means an event specified as such in Clause 22 (*Default*) and, in respect of any reference to such term:

- (a) in connection with Clause 21 (*General Covenants*) (including any defined terms when used in Clause 21 (*General Covenants*); and
- (b) in connection with any other provision of this Agreement, with respect to any Lender or Lenders under Maintenance Covenant Revolving Facilities only,

shall include a breach of the undertaking set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) to the extent tested and subject to the expiry of the cure period set out in Clause 20.4 (*Cure Provisions*).

“Existing Lender” has the meaning given to such term in Clause 29.3(a) (*Transfers by Lenders*).

“Existing Security” means the existing security entered into in connection with the Existing Senior Facility as set out in Schedule 5 (*Existing Security*).

“Existing Security Document” means an agreement or instrument in respect of Existing Security, as such agreement or instrument may be amended, restated and supplemented.

“Existing Security Provider” means an Original Obligor, SuperHoldco or Telenet Vlaanderen.

“Existing Senior Facility” means the €1,000,000,000 credit facilities provided to the Company pursuant to a credit agreement dated 10 May 2006 between (amongst others) the Company and KBC Bank NV as security agent.

“Expiry Date” means, in relation to a Documentary Credit granted under this Agreement, the date stated in it to be its expiry date or the latest date on which demand may be made under it being a date falling on or prior to the Final Maturity Date in respect of the relevant Telenet Additional Facility which is a Revolving Facility.

“Facility” means each Telenet Additional Facility, any Ancillary Facility and Documentary Credit and, where the context so admits or requires, includes each of them.

“Facility Office” means the office notified by a Lender to the Facility Agent:

- (a) on or before the date it becomes a Lender; or
- (b) by not less than five Business Days’ notice,

as the office(s) through which it will perform its obligations under this Agreement.

“Fallback Term” means one month.

“FATCA” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interests and certain other sources within the U.S.), 1 July 2014;
- (b) in relation to a “withholdable payment” described at Section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the U.S.) 1 January 2017; or
- (c) in relation to a “passthru payment” described in section 1471(d)7 of the Code not falling within paragraphs (a) and (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the Signing Date.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“FATCA Exempt Party” means a Party which is entitled to receive payments free from any deduction on account of FATCA.

“Fee Letter” means any letter entered into by reference to this Agreement between one or more Administrative Parties and an Obligor setting out the amount of certain fees referred to in this Agreement.

“Final Maturity Date” means:

- (a) in relation to each Ancillary Facility, the relevant Ancillary Facility Final Maturity Date; and
- (b) in relation to each Telenet Additional Facility, Final Maturity Date specified in the relevant Telenet Additional Facility Accession Agreement.

“Finance Document” means:

- (a) this Agreement;
- (b) a Security Document;
- (c) a Fee Letter;

- (d) the Intercreditor Agreement;
- (e) each Telenet Additional Facility Accession Agreement;
- (f) any Ancillary Facility Document;
- (g) any Documentary Credit;
- (h) a Hedging Agreement;
- (i) a Transfer Certificate;
- (j) an Accession Agreement;
- (k) a Resignation Request; or
- (l) any other document designated as such by the Facility Agent and the Company.

“Finance Lease” means any contract treated as a finance or capital lease in accordance with the Accounting Principles.

“Finance Party” means a Lender, a Hedge Counterparty or an Administrative Party.

“Finance Party Claims” means liabilities of, and amounts owing from, any Obligor to the Finance Parties under the Finance Documents.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks;
- (b) any acceptance credit (including any dematerialised equivalent);
- (c) any bond, note, debenture, loan stock or other similar instrument;
- (d) (for the purposes of Clause 22.5 (*Cross-default and Cross-acceleration*) only) any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, at any time, the then marked to market value of the derivative transaction will be used to calculate its amount);
- (e) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution; or
- (f) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above paragraphs,

provided that the following shall not be regarded as Financial Indebtedness:

- (i) indebtedness which has been cash-collateralised, to the extent so cash-collateralised;
- (ii) indebtedness which is in the nature of equity (other than redeemable shares) or equity derivatives;
- (iii) any deposits or prepayments received by any member of the Group from a customer or subscriber for its service and any other deferred or prepaid revenue;
- (iv) obligations under Finance Leases;
- (v) any indebtedness in respect of any transaction or series of transactions that may be entered into by any member of the Group pursuant to which any member of the Group may sell, convey or otherwise transfer to (A) an Asset Securitisation Subsidiary (in the case of a transfer by any member of the Group) and (B) any other person (in the case of a transfer by an Asset Securitisation Subsidiary), or may grant a security interest in, any receivables (whether now existing or arising in the future) of any member of the Group, and any assets related thereto including, without limitation, all collateral securing such receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitisation involving receivables and any indebtedness in respect of Limited Recourse;

- (vi) any “parallel debt” obligations to the extent such obligations mirror other Financial Indebtedness;
- (vii) receivables sold or discounted, whether recourse or non-recourse, including for the avoidance of doubt any indebtedness in respect of an asset securitisation programme or receivables factoring transaction, or its equivalent in each case, and any related credit support and any indebtedness in respect of Limited Recourse;
- (viii) any obligations to make payments in relation to earn outs;
- (ix) any pension obligations and any obligation under employee plans or employment agreements;
- (x) any payments or liabilities for assets acquired or services supplied which are deferred (including, without limitation, any liability under an IRU Contract);
- (xi) indebtedness raised through sale and lease back transactions; and
- (xii) any indebtedness of any member of the Group, in respect of which the person or persons to whom such indebtedness is or may be owed has or have no recourse whatsoever to any member of the Group for any payment or repayment in respect thereof:
 - (A) other than recourse to such member of the Group which is limited solely to the amount of any recoveries made on the enforcement of any Security Interests securing such indebtedness or in respect of any other disposition or realisation of the assets underlying such indebtedness;
 - (B) provided that such person or persons are not entitled, pursuant to the terms of any agreement evidencing any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding up, dissolution or administration of any member of the Group (or proceedings having an equivalent effect) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of any member of the Group or any of its assets until after the Commitments have been reduced to zero and all amounts outstanding under the Finance Documents have been repaid or paid in full; and
 - (C) provided further that the principal amount of all indebtedness incurred and then outstanding pursuant to this paragraph does not exceed the greater of:
 - (1) €100,000,000 (or its equivalent in other currencies); and
 - (2) 3 per cent. of Total Assets.

“**Fitch**” means Fitch Ratings or any successor thereof.

“**Funded Excluded Subsidiary**” means, in respect of a Funding Passthrough, the Group Excluded Subsidiary or any person in which a member of the Group owns an interest but which is not a member of the Group which:

- (a) indirectly receives funding from the Borrower Holdco; and/or
- (b) by way of dividend or other distribution, loan or payment of interest on or the repayment of the principal amount of any indebtedness owed by it, directly or indirectly, makes a payment to the Borrower Holdco.

“**Funding Passthrough**” means a series of transactions between the Borrower Holdco, one or more members of the Group and a Funded Excluded Subsidiary where:

- (a) in the case of funding being provided by the Borrower Holdco to the Funded Excluded Subsidiary, that funding is:
 - (i) first made available by the Borrower Holdco to the Company by way of the subscription for new securities, capital contribution or Subordinated Shareholder Loans; and
 - (ii) secondly (if relevant) made available by the recipient of the Funding Passthrough under (i) above, to a member of the Group (other than the Company) which may be

followed by one or more transactions between members of the Group (other than the Company) and finally made available by a member of the Group (other than the Company) to the Funded Excluded Subsidiary in all such cases by way of either the subscription for new securities, the advancing of loans or capital contribution; or

- (b) in the case of a payment to be made by the Funded Excluded Subsidiary to the Borrower Holdco that payment is:
 - (i) first made by the Funded Excluded Subsidiary to a member of the Group, and thereafter is made between members of the Group (as relevant), by way of dividend or other distribution, loan or payment of interest on or the repayment of the principal amount of any indebtedness owed by such Funded Excluded Subsidiary or relevant member of the Group; and
 - (ii) finally made by the Company to the Borrower Holdco by way of dividend or other distribution, loan or the payment of interest on or the repayment of the principal amount of any loan made by way of Subordinated Shareholder Loans.

“Funding Rate” means any individual rate notified by a Lender to the Facility Agent pursuant to Clause 13.4(d) (*Cost of funds*).

“GAAP” means accounting principles generally accepted in the United States.

“Group” means the Company and its Subsidiaries and any Permitted Affiliate Parent and its Subsidiaries other than Group Excluded Subsidiaries provided that at any time after a Group Redesignation Notice has been delivered to the Facility Agent in accordance with Clause 21.25 (*Group Redesignation*), the “Group” shall also include each New Group Topco and its Subsidiaries, other than Group Excluded Subsidiaries.

“Group Excluded Subsidiary” means:

- (a) any Subsidiary of (i) the Company (ii) any Permitted Affiliate Parent or (iii) any New Group Topco, in each case, which is a Dormant Subsidiary and which is not a Guarantor;
- (b) any Unrestricted Subsidiary;
- (c) any Subsidiary of (i) the Company, (ii) any Permitted Affiliate Parent or (iii) any New Group Topco, in each case which is a Project Company;
- (d) any Asset Securitisation Subsidiary;
- (e) any company which becomes a Subsidiary of the Company or a Subsidiary of any Permitted Affiliate Parent in each case, after the 2015 Amendment Effective Date pursuant to an Asset Passthrough;
- (f) any company which becomes a Subsidiary of any New Group Topco after the 2017 Amendment Effective Date pursuant to an Asset Passthrough; and
- (g) any Subsidiary of any entity that is a Group Excluded Subsidiary pursuant to any of the paragraphs (a) to (f) above;

provided that any Group Excluded Subsidiary may, at the election of the Company and upon not less than 10 Business Days prior written notice to the Facility Agent, cease to be a Group Excluded Subsidiary and become a member of the Group.

“Group Reconciliation” means an unaudited schedule to the financial statements of the Reporting Entity demonstrating the necessary adjustments that would need to be made to the financial statements of the Reporting Entity to derive financial information applicable to the Group prepared in accordance with the Accounting Principles.

“Group Redesignation Notice” has the meaning given to such term in Clause 21.25 (*Group Redesignation*).

“Guarantor” means an Original Guarantor or an Additional Guarantor.

“Hedge Counterparty” has the meaning given to such term in the Intercreditor Agreement.

“Hedging Agreement” has the meaning given to such term in the Intercreditor Agreement.

“High Yield Notes Trustee Amounts” has the meaning given to such term in the Intercreditor Agreement.

“Historic Screen Rate” means, in relation to any Advance, the most recent applicable Screen Rate for the currency of that Advance and for a period equal in length to the Term of that Advance and which is as of a day which is no more than 30 days before the Quotation Date.

“Holdco Debt” means any Financial Indebtedness of SuperHoldco, any Permitted Affiliate Holdco and, in each case, one or more of their Subsidiaries (other than a member of the Group) in the form of:

- (a) Senior Unsecured Notes; and/or
- (b) any Financial Indebtedness incurred after the 2015 Amendment Effective Date, where the incurrence of such Financial Indebtedness would not result in the pro forma ratio (giving effect to such incurrence and the ultimate use of proceeds thereof, which shall not include any cash balances resulting from such incurrence) on the quarter date prior to such incurrence (giving pro forma effect to any movement of cash out of the Group since such date pursuant to any Permitted Payments) of Net Total Debt to Consolidated Annualised EBITDA being greater than 6.00:1 following such incurrence,

provided that such Financial Indebtedness is designated as “Holdco Debt” by written notice from the Company to the Facility Agent and the Security Agent by the date when the consolidated financial statements are due to be provided pursuant to Clause 19.1 (*Financial Statements*) for the first full financial quarter after such incurrence.

“Holding Company” of any other person, means a company in respect of which that other person is a Subsidiary.

“Holding Company Expenses” means:

- (a) costs (including all professional fees and expenses) incurred by the Ultimate Parent and its Subsidiaries and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of a Joint Venture Parent and any Parent Joint Venture Holders and, in each case, their Subsidiaries from time to time in connection with reporting obligations under or otherwise incurred in connection with compliance with applicable laws, applicable rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, this Agreement or any other agreement or instrument relating to Financial Indebtedness of the Ultimate Parent and its Subsidiaries and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of a Joint Venture Parent and any Parent Joint Venture Holders and, in each case, their Subsidiaries from time to time;
- (b) indemnification obligations of the Ultimate Parent and its Subsidiaries and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of a Joint Venture Parent and any Parent Joint Venture Holders and, in each case, their Subsidiaries from time to time owing to directors, officers, employees or other persons under its charter or by-laws or pursuant to written agreements with any such person with respect to its ownership of the Company or any Permitted Affiliate Parent or the conduct of the business of the Group;
- (c) obligations of the Ultimate Parent and its Subsidiaries and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of a Joint Venture Parent and any Parent Joint Venture Holders and, in each case, their Subsidiaries from time to time in respect of director and officer insurance (including premiums therefor) with respect to ownership of the Company or any Permitted Affiliate Parent or the conduct of the business of the Group;
- (d) general corporate overhead expenses, including professional fees and expenses and other operational expenses of the Ultimate Parent and its Subsidiaries and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of a Joint Venture Parent and any Parent Joint Venture Holders and, in each case, their Subsidiaries from time to time related to the ownership, stewardship or operation of the business of the Company or any member of the Group, including acquisitions, dispositions or treasury transactions by a member of the Group permitted hereunder (whether or not successful) in each case, to the extent such costs, obligations and/or expenses are not paid by another Subsidiary of the

Ultimate Parent and its Subsidiaries and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of a Joint Venture Parent and any Parent Joint Venture Holders and, in each case, their Subsidiaries from time to time; and

- (e) any fees and expenses payable by any Parent in connection with a Post-Closing Reorganisation.

“IFRS” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“Impaired Agent” means the Facility Agent at any time when:

- (a) it has failed to make (or has notified a Finance Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Facility Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Facility Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of **“Defaulting Lender”**; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Facility Agent, unless, in the case of paragraph (a) above:
 - (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; andpayment is made within three Business Days of its due date; or
 - (ii) the Facility Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

“Increase Confirmation” means a confirmation substantially in the form set out in Schedule 14 (*Form of Increase Confirmation*).

“Increase Lender” has the meaning set out in Clause 2.1(a) (*Increase*).

“Increased Cost” means:

- (a) an additional or increased cost;
- (b) a reduction in the rate of return from a Facility or on a Finance Party’s (or its Affiliate’s) overall capital; or
- (c) a reduction of an amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates but only to the extent attributable to that Finance Party having entered into any Finance Document or funding or performing its obligations under any Finance Document.

“IRU Contract” means a contract entered into by the Company, any Permitted Affiliate Parent, or any member of the Group in the ordinary course of business in relation to the right to use capacity on a telecommunications cable system (including the right to lease such capacity to another person).

“Insolvency Event” in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above.

“Information Memorandum” means the document in the form approved by the Company which, at the request of the Company was prepared in relation to this Agreement and distributed by the Mandated Lead Arrangers in connection with the syndication of the Facilities.

“Intellectual Property Rights” means all know-how, patents, trademarks, service marks, designs, business names, domain names, topographical or similar rights, copyrights, database rights and other intellectual property rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same) of any member of the Group.

“Intercreditor Agreement” means the intercreditor agreement entered into or to be entered into between (amongst others) the Facility Agent (on behalf of all of the Finance Parties), the Security Agent and the Obligors as amended from time to time and most recently amended on the 2017 ICA Amendment Effective Date.

“Interest” means, for any period, all interest and periodic financing charges (including, without limitation, acceptance commission or commitment fees) accrued during that period.

“Interkabel Acquisition” means (1) the acquisition by a member of the Group of the analogue and digital television business (including customer base) and certain or all assets related to this business and/or (2) the lease by a member of the Group of certain assets related to this business from:

- (a) Provinciale Intercommunale Elektriciteitsmaatschappij van Limburg Interelectra (INTERELECTRA) and Intermedia (INTERMEDIA);
- (b) West-Vlaamse Energie-en Teledistributiemaatschappij (WVEM);
- (c) Provinciale Brabantse Energiemaatschappij (PBE);
- (d) Interkommunale voor Teledistributie van het Gewest Antwerpen (Integan);
- (e) Interkabel Vlaanderen CVBA; and
- (f) IN.DI.

“Interpolated Historic Screen Rate” means, in relation to any Advance, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the most recent applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Term of that Advance; and
- (b) the most recent applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Term of that Advance,

each for the currency of that Advance and each of which is as of a day which is no more than 30 days before the Quotation Date.

“Interpolated Screen Rate” means, in relation to LIBOR or EURIBOR, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant period on which interest is to accrue; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant period on which interest is to accrue,

each as of the Specified Time for the currency of that Advance.

“Intra-Group Services” means any of the following (provided that the terms of each such transaction are not materially less favourable, taken as a whole, to any member of the Group, as the case may be, than those that could be obtained in a comparable transaction in arm’s length dealings with a person that is not an Affiliate of the Company or, in the event that there are no comparable transactions to apply for comparative purposes, is otherwise on terms that, taken as a whole, the Company or any Permitted Affiliate Parent has conclusively determined in good faith to be fair to that member of the Group):

- (a) the sale of programming or other Content by any member(s) of the Wider Group to one or more members of the Group;
- (b) the lease or sublease of office space, other premises or equipment terms by one or more members of the Group to one or more members of the Wider Group or by one or more members of the Wider Group to one or more members of the Group;
- (c) the provision or receipt of other goods, services, facilities or other arrangements (in each case not constituting Financial Indebtedness) in the ordinary course of business, by or from one or more members of the Group to or from one or more members of the Wider Group including, without limitation:
 - (i) the employment of personnel;
 - (ii) provision of employee healthcare or other benefits;
 - (iii) acting as agent to buy or develop equipment, other assets or services or to trade with residential or business customers; and
 - (iv) the provision of treasury, audit, accounting, banking, strategy, branding, marketing, network, technology, research and development, installation and customer service, telephony, office, administrative, compliance, payroll or other similar services; and
- (d) the extension, in the ordinary course of business and on terms not materially less favourable to the relevant member of the Group than arms’ length terms, by or to any member of the Group to or by any such member of the Wider Group of trade credit not constituting Financial Indebtedness in relation to the provision or receipt of Intra-Group Services referred to in paragraph (a), (b) or (c) above.

“Joint Venture” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“Joint Venture Parent” means the joint venture entity formed in a Parent Joint Venture Transaction.

“Law” means:

- (a) common or customary law;
- (b) any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction; and
- (c) any directive, regulation, practice, requirement which has the force of law and which is issued by any governmental body or any central bank or other fiscal, monetary, regulatory or administrative authority.

“L/C Bank” means any Lender which has been appointed as an L/C Bank in accordance with Clause 6.11 (*Appointment and Change of L/C Bank*) and which has not resigned in accordance with Clause 6.11(c) (*Appointment and Change of L/C Bank*).

“L/C Bank Accession Certificate” means a duly completed accession certificate substantially in the form set out in Schedule 11 (*Form of L/C Bank Accession Certificate*).

“L/C Lender” has the meaning set out in Clause 6.1 (*Issue of Documentary Credits*).

“L/C Proportion” means, in relation to a Lender in respect of any Documentary Credit issued under a Telenet Additional Facility which is a Revolving Facility and save as otherwise provided in this Agreement, the proportion (expressed as a percentage) borne by such Lender’s Available Telenet Additional Facility Commitment to the aggregate of all Available Telenet Additional Facility Commitments in relation to that Telenet Additional Facility immediately prior to the issue of such Documentary Credit.

“Lender” means:

- (a) an Original Lender;
- (b) any Telenet Additional Facility Lender; or
- (c) any person (including each L/C Bank and each Ancillary Facility Lender) which becomes a Lender after the date of this Agreement,

which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.

“Lender Asset Security Release Confirmation” means a notice from the Facility Agent to the Lenders confirming that the consents required under Clause 28 (*Amendments and Waivers*) to release all of the Security other than that referred to in paragraph (b) of the definition of **“80% Security Test”** have been obtained.

“LIBOR” means, in relation to any Advance:

- (a) the applicable Screen Rate as of the Specified Time for the currency of that Advance and for a period equal in length to the Term of that Advance; or
- (b) as otherwise determined pursuant to Clause 13.1 (*Unavailability of Screen Rate*).

“Licence” means each approval, consent, authorisation and licence from, and all filings, registrations and agreements with any governmental or regulatory authority, in each case granted, issued, made or entered into pursuant to any Telecommunications and Cable Law necessary in order to enable each member of the Group to carry on its business as may be permitted by the terms of this Agreement.

“Limited Condition Transaction” means (i) any investment or acquisition, in each case, by a member of the Group of any assets, business or person, the consummation of which is not conditional on the availability of, or on obtaining, third party finance and (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Financial Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

“Limited Recourse” means a letter of credit, revolving loan commitment, cash collateral account, guarantee or other credit enhancement issued by any member of the Group (other than an Asset Securitisation Subsidiary) in connection with the incurrence of Financial Indebtedness by an Asset Securitisation Subsidiary in relation to an asset securitisation programme or programmes or one or more receivables factoring transactions; provided that, the aggregate amount of such letter of credit reimbursement obligations and the aggregate available amount of such revolving loan commitments,

cash collateral accounts, guarantees or other such credit enhancements of members of the Group (other than an Asset Securitisation Subsidiary) shall not exceed 25 per cent. of the principal amount of such Financial Indebtedness at any time.

“**LMA**” means the Loan Market Association.

“**LSTA**” means the Loans Syndication & Trading Association.

“**Maintenance Covenant Revolving Facilities**” means Revolving Facilities which are designated by the Company by notice in writing to the Facility Agent at any time to have the benefit of Clause 20.2 (*Net Total Debt to Annualised Consolidated EBITDA*).

“**Majority Acquisition**” has the meaning given to such term in paragraph (e) of the definition of “**Permitted Acquisition**”.

“**Majority Lenders**” means, at any time, Lenders:

- (a) whose share in the outstanding Utilisations and whose undrawn Commitments then aggregate two thirds or more of the aggregate of all the outstanding Utilisations and the undrawn Commitments of all the Lenders;
- (b) if there is no Utilisation then outstanding, whose undrawn Commitments then aggregate two thirds or more of the Total Telenet Additional Facility Commitments; or
- (c) if there is no Utilisation then outstanding and the Total Telenet Additional Facility Commitments have been reduced to zero, whose Commitments aggregated two thirds or more of the Total Telenet Additional Facility Commitments immediately before the reduction,

provided that, solely for the purposes of determining whether any amendment or waiver of any term of the Finance Documents requested by the Company has been approved by the Majority Lenders, the amount of the Utilisations and undrawn Commitments of the Lenders referred to in paragraph (a) above shall be reduced by the amount of the Utilisations and undrawn Commitments of any Lender that has not, on or before the day 10 Business Days after the date such request has been notified to the Lenders by the Facility Agent, notified the Facility Agent of its decision or requested further information to enable it to make such decision, or has notified the Facility Agent that it is actively reviewing such request with a view to making such decision.

“**Management Fees**” means any management, consultancy, stewardship or other similar fees payable by any member of the Group to any Restricted Person, including any fees, charges and related expenses incurred by any Parent on behalf of and/or charged to any member of the Group.

“**Margin**” means the applicable Telenet Additional Facility Margin.

“**Marketable Securities**” means any security which is listed on any publicly recognised stock exchange and which has, or is issued by a company which has, a capitalisation of not less than €1,000,000,000 (or its equivalent in other currencies) as at the time such Marketable Securities are acquired by any member of the Group by way of consideration for any disposal permitted under Clause 21.6 (*Disposals*).

“**Material Adverse Effect**” means a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under any Finance Document.

“**Material Group Member**” means an Obligor or a Material Subsidiary.

“**Material Subsidiary**” means, at any time any Subsidiary of the Company or any Subsidiary of a Permitted Affiliate Parent (other than a Group Excluded Subsidiary) which accounts for more than 5 per cent. on an unconsolidated basis of Consolidated EBITDA in the financial statements most recently delivered under Clause 19.1 (*Financial Statements*).

“**Maturing Advance**” has the meaning given to such term in Clause 9.2 (*Rollover Advances*).

“**Measurement Period**” means the two consecutive financial quarters ending on, as the case may be, 31 December, 31 March, 30 June or 30 September of each year.

“**Moody’s**” means Moody’s Investor Services, Inc. or any successor thereof.

“**Multi-account Overdraft**” means an Ancillary Facility which is an overdraft facility comprising more than one account.

“Necessary Authorisations” means all material approvals, consents, authorisations and licences from, all rights granted by and all filings, registrations and agreements with, any government or other regulatory authority necessary in order to enable each member of the Group to carry on its business as may be permitted by the terms of this Agreement as carried on by it at the relevant time.

“Net Proceeds” means the aggregate cash (or cash equivalent) proceeds received by any member of the Group in consideration for or otherwise in respect of a relevant disposal, net of all Taxes applicable on, or to any gain resulting from, that disposal and of all reasonable costs, fees and expenses properly incurred by continuing members of the Group in arranging and effecting that disposal.

“Net Senior Debt” means, at any time, Senior Debt less Cash and Cash Equivalent Investments of the Group at that time.

“Net Total Debt” means, at any time, Total Debt less Cash and Cash Equivalent Investments at that time.

“New Group Topco” means any Holding Company of the Company and/or any Holding Company of any Permitted Affiliate Parent designated as such in a Group Redesignation Notice.

“New Lender” has the meaning given to such term in Clause 29.3(a) (*Transfers by Lenders*).

“Non-Acceptable L/C Lender” means a Lender under any Revolving Facility which the Facility Agent has determined:

- (a) is not an Acceptable Bank within the meaning of paragraph (a) of the definition of **“Acceptable Bank”** (other than a Lender which each L/C Bank has agreed is acceptable to it notwithstanding that fact, any Initial Original Lender and any Affiliate of any Initial Original Lender);
- (b) is a Defaulting Lender; or
- (c) has failed to make (or has notified the Facility Agent that it will not make) a payment to be made by it under Clause 23.11 (*Indemnities*) or any other payment to be made by it under the Finance Documents to or for the account of any other Finance Party in its capacity as Lender by the due date for payment unless the failure to pay falls within the description of any of those items set out at paragraph (d)(i) or (ii) of the definition of **“Defaulting Lender”**.

“Obligor” means a Borrower or a Guarantor.

“Obligor Pledge of Receivables” means the pledges of receivables that may be entered into between certain Obligors and the Security Agent in substantially the same form as the pledges of receivables that comprise part of the Existing Security.

“Operational Expenditure” means any expenditure which is or will be treated as an operational expenditure in the financial statements of the Group prepared in accordance with the Accounting Principles and delivered to the Facility Agent pursuant to Clause 19.1 (*Financial Statements*).

“Optional Currency” means, in relation to any Advance, any currency other than Euros and U.S. Dollars which:

- (a) is readily available to banks in the London interbank market, and is freely convertible into Euros on the Quotation Date and the Utilisation Date for the relevant Advance; and
- (b) has been approved by the Facility Agent (acting on the instructions of all the Lenders) on or prior to receipt by the Facility Agent of the relevant Request.

“Original Financial Statements” means the audited consolidated financial statements of SuperHoldco for the year ended 31 December 2006 as prepared or restated in accordance with accounting principles and practices generally applied in Belgium, including IFRS.

“Original Lender” means:

- (a) an Initial Original Lender; and
- (b) any person which has become a New Lender under a Facility other than a Telenet Additional Facility in accordance with Clause 29 (*Changes to the Parties*),

which in each case has not ceased to be a party in accordance with the terms of this Agreement.

“Original Obligor” means the Company or an Original Guarantor.

“Outstanding L/C Amount” means each sum paid or payable by an L/C Bank to a Documentary Credit Beneficiary pursuant to the terms of a Documentary Credit which has not been reimbursed or in respect of which cash cover has not been provided by or on behalf of a relevant Borrower.

“Parent” means:

- (a) the Ultimate Parent;
- (b) any Subsidiary of the Ultimate Parent of which the Company or any Permitted Affiliate Parent is a Subsidiary (including, for the avoidance of doubt, the Spin Holdco and any Subsidiary of the Spin Holdco following any Spin-Off); and
- (c) any Joint Venture Parent, any Subsidiary of a Joint Venture Parent and any Parent Joint Venture Holders following any Parent Joint Venture Transaction.

“Parent Joint Venture Transaction” means a transaction pursuant to which a joint venture is formed by the contribution of some or all of the assets of a Holding Company of any member of the Group or issuance or sale of shares of a Holding Company of any member of the Group to one or more entities which are not Affiliates of the Ultimate Parent.

“Parent Joint Venture Holders” means the holders of the share capital of the Joint Venture Parent.

“Pari Passu Debt Documents” has the meaning given to such term in the Intercreditor Agreement after the 2017 ICA Amendment Effective Date.

“Participating Member State” means any member state of the European Union that at the relevant time has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Party” means a party to this Agreement.

“Patriot Act” means the USA Patriot Act (Title 111 of Pub. L. 107-56 (signed into law October 26 2001)).

“Paying Lender” has the meaning given to such term in Clause 7.3(g) (*Ancillary Facility Default*).

“Permitted Acquisition” means:

- (a) any acquisition by any member of the Group pursuant to a Permitted Disposal by a member of Group;
- (b) any Restricted Acquisition of a member of the Group by any other member of the Group as part of the solvent reorganisation of the Group;
- (c) any Restricted Acquisition of further share capital (or equivalent) of an entity which was a member of the Group immediately prior to the completion of the Restricted Acquisition;
- (d) any Restricted Acquisition of further share capital (or equivalent) of any person in respect of which a member of the Group owns less than a 50 per cent. interest in the share capital (or equivalent) of such person in the event that the deliverables set out at paragraphs (b)(i) and (ii) of the definition of Permitted Joint Venture have previously been delivered to the Facility Agent in connection with the acquisition of any share capital in such person at any time;
- (e) any acquisition by a member of the Group of assets, businesses and entities or any equity interests in, or debts or securities owed or issued by any such entity, where upon completion of the acquisition the Target will be a Subsidiary of the Company or a Subsidiary of any Permitted Affiliate Parent or where a member of the Group will own directly or indirectly greater than a 50 per cent. interest in the assets or assets constituting the acquired business (a **“Majority Acquisition”**) and provided that:
 - (i) the principal activities of such entities are related to the Permitted Business as at the date of this Agreement;
 - (ii) such acquisition would not result in any Obligor or any other member of the Group being in violation of any applicable law, directive, national statute or administrative regulation relating to money-laundering, unlawful financial activities or unlawful use or appropriation of corporate funds including economic or financial sanctions or trade

embargoes imposed by the U.S. (including those administered by the Office of Foreign Assets Control of the U.S. Department of Treasury or equivalent European Union measure); and

- (iii) in the case of any Majority Acquisition where the Acquisition Cost exceeds €250,000,000 (or its equivalent), the Company provides to the Facility Agent within 60 days of the date of any such Majority Acquisition a certificate signed by an authorised officer of the Company which certifies that, if the ratio of the Net Total Debt to Consolidated Annualised EBITDA was re-calculated for the most recent Measurement Period ending prior to the date of the Majority Acquisition in respect of which financial statements have been delivered pursuant to Clause 19.1(a) (*Financial Statements*) (the “**Relevant Measurement Period**”) but adding to the:

- (A) amount of Net Total Debt used in such calculation any net increase in the Net Total Debt since the end of the Relevant Measurement Period or subtracting from the amount of Net Total Debt used in such calculation any net deduction in the Net Total Debt (in each case taking into account the amount of Net Total Debt used to fund the Acquisition Cost and not taking into account the cash proceeds of any incurrence of Net Total Debt used to fund the Acquisition Cost); and

- (B) Consolidated Annualised EBITDA, the Annualised EBITDA of the Target for the Relevant Measurement Period,

the ratio of Net Total Debt to Consolidated Annualised EBITDA would be less than 6.00:1;

- (f) any acquisition made by a member of the Group pursuant to the implementation of an Asset Passthrough or a Funding Passthrough;
- (g) acquisitions of Cash and Cash Equivalent Investments;
- (h) the purchase of or investment in Cash Equivalent Investments (including without limitation by way of consideration in respect of any disposal as contemplated in Clause 21.6 (*Disposals*) and subject to the conditions set out therein) or Marketable Securities;
- (i) the incorporation of a company or the acquisition of an “off-the-shelf” company which is or becomes a member of the Group;
- (j) any acquisition by any member of the Group in connection with a disposal permitted by the provisions of Clause 21.6 (*Disposals*) and any acquisition or subscription by a member of the Group of shares issued by a Subsidiary of the Company or a subsidiary of any Permitted Affiliate Parent which in any such case, is a member of the Group which will, after the acquisition of such shares become a wholly-owned direct or indirect Subsidiary of the Company or a subsidiary of any Permitted Affiliate Parent as the case may be, provided that if the other shares of such Subsidiary are subject to existing Security and if such shares are required to remain subject to Security in order to comply with this Agreement either (i) such newly issued shares shall also be subject to Security (in form and substance substantially similar to any existing Security or otherwise in such form and substance as may be reasonably required by the Facility Agent) upon their issue or (ii) such shares shall be made subject to Security (in form and substance substantially similar to any existing Security or otherwise in such form and substance as may be reasonably required by the Facility Agent) within 10 Business Days of their issue;
- (k) any acquisition by a member of the Group of any loan receivable security or other asset by way of capital contribution or in consideration of the issue of any securities or of Subordinated Shareholder Loans;
- (l) the acquisition of any leasehold interest in any assets which are the subject of a sale and lease back permitted under Clause 21.6 (*Disposals*);
- (m) arising from the conversion of any company (the “**Original Company**”) from one form of organisation into another form of organisation provided that (i) if, prior to the time of such conversion, the Security Agent has the benefit of security over the shares of such Original Company or such Original Company is an Obligor, then the Company shall, in the event that

it is required by the 80% Security Test, ensure that the Security Agent is provided with Security over the equivalent ownership interests in, and substantially all of the assets of, the converted organisation of at least equivalent nature and ranking to the Security previously provided by the Original Company and (ii) the Security Agent is satisfied that any possibility of such additional Security being challenged or set aside is not materially greater than any such possibility in relation to the Security entered into by or in respect of the share capital of the Original Company;

- (n) investments in any Asset Securitisation Subsidiary in connection with any asset securitisation programme or receivables factoring transaction otherwise permitted under Clause 21.6 (*Disposals*) and that is reasonably necessary or advisable (in the reasonable judgment of the board of directors or governing body of the relevant person) to effect such asset securitisation programme or receivables factoring transaction;
 - (o) acquisitions permitted by the Majority Lenders;
 - (p) any Permitted Transaction;
 - (q) any purchase or acquisition in the ordinary course of business;
 - (r) any acquisition of tax losses pursuant to any payments which are permitted under paragraphs (x) and (kk) of the definition of Permitted Payments;
 - (s) the acquisition of shares or other interests in any company or other entity pursuant to a merger, demerger, partial demerger, contribution, spin off, distribution or similar transaction, provided that such transaction is permitted under the Finance Documents;
 - (t) the acquisition of shares or other interests representing a nominal or non-substantial part of the share capital of a company or other entity which is not a member of the Group, provided that such company or other entity is a Subsidiary of SuperHoldco; and
 - (u) acquisitions which are not otherwise permitted under the definition of Permitted Acquisition provided that the aggregate consideration paid in respect of such acquisitions does not exceed the greater of (i) €300,000,000 and (ii) 5% of Total Assets in any financial year,
- provided that:
- (i) in the case of any acquisition falling within paragraphs (a), (e) and (o) above (other than any acquisition of Cash or Cash Equivalent Investments) no Event of Default has occurred and is continuing at the time of such proposed acquisition; and
 - (ii) in the case of any acquisition of any company or partnership, such company is a company incorporated with limited liability or is a limited liability partnership provided that the acquisition does not include the acquisition of the general partner of that limited liability partnership.

“Permitted Affiliate Group Designation Date” means any date on which the Facility Agent provides confirmation to the Company that the conditions set out in Clause 29.8 (*Permitted Affiliate Group Designation*) are satisfied.

“Permitted Affiliate Holdco” means the immediate Holding Company of any Permitted Affiliate Parent and any other Holding Company of any Permitted Affiliate Parent that is an issuer of, or has otherwise incurred, Holdco Debt and, in each case, which is either (i) a Subsidiary of the Common Holding Company or, (ii) to the extent the Common Holding Company is SuperHoldco, the Common Holding Company.

“Permitted Affiliate Parent” has the meaning given to such term in Clause 29.8 (*Permitted Affiliate Group Designation*).

“Permitted Business” means the carrying on of the Business.

“Permitted Credit Facility” means one or more of any Facility or any other debt facilities, notes, bonds, debentures or arrangements that may be entered into by any member of the Group providing for credit loans, letters of credit or other indebtedness or other advance, in each case, incurred in compliance with this Agreement.

“Permitted Disposal” means:

- (a) a payment required to be made under the Senior Secured Finance Documents;
- (b) any disposal (including, for the avoidance of doubt, the outsourcing of activities that support or are incidental to the Permitted Business) of assets on arm’s length commercial terms in the ordinary course of business;
- (c) disposals of property or other assets on bona fide arm’s length commercial terms in the ordinary course of business in consideration for, or to the extent that contractual arrangements are in place within 12 months of such disposal and the Net Proceeds of that disposal are applied within 18 months after such disposal in the acquisition of property or other assets of a similar nature and approximately equal value to be used in the Business of the Group (provided that any such property or other assets shall be subject to Security Interests in favour of the Security Agent if required pursuant to Clause 21.22(a)(i) (*Further Assurances*));
- (d) disposals of any interest in real or heritable property by way of a lease or licence granted by a member of the Group to another member of the Group;
- (e) disposals of any assets pursuant to the implementation of an Asset Passthrough or of any funds received pursuant to the implementation of a Funding Passthrough;
- (f) disposals of property or other assets required to satisfy any pension plan contribution liabilities;
- (g) disposals of shares or other interests in any Project Company, Group Excluded Subsidiary or Joint Venture or the assignment of any Financial Indebtedness owed to a member of the Group by any Project Company, Group Excluded Subsidiary or a Joint Venture;
- (h) disposals of assets to and sharing assets with any person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any member of the Group to such person;
- (i) disposals of assets subject to finance or capital leases pursuant to the exercise of an option by the lessee under such finance or capital leases;
- (j) disposals of assets in exchange for the receipt of assets of a similar or comparable value provided that where the aggregate net book value of all assets being exchanged in reliance on this paragraph (j) exceeds €200,000,000 (or its equivalent in other currencies) in any financial quarter, there is delivered to the Facility Agent, within 30 days from the end of such financial quarter, a certificate signed by an authorised signatory of the Group (given without personal liability) certifying that the assets received by such member of the Group in reliance on this paragraph (j) during such financial quarter are of a similar or comparable value to the assets disposed of by such member of the Group;
- (k) disposals constituting the surrender of tax losses by any member of the Group:
 - (i) to any other member of the Group;
 - (ii) to any other member of the Wider Group; or
 - (iii) in order to eliminate, satisfy or discharge any Tax liability of a former member of the Wider Group which has been disposed of pursuant to a disposal permitted by the terms of this Agreement, to the extent that a member of the Group would have a liability (in the form of an indemnification obligation or otherwise) to one or more persons in relation to such Tax liability if not so eliminated, satisfied or discharged;
- (l) disposals of non-core assets acquired in connection with a transaction permitted under Clause 21.9 (*Acquisitions and Mergers*);
- (m) any disposal of all or part of a business division pursuant to a Business Division Transaction;
- (n) disposals constituted by licences of intellectual property rights permitted by Clause 21.15 (*Intellectual Property Rights*);
- (o) any disposal of assets made pursuant to the establishment of a Permitted Joint Venture or any disposal of assets to a Permitted Joint Venture;

- (p) any disposal made in relation to a compulsory purchase order or any other order of any agency of state, authority or other regulatory body or any applicable law or regulation not exceeding €25,000,000 (or its equivalent in other currencies) in any financial year;
- (q) disposals by any member of the Group of customer premises equipment to a customer;
- (r) disposals of assets on arms' length commercial terms where the cash proceeds of such disposal are reinvested within 12 months of the date of the relevant disposal in the purchase of replacement assets by a member of the Group (or within 18 months of the date of the relevant disposal if the proceeds are, within 12 months of the date of the relevant disposal, contractually committed to be so applied) provided that where the relevant member of the Group that has made the disposal is an Obligor, such replacement assets are, in the event required by the 80% Security Test, either subject to existing Security granted by the relevant member of the Group that has acquired the replacement assets, or will be made subject to Security by such member of the Group (in form and substance substantially similar to the existing Security or otherwise in such form and substance as may reasonably be required by the Facility Agent) within 10 Business Days of the acquisition of such replacement assets;
- (s) a Regulatory Authority Disposal;
- (t) disposals of assets where the aggregate fair market value does not exceed the greater of €50,000,000 and 1% of Total Assets in any financial year;
- (u) the disposal of assets in exchange for other assets similar or superior as to type, value or quality;
- (v) any disposal of assets on bona fide arm's length commercial terms where such assets are obsolete or no longer required for the purposes of the Permitted Business;
- (w) the application of cash in payments which are not otherwise restricted by the terms of this Agreement and the Security Documents including, for the avoidance of doubt, Permitted Acquisitions and Permitted Payments;
- (x) disposals (or the payment of management, consultancy or similar fees):
 - (i) by an Obligor to another Obligor; or
 - (ii) from a member of the Group (which is not an Obligor), to an Obligor; or
 - (iii) from an Obligor to another member of the Group (which is not an Obligor); or
 - (iv) from a member of the Group (which is not an Obligor) to another member of the Group (which is not an Obligor);
- (y) disposals arising as a result of any Permitted Security Interest;
- (z) disposals made in connection with Approved Stock Options;
- (aa) the payment, transfer or other disposal of consideration for any Majority Acquisition, merger or consolidation permitted by Clause 21.9 (*Acquisitions and Mergers*);
- (bb) the grant of indefeasible rights of use or equivalent arrangements with respect to network capacity, communications, fibre capacity or conduit, in each case on arm's length commercial terms or on terms that are fair and reasonable and in the best interests of the Group;
- (cc) the payment, transfer or other disposal between members of the Group constituting consideration or investment for or towards or in furtherance of any Permitted Acquisition, Permitted Joint Venture or a merger or consolidation permitted by Clause 21.9 (*Acquisitions and Mergers*);
- (dd) the granting of operating leases or licences of real property on arm's length terms;
- (ee) disposals of the share capital of, or any interest in, any person which is not a member of the Group;
- (ff) any disposal made as part of a Permitted Transaction;
- (gg) any disposal of any interest in an Unrestricted Subsidiary;
- (hh) disposals of real property provided that the fair market value of the real property disposed of in any financial year does not exceed the greater of €50,000,000 and 3% of Total Assets (with

any unused amounts in any financial year being carried over to the next succeeding financial year subject to a maximum of the greater of €50,000,000 and 3% of Total Assets of carried over amounts for any financial year);

- (ii) disposals of assets pursuant to sale and leaseback transactions (regardless of whether any such lease resulting from such a transaction constitutes an operating lease or a Finance Lease) where the aggregate fair market value of any assets disposed of in reliance on this paragraph (ii) does not exceed the greater of:
 - (i) €100,000,000 (or its equivalent in other currencies); and
 - (ii) 2% of Total Assets,in any financial year;
- (jj) disposals of accounts receivable on arm's length commercial terms pursuant to an asset securitisation programme or receivables factoring transactions (recourse and non-recourse), provided that the aggregate amount of all such asset securitisations or receivables factoring transactions does not exceed the greater of:
 - (i) €200,000,000 (or its equivalent in other currencies) at any time; and
 - (ii) 5% of Total Assets at any time;
- (kk) disposals of accounts receivables which have remained due and owing from a third party for a period of more than 90 days and in respect of which the relevant member of the Group has diligently pursued in the normal course of business and where such disposal is on non-recourse terms to a member of the Group;
- (ll) disposals of assets related to accounts receivable subject to a Permitted Disposal including, without limitation, all Security Interests securing such receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such receivables and other assets which are customarily transferred or in respect of which Security Interests are customarily granted in connection with asset securitisation programmes or receivables factoring transactions involving receivables and any hedging obligations entered into by any member of the Group in connection with such accounts receivable;
- (mm) disposals of assets (or a fractional undivided interest therein) related to receivables permitted to be disposed of in connection with an asset securitisation programme or receivables factoring transactions including, without limitation, all Security Interests securing such receivables, all contracts and all guarantees or other obligations in respect of such receivables, the proceeds of such receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with an asset securitisation involving receivables and any hedging obligations entered into in connection with such receivables;
- (nn) disposals of investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements provided that any cash or Cash Equivalent Investments received in such disposition is applied in accordance with Clause 10.3 (*Mandatory Prepayment from Disposal Proceeds*);
- (oo) disposals with respect to property built, repaired, improved, owned or otherwise acquired by a member of the Group pursuant to customary sale and lease-back transactions, asset securitisations and other similar financings permitted by this Agreement;
- (pp) disposals of contractual arrangements under long-term contracts with customers entered into by a member of the Group in the ordinary course of business which are treated as sales for accounting purposes; provided that there is no transfer of title in connection with such contractual arrangement;
- (qq) disposals consisting of the assignment, licensing or sublicensing of intellectual property or other general intangibles and assignments, licenses, sublicenses, leases or subleases of spectrum or other property;
- (rr) any disposal made in respect of a Permitted Payment other than a Permitted Payment made pursuant to paragraph (e) of the definition of Permitted Payment;

- (ss) any disposal made in connection with any start-up financing or seed funding provided that any such disposals shall not exceed an aggregate value equal to the greater of (i) €10,000,000 and (ii) 1.00% of Total Assets;
- (tt) any disposal by any member of the Group of all or any of the Towers Assets;
- (uu) any disposal of any entity where the only material assets of such entity are assets that themselves have been the subject of a Permitted Disposal;
- (vv) any disposal of shares or other interests representing a nominal or non-substantial part of the share capital of a company or other entity which is not a member of the Group provided that such company or other entity is (or was at the time such share capital was acquired) a Subsidiary of SuperHoldco); and
- (ww) (in addition to those described in paragraphs (a) to (vv) above) a disposal of any person or asset the Annualised EBITDA of or attributable to which does not exceed the Remaining Percentage of the Consolidated Annualised EBITDA for the Latest Measurement Period, provided that:
 - (i) no Default has occurred and is continuing or would occur as a result of such disposal;
 - (ii) where required, a prepayment is made in accordance with Clause 10.3 (*Mandatory Prepayment from Disposal Proceeds*) in respect of such disposal; and
 - (iii) the Company delivers to the Facility Agent a certificate signed by an authorised signatory of the Company which certifies that, if the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) was re-calculated for the Latest Measurement Period but adjusting the:
 - (A) amount of the Net Total Debt used in such calculations by adding any net increase in Net Total Debt since the end of the Latest Measurement Period or subtracting any net reduction in the Net Total Debt since the end of the Latest Measurement Period and any such reduction which will occur from a prepayment of a Facility made under Clause 10.5 (*Voluntary Prepayment*) or Clause 10.3(a) (*Mandatory Prepayment from Disposal Proceeds*) of this Agreement from the proceeds of such disposal; and
 - (B) Consolidated Annualised EBITDA used in such calculations by subtracting the Annualised EBITDA attributable to persons or assets disposed of since the end of the Latest Measurement Period and the Annualised EBITDA attributable to the person or asset the subject of such disposal, in each case for the Latest Measurement Period,

that financial ratio would not be breached; and

further provided that if, at the time of such disposal, any member of the Group has contractually committed or agreed to a future Majority Acquisition and such a Majority Acquisition occurs within 12 months (or less) of the disposal:

- (iv) the Remaining Percentage (as defined in paragraph (xx) below) would instead not be exceeded if the aggregate Percentage Value of the contemplated Majority Acquisition is added to the calculation and tested at the time of the disposal on a pro forma basis (giving effect to the Annualised EBITDA of the Target based on then available historical financial information) and on an actual basis at the completion of the Majority Acquisition (and for these purposes the proviso in paragraph (xx) below shall be disapplied so that the percentage of the Consolidated Annualised EBITDA represented by the Annualised EBITDA of the relevant disposal could be more than the Remaining Percentage immediately prior to such disposal provided that the Remaining Percentage would not be exceeded once any contemplated Majority Acquisition is taken into account as described in this paragraph (iv)); and
- (v) for the purpose of the certificate required by paragraph (ww)(iii) above, the financial ratios shall be calculated giving pro forma effect to such Majority Acquisition (based on the then available historical financial information of the Target and including the Annualised EBITDA of the Target and any Financial Indebtedness expected to be

incurred by the Group to finance such Majority Acquisition) (and any such pro-forma effect contemplated by this paragraph (v) may apply to all such disposals and future Majority Acquisitions or only to specified disposals and Majority Acquisitions).

(xx) the “**Remaining Percentage**” is:

- (i) 17.5 per cent.;
 - (ii) less the aggregate Percentage Value of all previous disposals made after the 2017 Amendment Effective Date;
 - (iii) and plus the aggregate Percentage Value of all Reinvestments made,
- as calculated in accordance with paragraph (yy) below,

provided that the percentage of the Consolidated Annualised EBITDA represented by the Annualised EBITDA of the person or asset disposed of can never be more than the Remaining Percentage immediately prior to such disposal.

(yy) For the purposes of paragraphs (ww) and (xx) above:

“**Annualised EBITDA**”, “**Consolidated Annualised EBITDA**” and “**EBITDA**” have the meaning given to such terms in this Clause 1 (*Definitions and Interpretation*) but, when calculating EBITDA in relation to a person or asset that is being (or has been) acquired or disposed of, any amounts will be calculated using the methodology for calculating operating cash flow used in the accounts most recently filed with the SEC by or on behalf of the Ultimate Parent prior to the date of that acquisition or disposal, and, for the avoidance of doubt, any corporate costs or allocations paid or payable during the relevant period by a member of the Group which is being disposed of to one of its Affiliates pursuant to any general services (or similar) arrangement shall be deducted from the EBITDA of the member of the Group being disposed of;

“**Latest Measurement Period**” means the most recent Measurement Period for which financial statements have been delivered pursuant to Clause 19.1 (*Financial Statements*);

“**Percentage Value**” means:

- (a) in relation to a disposal, the percentage of the Consolidated Annualised EBITDA for what was the Latest Measurement Period at the time of the disposal which is represented by the Consolidated Annualised EBITDA of the person or asset disposed of (the “**EBITDA Percentage**”), after deducting a percentage equal to the EBITDA Percentage multiplied by the Proportion Repaid; and
- (b) in relation to a Reinvestment, the percentage of the Consolidated Annualised EBITDA for what was the Latest Measurement Period at the time of the Reinvestment (but taking into account each disposal made by the Group after the last day of that Latest Measurement Period and prior to the date of the relevant Reinvestment) which is represented by the Annualised EBITDA of the person or asset acquired multiplied by the Proportion Reinvested,

Where:

the “**Proportion Reinvested**” is that proportion of the purchase price for the person or asset acquired which is represented by the amount of the Net Proceeds of a previous disposal that were reinvested pursuant to the relevant Reinvestment;

the “**Proportion Repaid**” is that proportion of the Net Proceeds of that disposal prepaid pursuant to Clause 10.3(a) (*Mandatory Prepayment from Disposal Proceeds*) and/or repaid pursuant to Clause 10.5 (*Voluntary Prepayment*); and

“**Reinvestment**” means the reinvestment of all or any part of the Net Proceeds of a previous disposal made under paragraph (ww) above by the Group after the 2015 Amendment Effective Date, including in circumstances where all or any part of such Net Proceeds are distributed as a Permitted Payment and an equity subscription is subsequently made in, or a Subordinated Shareholder Loan is subsequently made to, a member of the Group.

“**Permitted Financial Indebtedness**” means any Financial Indebtedness:

- (a) arising hereunder or under the Security Documents;
- (b) permitted pursuant to Clause 21.13 (*Loans and Guarantees*);

- (c) incurred through a Subordinated Shareholder Loan made to any member of the Group;
- (d) of any member of the Group arising as a result of the issue by it or a financial institution of a surety or performance bond in relation to the performance by such member of the Group of its obligations under contracts entered into in the ordinary course of its business (other than for the purpose of raising indebtedness);
- (e) approved in writing by the Facility Agent (acting on the instructions of the Majority Lenders);
- (f) owing by any member of the Group being permitted Management Fees or management, consultancy or similar fees payable to another member of the Group in respect of which payment has been deferred;
- (g) constituting Permitted Payments the payment of which has been deferred;
- (h) arising in relation to an Asset Passthrough or a Funding Passthrough;
- (i) of any Asset Securitisation Subsidiary incurred solely to finance any asset securitisation programme or programmes or one or more receivables factoring transactions otherwise permitted by Clause 21.6 (*Disposals*) as a Permitted Disposal under paragraph (jj), (kk) and (ll) of that definition;
- (j) of a company which is acquired by a member of the Group after the date hereof as an acquisition permitted by Clause 21.9 (*Acquisitions and Mergers*) where such Financial Indebtedness existed at the date of completion of such acquisition provided that the amount of such Financial Indebtedness is not increased beyond the amount in existence at the date of completion of the acquisition;
- (k) of any member of the Group (other than any Obligor) constituting Financial Indebtedness to all the holders (or their Affiliates) of the share capital of any such member of the Group on a basis that is substantially proportionate to their interests in such share capital (with any disproportionately large interest received by any member of the Group or any disproportionately small interest received by any person other than a member of the Group, in each case relative to its interests in such share capital, being ignored for this purpose), provided such Financial Indebtedness does not bear interest (other than by way of addition to its principal amount on a proportionate basis as described above) and is made on terms that repayment or pre-payment of such Financial Indebtedness shall only be made to each such holder:
 - (i) in proportion to their respective interests in such share capital (ignoring any disproportionately large interest held by any member of the Group or any disproportionately small interest received by any person other than a member of the Group, in each case relative to its interests in such share capital, for this purpose); and
 - (ii) only on and in connection with the liquidation or winding up (or equivalent) of such member of the Group;
- (l) arising as a result of any cash pooling arrangements in the ordinary course of the Group's banking business to which any member of the Group is a party;
- (m) under:
 - (i) a financial lease arrangement in relation to the Group's corporate headquarters at Liersesteenweg 4, Mechelen, Belgium; and
 - (ii) the Clientele Fees or the Annuity Fees;
- (n) which is incurred by a member of the Group pursuant to or in respect of any BIPT performance bond subject to an aggregate maximum amount outstanding at any time of €20,000,000 (or its equivalent);
- (o) constituting a Permitted Transaction;
- (p) of any member of the Group, in respect of which the person or persons to whom such Financial Indebtedness is or may be owed has or have no recourse whatever to any member of the Group for any payment or repayment in respect thereof, provided that:
 - (i) the extent of such recourse to such member is limited solely to the amount of any recoveries made on any such enforcement; and

- (ii) such person or persons are not entitled, pursuant to the terms of any agreement evidencing any right or claim arising out of or in connection with such Financial Indebtedness, to commence proceedings for the winding up, dissolution or administration of any member of the Group (or proceedings having an equivalent effect) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of any member of the Group or any of its assets until after the Commitments have been reduced to zero and all amounts outstanding under the Finance Documents have been repaid or paid in full;
- (q) arising under sale and leaseback arrangements or Vendor Financing Arrangements (to the extent these constitute Financial Indebtedness) provided that the aggregate principal amount thereof does not at any time exceed the amount that could be incurred so that the ratio of Net Total Debt to Consolidated Annualised EBITDA (giving pro forma effect to any such Financial Indebtedness and the use of proceeds thereof) is equal to, or less than, 5.50:1.00 (excluding any Holdco Debt) and 6.00:1 (including any Holdco Debt (rounded to the second decimal number)); and provided further that, in each case, the relevant lessor or provider of Vendor Financing Arrangements does not have the benefit of any Security Interest other than over the assets the subject of such sale and leaseback arrangements and/or Vendor Financing Arrangements; and
- (r) Financial Indebtedness arising in respect of any guarantee given by any member of the Group in respect of any issuer of Holdco Debt's obligations under any Holdco Debt, provided that any such guarantee is given on a subordinated unsecured basis and is subject to the terms of the Intercreditor Agreement and further provided that no Default or Event of Default is continuing or occurs as a result of such Holdco Debt being raised or issued;
- (s) Financial Indebtedness arising in respect of any performance bond, guarantee, standby letter of credit or similar facility entered into by any member of the Group to the extent that cash is deposited as security for the obligations of such member of the Group thereunder;
- (t) Financial Indebtedness arising under tax-related financings designated in good faith as such by prior written notice from the Company to the Facility Agent, provided that the aggregate principal amount of such Financial Indebtedness outstanding at any time does not exceed €250,000,000;
- (u) Financial Indebtedness of any Obligor incurred after the 2017 ICA Amendment Effective Date provided that the ratio of Net Total Debt to Consolidated Annualised EBITDA (after giving pro forma effect to the incurrence of any such Financial Indebtedness pursuant to this paragraph (u) and the ultimate use of proceeds thereof and to any movement of cash out of the Group since such date pursuant to any Permitted Payments) on the last day of the financial quarter immediately prior to any such incurrence would not exceed 6.00:1;
- (v) Financial Indebtedness of any Obligor incurred after the 2017 ICA Amendment Effective Date provided that:
 - (i) the ratio (after giving pro forma effect to the incurrence of any such Financial Indebtedness pursuant to this paragraph (v) and the ultimate use of proceeds thereof and to any movement of cash out of the Group since such date pursuant to any Permitted Payments) on the quarter date prior to any such incurrence:
 - (A) of Net Senior Debt to Consolidated Annualised EBITDA would not exceed 4.50:1; and
 - (B) of Net Total Debt to Annualised EBITDA would not exceed 5.50:1.00 (excluding any Holdco Debt) and 6.00:1 (including any Holdco Debt),
 (provided that, in each case, this limitation shall not apply to any Financial Indebtedness the proceeds of which are used to refinance (x) any Facility, (y) any Senior Secured Notes or (z) any other Financial Indebtedness which is secured by assets that are subject to Security); and
 - (ii) such Financial Indebtedness constitutes Senior Liabilities (under and as defined in the Intercreditor Agreement);
- (w) any Financial Indebtedness incurred after the 2017 ICA Amendment Effective Date arising in respect of any Senior Secured Notes and any guarantee in respect of any Senior Secured

Notes given by any member of the Group that is an Obligor, in each case, subject to the terms of the Intercreditor Agreement;

- (x) any Financial Indebtedness which constitutes Subordinated Obligations or is otherwise incurred on a second lien ranking basis provided that:
 - (i) (other than in the case of a refinancing of other Subordinated Obligations or other second lien ranking Financial Indebtedness in the same or a lesser principal amount) the ratio of Net Total Debt to Consolidated Annualised EBITDA (after giving pro forma effect to the incurrence of any such Financial Indebtedness pursuant to this paragraph (x) and the ultimate use of proceeds thereof and to any movement of cash out of the Group since such date pursuant to any Permitted Payments) on the last day of the financial quarter immediately prior to any such incurrence would not exceed 5.50:1.00 (excluding any Holdco Debt) and 6.00:1 (including any Holdco Debt); and
 - (ii) such Financial Indebtedness constitutes Second Lien Liabilities (under and as defined in the Intercreditor Agreement) or is (x) unsecured or (y) or is secured on a junior ranking basis to the liabilities under this Agreement and, in each case contractually subordinated to the rights of the Lenders, on terms comparable to, at the election of the Company:
 - (A) the intercreditor agreement most recently entered into by an Affiliate of the Company prior to the incurrence of such Financial Indebtedness which provides for second lien financing (as amended from time to time) with such adjustments and amendments as agreed between the Company, the Security Agent and the Facility Agent (acting reasonably in each case);
 - (B) an intercreditor agreement (providing for contractual subordination on terms comparable to the Loan Market Association's form of intercreditor agreement at such time for mezzanine debt) with such adjustments and amendments as agreed between the Company, the Security Agent and the Facility Agent (acting reasonably in each case); or
 - (C) without prejudice to the rights of the Facility Agent to seek instructions from the Lenders, any other form of intercreditor agreement agreed between the Company, the Security Agent and the Facility Agent (acting reasonably in each case) that does not adversely affect the rights of the Lenders in any material respect in each case,
- and, in each case, the Security Agent and the Facility Agent shall be authorised to enter into such intercreditor agreement without the consent of the Lenders;
- (y) any Financial Indebtedness incurred constituting reimbursement obligations with respect to letters of credit issued and bank guarantees in the ordinary course of business provided to lessors of real property or otherwise in connection with the leasing of real property and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses in respect of any government requirement, or other Financial Indebtedness with respect to reimbursement type obligations regarding the foregoing; provided, however, that upon the drawing of such letters of credit or the incurrence of such Financial Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;
- (z) any Financial Indebtedness arising from (i) facilities or services related to cash management, cash pooling, treasury, depository, overdraft, credit or debit card, p-cards (including purchasing cards or commercial cards), electronic funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade financial services or other cash management and cash pooling arrangements and (ii) daylight exposures of any member of the Group in respect of banking and treasury arrangements entered into in the ordinary course of business;
- (aa) any Financial Indebtedness incurred pursuant to a Permitted Financing Action;
- (bb) any Financial Indebtedness with Affiliates reasonably required to effect or consummate any Post-Closing Reorganisation;

- (cc) any Financial Indebtedness incurred under borrowing facilities provided by a special purpose vehicle note issuer to a member of the Group in connection with the issuance of notes intended to be supported primarily by the payment obligations of any member of the Group in connection with any vendor financing platform otherwise permitted under this Agreement;
- (dd) any Financial Indebtedness arising under: (i) arrangements to fund a production where such funding is only repayable from the distribution revenues of that production or (ii) Production Facilities provided that the aggregate amount of Financial Indebtedness under all Production Facilities incurred pursuant to this sub-paragraph (ii) does not exceed the greater of (A) €200,000,000 and (B) 1.0% of Total Assets at any time outstanding;
- (ee) any Financial Indebtedness in the form of borrowings, loans or deferred consideration made available by a vendor in connection with a Permitted Acquisition; and
- (ff) any other Financial Indebtedness in addition to the Financial Indebtedness falling within paragraphs (a) to (ee) above not exceeding at any time the greater of:
 - (i) €250,000,000 in aggregate (or its equivalent in other currencies); and
 - (ii) 5% of Total Assets,
 and further provided that in the case of any Financial Indebtedness constituted by an overdraft facility which operates on a gross/net basis only the net amount of such facility shall count towards such aggregate amount.

“Permitted Financing Action” means, to the extent that any incurrence of Financial Indebtedness is permitted under Clause 21.7 (*Financial Indebtedness*), any transaction to facilitate or otherwise in connection with a cashless rollover of one or more lender’s or investor’s commitments or funded Financial Indebtedness in relation to the incurrence of that Financial Indebtedness.

“Permitted Joint Venture” means:

- (a) any Restricted Acquisition referred to in paragraph (b) of the definition of **“Permitted Acquisition”** and any Restricted Acquisition as a result of a reorganisation of a person that is not a Subsidiary of the Company or a Subsidiary of any Permitted Affiliate Parent but in which a member of the Group has an interest, provided that such reorganisation does not result in an overall increase in the value of the Group’s interest in that person, other than adjustments to the basis of any member of the Group’s interest in accordance with the Accounting Principles;
- (b) any acquisition by a member of the Group of assets, businesses and entities or any equity interests in, or debts or securities owed or issued by any such entity, where upon completion of the acquisition the Target will not be a Subsidiary of the Company or a Subsidiary of any Permitted Affiliate Parent and where a member of the Group will own directly or indirectly no more than a 50 per cent. interest in the assets or assets constituting the acquired business (a **“JV Minority Acquisition”**) and provided that:
 - (i) the principal activities of such entities are related to the Permitted Business as at the date of this Agreement; and
 - (ii) in the case of any JV Minority Acquisition where the Acquisition Cost exceeds €250,000,000 (or its equivalent), the Company provides to the Facility Agent within 60 days of the date of any such JV Minority Acquisition a certificate signed by an authorised officer of the Company which certifies that if the ratio of the Net Total Debt to Consolidated Annualised EBITDA was re-calculated for the most recent Measurement Period ending prior to the date of the JV Minority Acquisition in respect of which financial statements have been delivered pursuant to Clause 19.1(a) (*Financial Statements*) (the **“Relevant Measurement Period”**) but adding to the:
 - (A) amount of Net Total Debt used in such calculation any net increase in the Net Total Debt since the end of the Relevant Measurement Period or subtracting from the amount of Net Total Debt used in such calculation any net deduction in the Net Total Debt (in each case taking into account the amount of Net Total Debt used to fund the Acquisition Cost); and
 - (B) Consolidated Annualised EBITDA, the Annualised EBITDA of the Target for the Relevant Measurement Period,

the ratio of Net Total Debt to Consolidated Annualised EBITDA would be less than 6.00:1, provided that no Event of Default has occurred and is continuing at the time of such proposed acquisition.

“Permitted Payment” means any distribution, dividend, transfer of assets, loan or other payment:

- (a) to any Restricted Person in relation to transactions carried out on bona fide arm’s length commercial terms in the ordinary course of business or on terms which are fair and reasonable and in the best interest of the Group;
- (b) by way of payment of Management Fees:
 - (i) which are paid on bona fide arm’s length terms in the ordinary course of business to a Restricted Person; or
 - (ii) of up to an amount equal to the greater of (i) €15,000,000 and (ii) 0.5% of Total Assets in any financial year,

provided that, at the time of payment, no Default is outstanding or would occur as a result of such payment;
- (c) by way of payment of principal or interest on Subordinated Shareholder Loans or by way of distributions, dividends, transfers of assets, loans or any other payments made by any member of the Group to any Restricted Person provided that:
 - (i) the ratio of Net Total Debt to Consolidated Annualised EBITDA is 5.00:1 or less prior to making the relevant payment and will be 5.00:1 or less after such payment has been made; and
 - (ii) no Default has occurred and is continuing or would occur as a result of such payment;
- (d) in respect of a Permitted Transaction;
- (e) in respect of a Permitted Disposal;
- (f) in an amount to enable any Holding Company of a member of the Group to pay taxes that are formally due by such Holding Company but which are allocable to (i) the Group and are due by such Holding Company as a result of the Group being included in a fiscal unity (for corporate income and/or VAT purposes) with such Holding Company or (ii) acting as a holding and/or financing company of the Group;
- (g) contemplated by a Regulatory Authority Disposal;
- (h) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including without limitation in connection with acquisitions or divestitures, which payments are approved by a majority of the members of the board of directors of SuperHoldco or any Permitted Affiliate Holdco;
- (i) by way of payment to any direct or indirect shareholder of the Company or any direct or indirect shareholder of any Permitted Affiliate Parent for all of its out-of-pocket expenses incurred in connection with its direct or indirect investment in the Company or any Permitted Affiliate Parent and any of their Subsidiaries;
- (j) made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a person or entity that is not a member of the Group in connection with, an asset securitisation programme or receivables factoring transaction otherwise permitted as a Permitted Disposal under paragraph (s) of that definition;
- (k) to fund the payment of Holding Company Expenses;
- (l) for the purpose of implementing any Content Transaction;
- (m) in an amount of up to the greater of €200,000,000 and 5% of Total Assets from the cash proceeds of a Content Transaction provided always that no Event of Default has occurred and is continuing or would result following such payment;
- (n) or other distribution, or the repayment of a loan, or the redemption of loan stock or redeemable equity made pursuant to an Asset Passthrough or a Funding Passthrough, in each case, funded from cash generated by entities outside of the Group;

- (o) to the extent required for the purpose of making payments to the indenture trustee for any Senior Unsecured Notes in respect of any amounts payable to the indenture trustee which are High Yield Notes Trustee Amounts;
- (p) at any time after the occurrence of an Event of Default, to the extent required to fund Permitted Payments not otherwise prohibited under the Intercreditor Agreement;
- (q) to the extent such distribution, dividend, transfer of assets, loan or other payment is in respect of a nominal amount;
- (r) made to any member of the Wider Group (other than a member of the Group), provided that:
 - (i) an amount equal to such payment is reinvested by such member of the Wider Group (other than the Group) into a member of the Group within three days of receipt thereof;
 - (ii) the aggregate principal amount of such payments and reinvested amounts at any time does not exceed an amount equal to €300,000,000; and
 - (iii) to the extent any such payments are made in cash, any re-invested amounts are also made in cash provided that any such re-invested amounts shall be in the form of Subordinated Shareholder Loans, equity or the repayment of an intercompany loan or advance;
- (s) which is required in order to facilitate the making of payments by any person and to the extent required:
 - (i) by the terms of the Senior Secured Finance Documents;
 - (ii) by the terms of any Holdco Debt (or, in each case, any guarantee of the obligations thereunder) provided that:
 - (A) no Event of Default has occurred under Clause 22.2 (*Non-payment*), Clause 22.6 (*Insolvency*), 22.7 (*Insolvency Proceedings*) or 22.8 (*Creditors' Process*), and is continuing;
 - (B) there has been no breach of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) pursuant to which the Composite Revolving Facility Instructing Group continues to have a right to direct the Facility Agent to take any action in accordance with Clause 22.18 (*Maintenance Covenant Revolving Facility Acceleration*);
 - (C) no Event of Default has occurred in respect of which any notice has been served by the Facility Agent in accordance with Clause 22.17 (*Acceleration*);
 - (D) no automatic acceleration has occurred in accordance with Clause 22.19 (*Automatic Acceleration*), other than where:
 - (1) such payment is permitted under paragraph (o) above; or
 - (2) such Holdco Debt is subject to the terms of the Intercreditor Agreement;
 - (iii) by the terms of any Hedging Agreement to which SuperHoldco or any Permitted Affiliate Holdco or any other issuer of Holdco Debt is a party in relation to the hedging of Holdco Debt to the extent such payment is not prohibited by the Intercreditor Agreement; or
 - (iv) for the purposes of implementing any Content Transaction or Business Division Transaction;
- (t) made to SuperHoldco and any Permitted Affiliate Holdco of any amounts outstanding in relation to Subordinated Shareholder Loans the proceeds of which are used by such person in connection with the refinancing of Holdco Debt provided that concurrently with such payment such person advances directly or indirectly new Subordinated Shareholder Loans to an Obligor in an amount equal to or greater than the outstanding amount of the Subordinated Shareholder Loans discharged;
- (u) made with the consent of the Majority Lenders;

- (v) in connection with any earn out;
- (w) by way of transfer of tax losses to Restricted Persons (provided that the amount of such tax losses shall be deemed reduced by any payment received by any member of the Group from any Restricted Person for such tax losses), provided that:
 - (i) the applicable ratio for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) is 6.00:1 or less prior to making the relevant transfer of tax losses and will be 6.00:1 or less after such transfer of tax losses has been made; and
 - (ii) no Default has occurred and is continuing or would occur as a result of such transfer of tax losses;
- (x) payments in relation to any tax losses received by any member of the Group from any Restricted Person provided that such payments shall only be made in relation to such tax losses in an amount equal to the amount of tax that would have otherwise been required to be paid by any member of the Group if those tax losses were not so received and such payment shall only be made in the tax year in which such losses are utilised by any member of the Group;
- (y) any purchase of receivables pursuant to any obligation of a seller of receivables in an asset securitisation programme or receivables factoring transaction to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defence, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller in connection with an asset securitisation programme or receivables factoring transaction;
- (z) payments to fund the purchase of any management equity which is subsequently transferred to other or new management (together with the purchase or repayment of any related loans) and/or to make other compensation payments to departing management;
- (aa) payments in respect of Receivables Fees;
- (bb) any payment for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including without limitation in connection with loans, capital market transactions, hedging and other derivative transactions, acquisitions or divestitures, which payments are approved by a majority of the members of the board of directors of the Company or a Permitted Affiliate Parent;
- (cc) any payment made in connection with any start-up financing or seed funding provided that any such payments shall not exceed an aggregate value of the greater of (i) €10,000,000 and (ii) 1.00% of Total Assets;
- (dd) in an amount of up to the Credit Facility Excluded Amount provided that:
 - (i) no breach of Clause 21.11 (*Restricted Payments*) shall occur as a result of a decrease in Consolidated Annualised EBITDA after any such distribution, dividend, transfer of assets, loan or other payment has been made; and
 - (ii) if an amount equal to the Credit Facility Excluded Amount in respect of any prior Measurement Period has been the subject of a distribution, dividend, transfer of assets, loan or other payment under this paragraph (dd), no further distribution, dividend, transfer of assets, loan or other payment may be made under this paragraph (dd)(ii) until there is an increase in Consolidated Annualised EBITDA in respect of any subsequent Measurement Period (the “**Incremental EBITDA Amount**”) such that it is above the level of Consolidated Annualised EBITDA at the time when the most recent distribution, dividend, transfer of assets, loan or other payment was made under this paragraph (dd)(ii) in which case an amount equal to 0.25 multiplied by the Incremental EBITDA Amount for such Measurement Period may be the subject of a distribution, dividend, transfer of assets loan or other payment under this paragraph (dd) provided that if at any time after a Permitted Payment is made under this paragraph (dd) a Permitted Credit Facility is prepaid or repaid in full or in part, a distribution, dividend, transfer of assets, loan or other payment may be made under this paragraph (dd) in an amount equal to (A) if in full, the Credit Facility Excluded Amount; and (B) if in part,

the lower of an amount equal to (i) the Credit Facility Excluded Amount and (ii) the amount of the partial prepayment or repayment referred to above, in each case, at any time after the date of such prepayment or repayment and notwithstanding any further advance under a Permitted Credit Facility is made (including, in the case of a Revolving Facility, by way of Rollover Advance at the time of such repayment); and

- (ee) by way of payment to any Restricted Person of consideration for an acquisition, merger or consolidation permitted by Clause 21.9 (*Acquisitions and Mergers*);
- (ff) any distribution, dividend, transfer of assets loan or other payment reasonably required in order to consummate a Permitted Financing Action;
- (gg) any distribution, dividend, transfer of assets loan or other payment reasonably required in order to consummate any Post-Closing Reorganisation;
- (hh) payments under commercial contracts entered into in the ordinary course of business between a member of the Group and a Restricted Person provided that such contracts are on arm's-length terms or on a basis that senior management of that member of the Group reasonably believes allocates costs fairly;
- (ii) any distributions (including by way of dividend) to a Parent consisting of cash, any equity interests, property or other assets of any member of the Group that is, in each case held by that member of the Group for the sole purpose of transferring such cash, equity interest, property or other assets to another member of the Group;
- (jj) payments to finance investments or other acquisitions by any Parent or any Affiliate of a Parent (other than a member of the Group) which would otherwise be permitted to be made under Clause 21.9 (*Acquisitions and Mergers*) or Clause 21.13 (*Loans and Guarantees*) of the Credit Agreement if made by a member of the Group provided that: (i) such payments shall be made within 120 days of the closing of such investment or other acquisition, (ii) such Parent or Affiliate of a Parent shall prior to or promptly following the date of such payment, cause (A) all property acquired (whether assets or equity interests) to be contributed to a member of the Group or (B) the merger, amalgamation, consolidation or sale of the person formed or acquired into a member of the Group in a manner not prohibited by the Credit Agreement in order to consummate such investment or acquisition and (iii) such Parent or Affiliate of a Parent receives no consideration or other payment in connection with such transaction other than if such consideration or other payment from a member of the Group is otherwise a Permitted Payment;
- (kk) payments in relation to any tax losses received by any member of the Group from any member of the Wider Group that is not a member of the Group provided that such payments shall only be made in relation to such tax losses in an amount equal to, in any financial year, the greater of €200,000,000 and 2% of Total Assets (with any unused amounts in any financial year being carried over to the next succeeding financial year); and
- (ll) not falling within the other limbs of this definition and not exceeding an aggregate amount equal to the greater of €250,000,000 and 3% of Total Assets in any financial year.

“Permitted Security Interest” means:

- (a) any Security Interests arising hereunder or under any Senior Secured Finance Document, which is subject to the terms of the Intercreditor Agreement;
- (b) any Security Interest which arises by operation of law or by a contract having a similar effect or under an escrow arrangement required by a trading counterparty of any member of the Group and in each case arising or entered into the ordinary course of business of the relevant member of the Group;
- (c) any Security Interest created or evidenced by the Security Documents or in favour of another Obligor;
- (d) any lien arising in the ordinary course of business by way of contract which secures indebtedness under any agreement for the supply of goods or services in respect of which payment is not deferred for more than 180 days (or 360 days if such deferral is in accordance with the terms pursuant to which the relevant goods were acquired or services provided);

- (e) any Security Interest imposed by any taxation or governmental authority in respect of amounts which are being contested by the relevant member of the Group in good faith and not yet payable for which adequate reserves have been set aside in the books of the relevant member of the Group in accordance with the Accounting Principles;
- (f) any Security Interest which arises in respect of any right of set-off, netting arrangement, title transfer or title retention arrangements which:
 - (i) arises in the ordinary course of business and/or by operation of law;
 - (ii) is entered into by any member of the Group in the normal course of its banking arrangements for the purpose of netting debit and credit balances on bank accounts of members of the Group operated on a net balance basis (and any Security Interests over bank accounts granted in connection therewith);
 - (iii) arises in respect of netting or set off arrangements contained in any hedging contract permitted or not prohibited by this Agreement;
 - (iv) is entered into by any member of the Group on terms which are generally no worse than the counterparty's standard or usual terms and entered into in the ordinary course of business of the relevant member of the Group; or
 - (v) which is a retention of title arrangement with respect to customer premises equipment in favour of a supplier (or its Affiliate); provided that the title is only retained to individual items of customer premises equipment in respect of which the purchase price has not been paid in full;
- (g) any Security Interest approved in writing by the Facility Agent (acting on the instructions of the Majority Lenders);
- (h) any Security Interest in favour of any bank incurred in relation to any cash management arrangements;
- (i) any netting or set-off arrangement entered into by a member of the Group in the ordinary course of business;
- (j) any Security Interest over or affecting any asset of any company which becomes a member of the Group after the date of this Agreement, where such Security Interest is created prior to the date on which such company becomes a member of the Group (including Security Interests created, incurred or assumed in connection with or in contemplation of the relevant acquisition or transaction); *provided*, however that such Security Interests may not extend to any other property owned by any member of the Group (other than pursuant to after-acquired property clauses in effect with respect to such Security Interests at the time of acquisition on property of the type that would have been subject to such Security Interests notwithstanding the occurrence of the relevant acquisition or transaction);
- (k) Security Interests arising under agreements entered into in the ordinary course of business relating to:
 - (i) network leases;
 - (ii) the leasing of:
 - (A) buildings;
 - (B) cars; and
 - (C) other operational equipment;
- (l) any Security Interests causing any retention of title arrangement contained in any contract for the acquisition of any asset by a member of the Group in the ordinary course of its business from any person in the ordinary course of its business and on customary terms unless in relation to such a retention of title arrangement, there are payments of €15,000,000 or more which are overdue and unpaid;
- (m) which is granted over the shares of, Financial Indebtedness owed by or other interests held in, or over the assets (including, without limitation, present or future revenues), attributable to a Project Company, a Group Excluded Subsidiary or a Permitted Joint Venture;

- (n) after the 2017 ICA Amendment Effective Date, Security Interests securing any Financial Indebtedness on a *pari passu* basis (to the extent that any Financial Indebtedness is permitted or not prohibited under the terms of this Agreement) provided that such Financial Indebtedness constitutes Senior Liabilities (under and as defined in the Intercreditor Agreement) and:
 - (i) the ratio (giving pro forma effect to any such Financial Indebtedness and the use of proceeds thereof):
 - (A) of Net Senior Debt to Consolidated Annualised EBITDA would not be greater than 4.50:1.00; and
 - (B) of Net Total Debt to Consolidated Annualised EBITDA would not be greater than 5.50:1.00 (excluding any Holdco Debt) and 6.00:1 (including any Holdco Debt),

provided that, in each case, this limitation shall not apply to any Financial Indebtedness the proceeds of which are used to refinance (x) any Facility, (y) any Senior Secured Notes or (z) any other Financial Indebtedness which is secured by assets that are subject to Security; or
 - (ii) such Financial Indebtedness constitutes:
 - (A) Financial Indebtedness which is permitted under paragraph (b) of the definition of Permitted Financial Indebtedness as it relates to guarantees permitted under paragraph (g) of Clause 21.13 (*Loans and Guarantees*);
 - (B) Financial Indebtedness which is permitted under paragraph (j) of the definition of Permitted Financial Indebtedness (provided that at the time of the acquisition or other transaction pursuant to which such Financial Indebtedness was incurred and after giving effect to such incurrence on a pro forma basis:
 - (1) an Obligor could incur €1.00 of Financial Indebtedness under paragraph (v) of the definition of Permitted Financial Indebtedness; or
 - (2) the ratio of each of (I) Net Senior Debt to Consolidated Annualised EBITDA (II) Net Total Debt (excluding Holdco Debt) to Consolidated Annualised EBITDA and (III) Net Total Debt to Consolidated Annualised EBITDA would not be greater than it was immediately prior to giving pro forma effect to such acquisition or other transaction and to the incurrence of such Financial Indebtedness;
 - (C) Financial Indebtedness which is permitted under paragraph (ff) of the definition of Permitted Financial Indebtedness; or
 - (D) Financial Indebtedness which is permitted under paragraph (w) of the definition of Permitted Financial Indebtedness,

including, in each case, any guarantees in respect of such Financial Indebtedness.
- (o) Security Interests securing any Financial Indebtedness which is permitted under paragraph (x) of the definition of Permitted Financial Indebtedness or any guarantees in respect of such Financial Indebtedness, provided that (i) such Security Interest ranks junior to the Security Interests securing the liabilities under this Agreement and related guarantees, as applicable, and (ii) such Financial Indebtedness and any guarantees thereof are contractually subordinated to the rights of the Lenders on the terms of an intercreditor agreement in accordance with paragraph (x)(ii) of the definition of Permitted Financial Indebtedness;
- (p) any Security Interest over cash deposits or other Security Interests constituting or for the purpose of securing Limited Recourse;
- (q) any Security Interest comprising of a right of set-off granted to any financial institution acting as a lockbox bank in connection with any asset securitisation programme or one or more receivables factoring transactions;
- (r) any Security Interest created for the purpose of perfecting the ownership interests of a purchaser of receivables and related assets pursuant to any asset securitisation programme or one or more receivables factoring transactions;

- (s) any Security Interest on investments in Asset Securitisation Subsidiaries;
- (t) any Security Interest arising from any Finance Leases, sale and leaseback arrangements or Vendor Financing Arrangements permitted to be incurred pursuant to Clause 21.7 (*Financial Indebtedness*);
- (u) any Security Interest over or affecting any asset acquired by a member of the Group after the date of this Agreement (including Security Interests created, incurred or assumed in connection with or in contemplation of the relevant acquisition or transaction); provided, however, that such Security Interests may not extend to any other property owned by any member of the Group (other than pursuant to after-acquired property clauses in effect with respect to such Security Interests at the time of acquisition of property of the type that would have been subject to such Security Interests notwithstanding the occurrence of the relevant acquisition or transaction);
- (v) any Security Interest over any property or other assets to satisfy any pension plan contribution liabilities provided that the aggregate value of any such property or other assets, when taken together with the aggregate amount of disposals pursuant to paragraph (f) of the definition of Permitted Disposal, shall not exceed €100,000,000 at any time;
- (w) any Security Interest constituted by a rent deposit deed entered into on arm's length commercial terms and in the ordinary course of business securing the obligations of a member of the Group in relation to property leased to a member of the Group;
- (x) any Security Interest over cash deposited as security for the obligations of a member of the Group in respect of a performance bond, guarantee, standby letter of credit or similar facility entered into in the ordinary course of business of the Group;
- (y) any Security Interest which is created by any member of the Group in substitution for any Security Interest under any existing Security Document, provided that the principal amount secured thereby may not be increased unless any Security Interest in respect of such increased amount would be permitted under another paragraph of this definition;
- (z) in respect of any Permitted Transaction;
- (aa) any Security Interest arising in connection with other sales of receivables permitted under this Agreement without recourse to any member of the Group;
- (bb) any Security Interest over:
 - (i) proceeds from the offering of any debt securities or other Financial Indebtedness (and accrued interest thereon) paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events for the benefit of the related holders of debt securities or other Financial Indebtedness (or the underwriters or arrangers thereof); or
 - (ii) cash set aside at the time of the incurrence of any Financial Indebtedness or government securities purchased with such cash, in either case, to the extent such cash or government securities prefund the payment of interest on such Financial Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose;
- (cc) any Security Interest created to secure any Financial Indebtedness incurred on a second lien ranking basis provided that such Financial Indebtedness constitutes Second Lien Liabilities (under and as defined in the Intercreditor Agreement) or is subject to other intercreditor arrangements on terms satisfactory to the Facility Agent and the Security Agent (in each case, acting reasonably) and, where the rights of the holders of such Financial Indebtedness will be contractually subordinated to the rights of the Lenders, on terms comparable to the All3Media Intercreditor Agreement (as amended from time to time up to the date of the Telenet Additional Facility Accession Agreement relating to Telenet Additional Facility "AB") with such adjustments and amendments as agreed between the Company, the Security Agent and the Facility Agent (acting reasonably in each case) and;
- (A) (other than in the case of a refinancing of other secured Financial Indebtedness in the same or a lesser principal amount) the Net Total Debt to Consolidated Annualised

EBITDA ratio on a pro forma basis would not be greater than 5.50:1.00 (excluding any Holdco Debt) and 6.00:1 (including any Holdco Debt);

- (B) such Financial Indebtedness is permitted under paragraph (b) of the definition of Permitted Financial Indebtedness as it relates to guarantees permitted under paragraph (g) of Clause 21.13 (*Loans and Guarantees*); or
- (C) such Financial Indebtedness is permitted under paragraph (j) of the definition of Permitted Financial Indebtedness (provided that at the time of the acquisition or other transaction pursuant to which such Financial Indebtedness was incurred and after giving effect to such incurrence on a pro forma basis:
 - (1) an Obligor could incur €1.00 of Financial Indebtedness under paragraph (v) of the definition of Permitted Financial Indebtedness; or
 - (2) the ratio each of (I) Net Senior Debt to Consolidated Annualised EBITDA (II) Net Total Debt (excluding Holdco Debt) to Consolidated Annualised EBITDA and (III) Net Total Debt to Consolidated Annualised EBITDA would not be greater than it was immediately prior to giving pro forma effect to such acquisition or other transaction and to the incurrence of such Financial Indebtedness; or
- (D) such Financial Indebtedness is permitted under paragraph (ff) of the definition of Permitted Financial Indebtedness,

including, in each case, any guarantees in respect of such Financial Indebtedness and provided further that any additional Financial Indebtedness the proceeds of which are used to refinance existing Financial Indebtedness on a second lien ranking basis may also be secured by assets subject to the Security on a second lien ranking basis;
- (dd) Security Interests on receivables and any assets related thereto including, without limitation, all Security Interests securing such receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such receivables and other assets which are customarily transferred, or in respect of which Security Interests are customarily granted, in connection with asset securitisations involving receivables and any hedging obligations entered into by any member of the Group in connection with such receivables that arise in connection with an asset securitisation programme or receivables factoring transactions, and Security Interests on investments in Asset Securitisation Subsidiaries;
- (ee) Security Interests in respect of (i) any facilities or services related to cash management, cash pooling, treasury, depository, overdraft, credit or debit card, p-cards (including purchasing cards or commercial cards), electronic funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade financial services or other cash management and cash pooling arrangements and (ii) daylight exposures of the Group in respect of banking and treasury arrangements entered into in the ordinary course of business;
- (ff) Security Interests on Cash, Cash Equivalent Investments or other property arising in connection with the defeasance, discharge or redemption of indebtedness; provided that such defeasance, discharge or redemption is permitted hereunder;
- (gg) Security Interests or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property or assets over which any member of the Group has easement rights or on any leased property and subordination or similar arrangements relating thereto (including, without limitation, the right reserved to or vested in any governmental authority by the terms of any lease, license, franchise, grant or permit acquired by that member of the Group or by any statutory provision to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof);
- (hh) any Security Interest in respect of any condemnation or eminent domain proceedings affecting any real property;

- (ii) Security Interests securing hedging obligations so long as the related Financial Indebtedness is, and is permitted to be incurred under this Agreement, secured by a Security Interest on the same property securing such hedging obligation;
- (jj) Security Interests (i) encumbering reasonable customary initial deposits and margin deposits and similar Security Interests attaching to brokerage accounts incurred in the ordinary course of business and not for speculative purposes or (ii) deposits made in the ordinary course of business to secure liability to insurance carriers;
- (kk) Security Interests in respect of the ownership interests in, or assets owned by, any joint ventures or similar arrangements securing obligations of such joint ventures or similar agreements;
- (ll) Security Interests on equipment of any member of the Group granted in the ordinary course of business to a client of that member of the Group at which such equipment is located;
- (mm) any Security Interest in respect of subdivision agreements, site plan control agreements, development agreements, servicing agreements, cost sharing, reciprocal and other similar agreements with municipal and other governmental authorities affecting the development, servicing or use of a property; provided the same are complied with in all material respects except as such non-compliance does not interfere in any material respect as determined in good faith by the Company with the business of the Group taken as a whole;
- (nn) any Security Interest in respect of facility cost sharing, servicing, reciprocal or other similar agreements related to the use and/or operation a property in the ordinary course of business; provided the same are complied with in all material respects;
- (oo) any Security Interest in respect of deemed trusts created by operation of law in respect of amounts which are (i) not yet due and payable, (ii) immaterial, (iii) being contested in good faith and by appropriate proceedings and for which appropriate reserves have been established in accordance with IFRS or (iv) unpaid due to inadvertence after exercising due diligence;
- (pp) any Security Interest arising from any sale and leaseback arrangements or Vendor Financing Arrangements permitted to be incurred pursuant to paragraph (q) of the definition of Permitted Financial Indebtedness;
- (qq) Security Interests (i) over the segregated trust accounts set up to fund productions, (ii) required to be granted over productions to secured production grants granted by regional and/or national agencies promoting film production in the relevant regional and/or national agencies promoting film production in the relevant regional and/or national jurisdiction and (iii) over assets relating to specific productions funded by Production Facilities;
- (rr) Security Interests arising solely by virtue of any statutory or common law provisions or customary business provisions relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution; and
- (ss) Security Interests securing Financial Indebtedness (which is permitted or not prohibited under the terms of this Agreement) the principal amount of which (when aggregated with the principal amount of any other Financial Indebtedness (which is permitted or not prohibited under the terms of this Agreement) which has the benefit of a Security Interest other than as permitted pursuant to paragraphs (a) to (rr) above) does not exceed the greater of (i) €200,000,000 (or its equivalent in other currencies) and (ii) 5% of Total Assets:
 - (i) which may be secured on assets not subject to the Security Documents; or
 - (ii) which may be secured on a junior ranking basis over assets subject to the Security provided that such junior ranking security shall be granted on terms where the rights of the relevant mortgagee, chargee or other beneficiary of such security in respect of any payment will be subordinated to the rights of the Finance Parties under an intercreditor arrangement (providing for contractual subordination on terms comparable to the LMA's form of intercreditor agreement at such time for mezzanine debt) and each of the Finance Parties hereby agrees to execute such intercreditor agreement as soon as practicable following request from the Company.

“Permitted Transaction” means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security given, or other transaction arising, under the Senior Secured Finance Documents;
- (b) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group;
- (c) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of Security Interests or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm’s length terms;
- (d) the acquisition by any member of the Group of any shares in any other member of the Group;
- (e) a change in the corporate form of any member of the Group to form a private limited company (or its equivalent under the law of the jurisdiction of such member of the Group) or any other corporate limited liability form (a **“Re-registration”**) provided that:
 - (i) if any of such Group member’s shares are the subject of Security in favour of the Finance Parties, the Security Agent may require such member of the Group to deliver new duly executed Security Documents on or prior to the completion of the Re-registration of that member of the Group on terms of an equivalent nature to the existing Security over that member of the Group’s shares to ensure that the Finance Parties maintain legally valid, binding and effective Security over the shares in that member of the Group as a consequence of that Re-registration, together with such other documents and evidence and legal opinions as the Security Agent may reasonably require in relation to the validity and effectiveness of the new Security and, for the avoidance of doubt, to the extent the Security Agent requests any such documents, no Re-registration of a member of the Group will complete until such documents have been delivered to the Security Agent in a form satisfactory to the Security Agent (acting reasonably); and
 - (ii) such Re-registration is not materially adverse to the interests of the Finance Parties;
- (f) a Post-Closing Reorganisation;
- (g) a Spin-Off;
- (h) any internal corporate reorganization reasonably required in connection with, or to effect, any asset securitisation programme or a receivables factoring transaction; and
- (i) any other transaction agreed by the Majority Lenders.

“Plan” means a plan that is subject to section 302 or regulated by Title IV of ERISA maintained by any member of the Group or any ERISA Affiliate currently or at any time within the last five years, or to which any member of the Group or any ERISA Affiliate is required to make payments or contributions or has made payments or contributions within the past five years.

“Pledge of Subordinated Shareholder Loans” means each pledge of Subordinated Shareholder Loans entered into between certain Restricted Persons and the Security Agent and any other pledge entered into pursuant to any such pledge or the terms of this Agreement.

“Post-Closing Reorganisation” has the meaning given to such term in Clause 10.2 (*Mandatory Prepayment—Change of Control*).

“Pro Rata Share” means:

- (a) for the purpose of determining a Lender’s share in a utilisation of a Facility, the proportion which its Commitment under that Facility bears to all the Commitments under that Facility; and
- (b) for any other purpose on a particular date:
 - (i) the proportion which a Lender’s share of the Utilisations (if any) bears to all the Utilisations;
 - (ii) if there is no Advance outstanding on that date, the proportion which its Commitment bears to the Total Telenet Additional Facility Commitments on that date;

- (iii) if the Total Telenet Additional Facility Commitments have been cancelled, the proportion which its Commitments bore to the Total Telenet Additional Facility Commitments immediately before being cancelled; or
- (iv) when the term is used in relation to a Facility, the above proportions but applied only to the Utilisations and Commitments for that Facility.

For the purpose of paragraph (iv) above, the Facility Agent will (in its absolute discretion) determine, in the case of a dispute whether the term in any case relates to a particular Facility.

“Production Facilities” means any bilateral facilities provided by a lender to any member of the Group to finance a production.

“Project Company” means a Subsidiary of a company (or a person in which such company has an interest) which has a special purpose and whose creditors have no recourse to any member of the Group in respect of Financial Indebtedness of that Subsidiary or person, as the case may be, or any of such Subsidiary’s or person’s Subsidiaries (other than recourse to such member of the Group who had granted a Security Interest over its shares or other interests in such Project Company beneficially owned by it provided that such recourse is limited to an enforcement of such a Security Interest).

“Qualifying Lender” means a Lender which is:

- (a) a credit institution established in a country of the European Economic Area or in a country with which the Kingdom of Belgium has concluded a Double Tax Treaty;
- (b) a “non-resident saver” within the meaning of Article 105, 5^o of the Royal Decree implementing the Belgian Income Tax Code 1992;
- (c) a “professional investor” within the meaning of Article 105, 3^o of the Royal Decree implementing the Belgian Income Tax Code 1992;
- (d) in the case of a U.S. Borrower only, a Lender which is not described in Clause 12.6 (*U.S. Taxes*); or
- (e) a company of a Participating Member State that is associated with the Borrower within the meaning of Article 105, 6^o of the Royal Decree implementing the Belgian Income Tax Code 1992.

“Quotation Date” means, in relation to any currency and any period for which an interest rate is to be determined:

- (a) if the relevant currency is U.S. Dollars, the first day of that period;
- (b) if the relevant currency is Euro, two TARGET Days before the first day of that period; or
- (c) in relation to any other currency, two Business Days before the first day of that period,

provided that if market practice differs in the Relevant Interbank Market for a currency, the Quotation Date for that currency will be determined by the Facility Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Date will be the last of those days).

“Receivables Fees” means reasonable distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a person that is not an Asset Securitisation Subsidiary in connection with, any asset securitisation programme or receivables factoring transaction.

“Reference Bank Quotation” means any quotation supplied to the Facility Agent by a Reference Bank or an Alternative Reference Bank.

“Reference Bank Rate” means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facility Agent at its request by the Reference Banks:

- (a) in relation to LIBOR:
 - (i) (other than where paragraph (ii) below applies) as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in the relevant currency and for the relevant period were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period; or

- (ii) if different, as the rate (if any and applied to the relevant Reference Bank and the relevant currency and period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator; or
- (b) in relation to EURIBOR:
 - (i) (other than where paragraph (ii) below applies) as the rate at which the relevant Reference Bank believes one prime bank is quoting to another prime bank for interbank term deposits in Euro within the Participating Member States for the relevant period; or
 - (ii) if different, as the rate (if any and applied to the relevant Reference Bank and the relevant period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator.

“Reference Banks” means BNP Paribas S.A. and ABN AMRO Bank N.V. and any other bank or financial institution appointed as such in good faith by the Facility Agent in consultation with the Company.

“Regulatory Authority Disposal” means any direct or indirect sale, lease, transfer, issuance or distribution of any part of a present or future undertaking, shares, property, rights, remedies or other assets by one or a series of transactions related or not (each referred to for the purposes of this definition as a **“disposal”**) by any member of the Group to another member of the Group or any other person, provided that such disposal is required by a regulatory authority or court of competent jurisdiction or such disposal is made in response to concerns raised by a regulatory authority or court of competent jurisdiction.

“Relevant Interbank Market” means, in relation to the Euro, the European interbank market and in relation to any other currency, the London interbank market therefor.

“Renewal Request” means, in relation to a Documentary Credit, a Request therefor, in respect of which the proposed Utilisation Date stated in it is the Expiry Date of an existing Documentary Credit and the proposed Euro Amount is the same or less than the Euro Amount of that existing Documentary Credit.

“Repeating Representations” means the representations which are deemed to be repeated under Clause 18.20 (*Times for Making Representations and Warranties*).

“Reportable Event” means:

- (a) an event specified as such in section 4043 of ERISA or any regulation promulgated thereunder, with respect to a Plan that is subject to Title IV of ERISA, other than an event in relation to which the requirement to give 30 days notice of that event is waived by any regulation; or
- (b) a failure to meet the minimum funding standard under section 412 of the Code or section 302 of ERISA with respect to a Plan that is subject to such sections of the Code and ERISA, whether or not there has been any waiver of notice or waiver of the minimum funding standard under section 412 of the Code.

“Reporting Entity” means:

- (a) prior to any Permitted Affiliate Group Designation Date, SuperHoldco or any other Holding Company of the Company notified by the Company to the Facility Agent; and
- (b) on or following any Permitted Affiliate Group Designation Date, the Common Holding Company or any other Holding Company of the Common Holding Company notified by the Company to the Facility Agent.

“Request” means:

- (a) in relation to an Advance, a duly completed notice substantially in the form set out in Part 1 of Schedule 3 (*Form of Request*); or
- (b) in relation to a Documentary Credit, a duly completed notice substantially in the form set out in Part 2 to Schedule 3 (*Form of Request*).

“Resignation Request” means a letter in the form of Schedule 9 (*Form of Resignation Request*), with such amendments as the Facility Agent and the Company may agree.

“Restricted Acquisition” means the acquisition, whether by one or a series of transactions, (including, without limitation, by purchase, subscription or otherwise) of all or any part of the share capital or equivalent of any company or other person (including, without limitation, any partnership or joint venture) or any asset or assets of any company or other person (including, without limitation, any partnership or joint venture) constituting a business or separate line of business of that company or other person.

“Restricted Payment” means, in each case whether in cash, securities, property or otherwise:

- (a) any direct or indirect distribution, dividend or other payment on account of any class of share capital or capital stock or other securities;
- (b) any payment of principal of, or interest on, any loan; or
- (c) any transfer of assets, loan or other payment,

in each case, to a Restricted Person.

“Restricted Person” means any Affiliate of the Borrower and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of the Joint Venture Parent and any Parent Joint Venture Holders (in each case, other than a member of the Group).

“Revolving Facility” means any Telenet Additional Facility that is a revolving loan facility (including any Ancillary Facility and any Documentary Credit facility).

“Revolving Facility Commitments” means the Telenet Additional Facility Commitments in relation to a Revolving Facility.

“Revolving Facility Instructing Group” means, in relation to a Revolving Facility, a Lender or group of Lenders whose Available Telenet Additional Facility Commitments in relation to that Revolving Facility and Telenet Additional Facility Outstandings in relation to that Revolving Facility exceeds 50 per cent. of the aggregate amount of the Available Telenet Additional Facility Commitments and Telenet Additional Facility Outstandings in relation to that Revolving Facility.

“Rollover Advance” has the meaning given to such term in Clause 9.2 (*Rollover Advances*).

“Screen Rate” means:

- (a) in relation to LIBOR, the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); and
- (b) in relation to EURIBOR, the Euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate),

or, in each case, on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Facility Agent may (following consultation with the Company and the Lenders) specify another page or service displaying the relevant rate.

“SEC” means the United States Securities and Exchange Commission.

“Secured Party” has the meaning given to such term in the Intercreditor Agreement.

“Security” means the Security Interests created or purported to be created pursuant to the Security Documents.

“Security Agent Claims” means liabilities of and, amounts owing from, any Obligor to the Security Agent under the Finance Documents.

“Security Document” means:

- (a) the Company Share Pledge;
- (b) an Existing Security Document;
- (c) any Pledge of Subordinated Shareholder Loans;

- (d) any Obligor Pledge of Receivables;
- (e) any other agreement or instrument under which any Obligor may from time to time grant a Finance Party a Security Interest in respect of an obligation under any Finance Document; or
- (f) any other document designated as such by the Security Agent and the Company.

“Security Interest” means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

“Security Provider’s Deed of Accession” means a Debtor Accession Deed (as defined in the Intercreditor Agreement).

“Senior Debt” means, at any time, the aggregate amount of Total Debt that constitutes Senior Secured Liabilities (other than Hedging Liabilities) at that time, each such term as defined in the Intercreditor Agreement, excluding, for the avoidance of doubt:

- (a) Holdco Debt;
- (b) any Subordinated Obligations or other second lien ranking Financial Indebtedness (to the extent such Subordinated Obligations or second lien ranking Financial Indebtedness constitutes Permitted Financial Indebtedness); and
- (c) any Financial Indebtedness referred to in paragraph (x) of the definition of Permitted Financial Indebtedness.

“Senior Secured Finance Documents” means:

- (a) any Finance Document;
- (b) after the 2017 ICA Amendment Effective Date, any Senior Secured Notes Document;
- (c) any Hedging Agreement;
- (d) after the 2017 ICA Amendment Effective Date, any Pari Passu Debt Document; and
- (e) any other agreement or document designated a **“Senior Secured Finance Document”** in writing by the Facility Agent and the Company.

“Senior Secured Notes” means:

- (a) any notes issued after the 2017 ICA Amendment Effective Date:
 - (i) where the incurrence of any Financial Indebtedness under such notes would not result in the ratio of (A) Net Senior Debt to Consolidated Annualised EBITDA being greater than 4.50:1 and (B) Net Total Debt to Consolidated Annualised EBITDA being greater than 5.50:1.00 (excluding any Holdco Debt) and greater than 6.00:1 (including any Holdco Debt), or where the incurrence of any Financial Indebtedness under such notes would otherwise be Permitted Financial Indebtedness (other than to the extent that such Financial Indebtedness is incurred by way of Senior Secured Notes pursuant to paragraphs (u) or (w) of the definition of Permitted Financial Indebtedness), on a pro forma basis (taking into account the issuance of such notes and the use of proceeds of such notes and not taking into account the cash proceeds of such notes but after giving pro forma effect to any movement of cash out of the Group since the date on which Net Senior Debt or Net Total Debt (as applicable) is calculated pursuant to any Permitted Payments);
 - (ii) that are issued by the Company, any Borrower, any Permitted Affiliate Parent or any other SSN Finance Subsidiary;
 - (iii) in respect of which some or all of the Obligors have granted security and guarantees on the terms specified in the Intercreditor Agreement; and
 - (iv) that are designated as **“Senior Secured Notes”** (i) by written notice from the Company to the Facility Agent, and (ii) in accordance with the Intercreditor Agreement including by written notice from the Company to the Facility Agent and the Security Agent, in each case, by the date when the consolidated financial statements are due to be provided pursuant to Clause 19.1 (*Financial Statements*) for the first full financial quarter after the issuance of the relevant notes,
- (b) any Senior Secured Notes Refinancing.

“Senior Secured Notes Documents” means any Senior Secured Notes and any indenture for any Senior Secured Notes, the Intercreditor Agreement, any guarantee given by any member of the Group in respect of any Senior Secured Notes, any security documents granting security in favour of the holders of any Senior Secured Notes (or any trustee for such holders or security agent or trustee for such holders or trustee), any note depository agreement, any fee letter and any indemnity letter in relation thereto.

“Senior Secured Notes Refinancing” means any notes issued by the Company, any Borrower, any Permitted Affiliate Parent or any other SSN Finance Subsidiary at any time after the 2017 ICA Amendment Effective Date, for the purposes of refinancing all or a portion of:

- (a) the Senior Secured Notes;
- (b) the Facilities; or
- (c) any other Financial Indebtedness of the Group which is secured and ranks *pari passu* as to right of payment with the Facilities pursuant to and in compliance with the terms of the Intercreditor Agreement,

in each case, outstanding from time to time (including all fees, expenses, commissions, make-whole and any other contractual premium payable under such Financial Indebtedness being refinanced and any reasonable fees, costs and expenses incurred in connection with such refinancing) and designated as **“Senior Secured Notes Refinancing”** by written notice from the Company to the Facility Agent and the Security Agent by the date when the consolidated financial statements are due to be provided pursuant to Clause 19.1 (*Financial Statements*) for the first full financial quarter after the issuance of the relevant notes, in respect of which the following terms apply:

- (i) the principal amount of any such notes shall not exceed the principal amount of, and any outstanding interest on, the Financial Indebtedness being refinanced (plus all fees, expenses, commissions, make-whole or other contractual premium payable in connection with such refinancing) unless any excess principal amount otherwise constitutes Senior Secured Notes meeting the conditions set out in paragraph (a) of the definition of Senior Secured Notes; and
- (ii) such notes satisfy the requirements of paragraphs (a)(ii), (iii) and (iv) of the definition of **“Senior Secured Notes”**.

“Senior Unsecured Notes” means:

- (a) any notes:
 - (i) where the incurrence of Financial Indebtedness under such notes would not result in the pro forma ratio (giving effect to such incurrence and the ultimate use of proceeds thereof, which shall not include any cash balances) on the date which is the last day of the financial quarter prior to such incurrence (giving pro forma effect to any movement of cash out of the Group since such date pursuant to any Permitted Payments) of Net Total Debt to Consolidated Annualised EBITDA being greater than 6.00:1 following such incurrence;
 - (ii) issued by SuperHoldco or any Permitted Affiliate Holdco pursuant to a Senior Unsecured Offering at any time after the 2017 ICA Amendment Effective Date;
 - (iii) that are not secured by any Security Interest over any shares in any member of the Group, any asset of any member of the Group or any rights of any creditor in relation to any Subordinated Shareholder Loans;
 - (iv) that, if guaranteed by any member of the Group, such guarantee or guarantees so provided are granted on subordination and release terms and subject to the terms of the Intercreditor Agreement; and
 - (v) that are designated as:
 - (A) “Senior Unsecured Notes” and “Holdco Debt” by written notice from the Company to the Facility Agent and the Security Agent; and
 - (B) “High Yield Notes” in accordance with the Intercreditor Agreement including by written notice from the Company to each Agent (as defined in the Intercreditor Agreement),

in each case, by the date when the consolidated financial statements are due to be provided pursuant to Clause 19.1 (*Financial Statements*) for the first full financial quarter after the issuance of the relevant notes; and

(b) any Senior Unsecured Refinancing.

“Senior Unsecured Offering” means one or more offerings of Senior Unsecured Notes on a registration statement filed with the SEC or pursuant to an exemption from registration under the United States Securities Act of 1933, as amended, including pursuant to Rule 144A and/or Regulation S under the United States Securities Act of 1933, as amended.

“Senior Unsecured Refinancing” means any Financial Indebtedness incurred by SuperHoldco or any Permitted Affiliate Holdco at any time after the 2017 ICA Amendment Effective Date, for the purposes of refinancing all or a portion of any Senior Unsecured Notes and/or any Senior Unsecured Refinancing and/or any Senior Secured Notes and/or any Financial Indebtedness permitted to be incurred or outstanding pursuant to Clause 21.7 (*Financial Indebtedness*) in each case, including any Financial Indebtedness incurred for the purpose of the payment of all principal, interest, fees, expenses, commissions, make-whole and any other contractual premium payable under such Financial Indebtedness being refinanced and any reasonable fees, costs and expenses incurred in connection with such refinancing, in respect of which the following terms apply:

- (a) the principal amount of any such Financial Indebtedness shall not exceed the principal amount of, and any outstanding interest on, the Financial Indebtedness being refinanced (plus all fees, expenses, commissions, make-whole or other contractual premium payable in connection with such refinancing) unless any excess principal amount otherwise constitutes Senior Unsecured Notes meeting the conditions set out in paragraph (a) of the definition of Senior Unsecured Notes;
- (b) that, if guaranteed, by any member of the Group such guarantee or guarantees so provided are granted on subordination and release terms and subject to the terms of the Intercreditor Agreement; and
- (c) are not secured by any Security Interest over any shares in any member of the Group, any asset of any member of the Group or any rights of any creditor in relation to any Subordinated Shareholder Loans,

provided that such Financial Indebtedness is designated as (i) “Senior Unsecured Refinancing” and “Holdco Debt” by written notice from the Company to the Facility Agent and the Security Agent and (ii) “High Yield Notes” in accordance with the Intercreditor Agreement including by written notice from the Company to each Agent (as defined in the Intercreditor Agreement), in each case, by the date when the consolidated financial statements are due to be provided pursuant to Clause 19.1 (*Financial Statements*) for the first full financial quarter after the incurrence of the relevant Financial Indebtedness.

“Signing Date” means the date of this Agreement.

“Specified Legal Expenses” means, to the extent not constituting an extraordinary, non-recurring or unusual loss, charge or expense, all attorneys’ and experts’ fees and expenses and all other costs, liabilities (including all damages, penalties, fines and indemnification and settlement payments) and expenses paid or payable in connection with any threatened, pending, completed or future claim, demand, action, suit, proceeding, inquiry or investigation (whether civil, criminal, administrative, governmental or investigative).

“Specified Time” means a time determined in accordance with Schedule 12 (*Timetable*).

“SSN Finance Subsidiary” means any Subsidiary directly and wholly-owned by the Company or any Subsidiary directly and wholly-owned by any Permitted Affiliate Parent, in each case engaged in the business of effecting or facilitating the issuance of Senior Secured Notes and on-lending the proceeds to any other member of the Group and in either case having no Subsidiaries.

“Standard & Poor’s” means Standard & Poor’s Ratings Group or any successor thereof.

“Structural Adjustment” has the meaning given to such term in Clause 28.6 (*Structural Adjustments*).

“Subordinated Creditor” means any Restricted Person who has, at any relevant time, entered into a Pledge of Subordinated Shareholder Loans and the Intercreditor Agreement.

“Subordinated Obligations” means any Financial Indebtedness that is expressly subordinate or junior in right of payment to the liabilities under this Agreement pursuant to a written agreement.

“Subordinated Shareholder Loans” means any Financial Indebtedness of any member of the Group owed to a Subordinated Creditor.

“Subscriber” means any person who has entered into an agreement (which has not expired or been terminated) with an Obligor to be provided with services by an Obligor through the operation of telecommunications and/or television systems operated by the Group in accordance with applicable Telecommunications and Cable Laws (including any part of such system and all modifications, substitutions, replacements, renewals and extensions made to such systems).

“Subsidiary” means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

“SuperHoldco” means Telenet Group Holding NV, a company registered in Belgium with the Crossroads Bank for Enterprises under number 0477.702.333 (RLP Brussels).

“Syndication” means the primary syndication of the Facilities by the Mandated Lead Arrangers.

“Target” means any assets or entity which is or are the subject of an acquisition in accordance with the terms of this Agreement.

“TARGET Day” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in Euro.

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest imposed with respect thereto).

“Tax Deduction” means a deduction or withholding for or on account of Tax from a payment under a Finance Document other than:

- (a) a FATCA Deduction; or
- (b) a deduction or withholding for or on account of any Bank Levy (or otherwise attributable to, or arising as a consequence of, a Bank Levy).

“Tax Payment” means a payment made by an Obligor to a Finance Party in any way relating to a Tax Deduction or under any indemnity given by that Obligor in respect of Tax under any Finance Document.

“Telecommunications and Cable Law” means all laws, statutes, regulations and judgments relating to telecommunications, cable television and data services applicable to any member of the Group and/or the business carried on by any member of the Group in any jurisdiction in which a member of the Group is incorporated or formed or in which such member has its principal place of business or owns any material assets.

“Telenet Additional Facility” means an additional term and/or revolving loan facility (which may include any Ancillary Facility or Documentary Credit facility) referred to in Clause 2.2 (*Telenet Additional Facility*) and **“Telenet Additional Facilities”** means all or any such Telenet Additional Facilities.

“Telenet Additional Facility Accession Agreement” means an agreement in the form set out in Schedule 8 (*Form of Telenet Additional Facility Accession Agreement*) with such amendments as may be agreed between the Company and the relevant Lender or Lenders under the proposed Telenet Additional Facility.

“Telenet Additional Facility Commitment” means in relation to:

- (a) a Telenet Initial Additional Facility Lender, the amount in Euros or U.S. Dollars set out as the Telenet Additional Facility Commitment of a Lender in the relevant Telenet Additional Facility Accession Agreement and the amount of any other Telenet Additional Facility Commitment transferred to it or assumed by it in accordance with Clause 2.1 (*Increase*) under this Agreement; and

- (b) any other Telenet Additional Facility Lender, the amount in Euros or U.S. Dollars transferred to it or assumed by it in accordance with Clause 2.1 (*Increase*) in accordance with this Agreement,

to the extent not cancelled, transferred or reduced under this Agreement.

“Telenet Additional Facility Lender” means:

- (a) a Telenet Initial Additional Facility Lender; and
- (b) any person which has become a New Lender (as defined in Clause 29.3 (*Transfers by Lenders*)) under a Telenet Additional Facility in accordance with Clause 29 (*Changes to the Parties*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

“Telenet Additional Facility Margin” means the percentage rate set out in the relevant Telenet Additional Facility Accession Agreement.

“Telenet Additional Facility Outstandings” means, at any time, the aggregate principal amount of (i) any Advances outstanding under this Agreement, (ii) each Telenet Additional Facility Lender’s participation in an Outstanding L/C Amount and (iii) any Ancillary Facility Outstandings.

“Telenet Initial Additional Facility Lender” means a person which becomes a Lender under a Telenet Additional Facility pursuant to Clause 2.2 (*Telenet Additional Facility*).

“Telenet Vlaanderen” means Telenet Vlaanderen NV, a company registered in Belgium with the Crossroads Bank for Enterprises under number 0458.840.088 (RLP Antwerp, division Mechelen).

“Term” means:

- (a) in relation to an Advance, each period determined under this Agreement by reference to which interest on that Advance or an overdue amount is calculated; and
- (b) in relation to a Documentary Credit, the period from the date of its issue until its Expiry Date.

“Term Facility” means a Telenet Additional Facility pursuant to which one or more Term Facility Advances have been or may be made.

“Term Facility Advance” means any Advance other than any Advance under any Revolving Facility, and **“Term Facility Advances”** shall be construed accordingly.

“Total Assets” means the consolidated total assets of the Group as shown on the most recent balance sheet (excluding the footnotes thereto) of the Group delivered in accordance with Clause 19.1(a) (*Financial Statements*) (and, in the case of any determination relating to any incurrence of indebtedness or any investment, on a *pro forma* basis including any property or assets being acquired in connection therewith).

“Total Debt” means, at any time, the principal amount outstanding at that time of all Consolidated Group Borrowings plus any Holdco Debt outstanding from time to time, but excluding:

- (a) the capitalised element of indebtedness under the Clientele Fees and the Annuity Fees; and
- (b) any indebtedness incurred under the network lease entered into in connection with the Interkabel Acquisition up to a maximum aggregate amount of €195,000,000.

“Total Telenet Additional Facility Commitments” means, with respect to the Telenet Additional Facilities, the aggregate of all of the Telenet Additional Facility Commitments of all of the Telenet Additional Facility Lenders under all of the Telenet Additional Facilities or, when applied to an individual Telenet Additional Facility, the aggregate of all the Telenet Additional Facility Commitments of all of the Telenet Additional Facility Lenders under that Telenet Additional Facility.

“Towers Assets” means

- (a) all present and future wireless and broadcast towers and tower sites that host or assist in the operation of plant and equipment used for transmitting telecommunications signals, being tower and tower sites that are owned by or vested in the Company or any other member of the Group (whether pursuant to title, rights *in rem*, leases, rights of use, site sharing rights, concession rights or otherwise) and include, without limitation, any and all towers and tower sites under construction;

- (b) all rights (including, without limitation, rights *in rem*, leases, rights of use, site sharing rights and concession rights), title, deposits (including, without limitation, deposits placed with landlords, electricity boards and transmission companies) and interest in, or over, the land or property on which such towers and tower sites referred to in paragraph (a) above have been or will be constructed or erected or installed;
- (c) all current assets relating to the towers or tower sites and their operation referred to in paragraph (a) above, whether movable, immovable or incorporeal;
- (d) all plant and equipment customarily treated by telecommunications operators as forming part of the towers or tower sites referred to in paragraph (a) above, including, in particular, but without limitation, the electricity power connections, utilities, diesel generator sets, batteries, power management systems, air conditioners, shelters and all associated civil and electrical works;
- (e) all permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property and powers of every kind, nature and description whatsoever, whether from government bodies or otherwise, pertaining to or relating to paragraphs (a) to (d) above; and
- (f) shares or other interests in Tower Companies.

“Tower Company” means a company or other entity whose principal activity relates to Towers Assets and substantially all of whose assets are Towers Assets.

“Transfer Certificate” means a certificate, substantially in the form of Schedule 4 (*Form of Transfer Certificate*), with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Company.

“Transfer Date” means, in relation to any Transfer Certificate, the effective date of such transfer as specified in such Transfer Certificate.

“U.S. Borrower” means any Additional Borrower under this Agreement which is incorporated or formed in or under the laws of the United States or any jurisdiction thereof, or therein (including any State or the District of Columbia) or that is engaged in the conduct of a trade or business within the United States within the meaning of the Code.

“U.S. Dollars” means the lawful currency for the time being of the United States.

“U.S. Finance Vehicle” means a member of the Group which has been incorporated specifically for the purpose of becoming a U.S. Borrower under this Agreement and whose sole function is to act as a finance vehicle for the Group.

“U.S. Obligor” has the meaning given to such term in Clause 22.6(b) (*Insolvency*).

“U.S. Person” means a United States person as defined by section 7701(a)(30) of the Code.

“Ultimate Parent” means:

- (a) Liberty Global PLC, together with its successors;
- (b) following consummation of a Spin-Off, the Spin Holdco and its successors; and
- (c) following consummation of a Parent Joint Venture Transaction, each of the ultimate Holding Companies of the Parent Joint Venture Holders and their successors.

“United States” or **“U.S.”** means the United States of America.

“Unpaid Sum” means any sum due and payable by an Obligor under any Finance Document (other than any Ancillary Facility Document) but unpaid.

“Unrestricted Subsidiary” means each Subsidiary of the Company or any Subsidiary of any Permitted Affiliate Parent that is not an Obligor which is designated by the Company or any Permitted Affiliate Parent in writing as an Unrestricted Subsidiary.

“Utilisation” means the utilisation of a Facility under this Agreement, whether by way of an Advance, the issue of a Documentary Credit or the utilisation of an Ancillary Facility.

“Utilisation Date” means:

- (a) in relation to an Advance, the date on which such Advance is (or is requested) to be made;
- (b) in relation to a utilisation by way of Ancillary Facility, the date on which such Ancillary Facility is established; and
- (c) in relation to a utilisation by way of Documentary Credit, the date on which such Documentary Credit is to be issued, in each case,

in accordance with the terms of this Agreement.

“VAT” means value added or similar tax.

“Vendor Financing Arrangements” means any arrangement, contractual or otherwise, pursuant to which credit or other financing is provided or arranged by a supplier (or any of its Affiliates) of assets (including equipment) and/or related services to a member of the Group in connection with such supply of assets and/or services.

“Weighted Average Life to Maturity” means, when applied to any Financial Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Financial Indebtedness; *provided* that the effects of any prepayments made on such Financial Indebtedness shall be disregarded in making such calculation.

“Wider Group” means:

- (a) the Ultimate Parent and its Subsidiaries from time to time (other than a member of the Group); and
- (b) following consummation of a Parent Joint Venture Transaction, each of the ultimate Holding Companies of the Parent Joint Venture Holders, the Parent Joint Venture Holders and the Joint Venture Parent, in each case, their successors and their Subsidiaries.

1.2 Construction

- (a) In this Agreement, unless the contrary intention appears, a reference to:
 - (i) an amendment includes a supplement, novation, restatement or re-enactment and amended will be construed accordingly;
 - (ii) assets includes present and future properties, revenues and rights of every description;
 - (iii) an authorisation includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
 - (iv) disposal means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and dispose will be construed accordingly;
 - (v) indebtedness includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money;
 - (vi) know your customer requirements are the identification checks that a Finance Party requests in order to meet its obligations under any applicable law or regulation to identify a person who is (or is to become) its customer;
 - (vii) a person includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
 - (viii) a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (ix) a currency is a reference to the lawful currency for the time being of the relevant country;
- (x) an Event of Default or a Default being outstanding means that it has not been remedied or waived;
- (xi) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
- (xii) a Clause, a Sub-Clause or a Schedule is a reference to a Clause or Sub-Clause of, or a schedule to, this Agreement;
- (xiii) a Party or any other person includes its assignees, transferees, successors in title, and merged entities thereof;
- (xiv) a Finance Document or other document includes (without prejudice to any prohibition on amendments) all amendments however fundamental to that Finance Document or other document, including any amendment providing for any increase in the amount of a facility or any additional facility;
- (xv) a time of day is a reference to Paris time;
- (xvi) except as provided to the contrary in this Agreement, an accounting term used in any of Clause 1.1 (*Definitions*), or Clause 20 (*Financial Covenant*) is to be construed in accordance with the Accounting Principles;
- (xvii) a Borrower providing “cash cover” for a Documentary Credit or an Ancillary Facility means that Borrower paying an amount in the currency of the Documentary Credit (or, as the case may be, Ancillary Facility) to an interest-bearing account in the name of that Borrower and the following conditions being met:
 - (A) the account is with the Security Agent or with the L/C Bank or Ancillary Facility Lender for which that cash cover is to be provided;
 - (B) subject to Clause 6.9(b) (*Cash Cover by Borrower*), until no amount is or may be outstanding under that Documentary Credit or Ancillary Facility, withdrawals from the account may only be made to pay a Finance Party amounts due and payable to it under this Agreement in respect of that Documentary Credit or Ancillary Facility; and
 - (C) that Borrower has executed a Security Document in respect of that account or a security document over that account, in form and substance satisfactory to the Security Agent or the L/C Bank or Ancillary Facility Lender, each acting reasonably, with which that account is held, creating a first ranking security interest over that account;
- (xviii) a Lender’s “participation” in relation to a Documentary Credit, shall be construed as a reference to the relevant amount that is or may be payable by that Lender in relation to that Documentary Credit;
- (xix) a Borrower “repaying” or “prepaying” a Documentary Credit or a letter of credit, bank guarantee, indemnity, performance bond or other documentary credit under an Ancillary Facility (each, a “**Relevant Documentary Credit**”) means:
 - (A) that Borrower providing cash cover for that Documentary Credit or in respect of the Ancillary Facility Outstandings;
 - (B) the maximum amount payable under the Documentary Credit or Ancillary Facility being reduced or cancelled in accordance with its terms;
 - (C) the relevant L/C Bank or Ancillary Facility Lender being satisfied that it has no further liability under that Documentary Credit or Ancillary Facility, and the amount by which a Documentary Credit is, or Ancillary Facility Outstandings are, repaid or prepaid under paragraphs (A) and (B) above is the amount of the relevant cash cover or reduction;
 - (D) in the case of a Documentary Credit, a Borrower having made a payment under paragraph (b) of Clause 6.6 (*Claims Under a Documentary Credit*) in respect of

- that Documentary Credit or a Borrower having made a reimbursement in respect of that Documentary Credit under Clause 6.7 (*Documentary Credit Indemnities*) (but in each case only to the extent of such payment or reimbursement);
- (E) the Relevant Documentary Credit (as the case may be) expiring in accordance with its terms or is otherwise returned by the beneficiary with its written confirmation that it is released and cancelled; or
 - (F) a bank or financial institution having a long term credit rating from any of Moody's, Standard & Poor's or Fitch at least equal to Baa3/BBB- (as applicable or its equivalent or such other rating as the Agent and the applicable L/C Bank or Ancillary Facility Lender (as the case may be) may agree), or by any other institution satisfactory to the applicable L/C Bank or Ancillary Facility Lender (as the case may be) (acting reasonably), having issued an unconditional and irrevocable guarantee, indemnity, counter-indemnity or similar assurance against financial loss in respect of amounts due under that Relevant Documentary Credit;
- (xx) an amount "borrowed" includes any amount utilised by way of Documentary Credit or under an Ancillary Facility;
 - (xxi) a Lender funding its participation in a Utilisation includes a Lender participating in a Documentary Credit;
 - (xxii) an "outstanding amount" of a Documentary Credit at any time is the maximum amount that is or may be payable by a Borrower in respect of that Documentary Credit at that time; and
 - (xxiii) a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrator receiver, administrator or similar officer includes a *curator/curateur, vereffenaar/liquidateur, voorlopig bewindvoerder/administrateur judiciaire, commissaris inzake opschorting/commissaire au sursis and sekwester/séquestre*;
 - (xxiv) a security interest includes a mortgage (*hypotheek/hypothèque*), a pledge (*pand/nantissement*), a privilege (*voorrecht/privilège*), a retention of title (*eigendomsvoorbehoud/réserve de propriété*), a real surety (*zakelijke zekerheid/sûreté réelle*), a transfer by way of security (*overdracht ten titel van zekerheid/transfert à titre de garantie*) and a promise or mandate to create any of the security interest mentioned above;
 - (xxv) a person being unable to pay its debts is that person being in a state of cessation of payments (*staking van betaling/cessation de paiements*);
 - (xxvi) a composition includes *gerechtelijk akkoord/concordat judiciaire*;
 - (xxvii) an insolvency includes *gerechtelijk akkoord/concordat judiciaire, gerechtelijke reorganisatie/réorganisation judiciaire, faillissement/faillite, voorlopige ontneming van beheer/déssaisissement provisoire* and any other concurrence between creditors (*samenloop van schuldeisers/concours des créanciers*);
 - (xxviii) a winding up, liquidation, administration or dissolution includes *vereffening/liquidation, ontbinding/dissolution, faillissement/faillite and sluiting van een onderneming/fermeture d'entreprise*; and
 - (xxix) an attachment, sequestration, distress, execution or analogous events includes *uitvoerend beslag/saisie exécutoire and bewarend beslag/saisie conservatoire*.
- (b) "**wholly-owned Subsidiary**" of a company shall be construed as a reference to any company which has no other members except that other company and that other company's wholly-owned Subsidiaries or nominees for that other company or its wholly-owned Subsidiaries save that the following shall not constitute "other members":
- (i) directors' qualifying shares or an immaterial amount of shares required to be owned by other persons pursuant to applicable law, regulation or to ensure limited liability; and

- (ii) in the case of an Asset Securitisation Subsidiary, shares held by a person that is not an Affiliate of the Company solely for the purpose of permitting such person (or such person's designee) to vote with respect to customary major events with respect to such Asset Securitisation Subsidiary, including without limitation the institution of bankruptcy, insolvency or other similar proceedings, any merger or dissolution, and any change in charter documents or other customary events;
- (c) Unless the contrary intention appears, a reference to a month or months is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
 - (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (iii) notwithstanding paragraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (d) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") and notwithstanding any term of any Finance Document, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of any Finance Document.
- (e) Unless the contrary intention appears:
 - (i) a reference to a Party will not include that Party if it has ceased to be a Party under this Agreement;
 - (ii) unless otherwise stipulated, a word or expression used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement; and
 - (iii) any obligation of an Obligor under the Finance Documents which is not a payment obligation remains in force for so long as any payment obligation of an Obligor is or may be outstanding under the Finance Documents.
- (f) The knowledge or awareness or belief of any member of the Group shall be limited to the actual knowledge, awareness or belief of the board of directors (or equivalent body) of such member of the Group at the relevant time.
- (g) The headings in this Agreement do not affect its interpretation.

1.3 Permitted Affiliate Group Designation Date

On and from any Permitted Affiliate Group Designation Date any obligation in this Agreement of the Company to procure that members of the Group comply with any covenant shall be construed such that the Company shall be obliged to procure that only its Subsidiaries that are members of the Group comply with that obligation and the relevant Permitted Affiliate Parent shall be obliged to procure that its Subsidiaries that are members of the Group comply with that obligation.

2. FACILITIES

2.1 Increase

- (a) In addition to paragraph (b) below, the Company may with the prior consent of a Lender, any bank, financial institution, trust, fund or any other entity selected by the Company (each an "**Increase Lender**") and by giving 10 Business Days prior notice to the Facility Agent, increase the Commitments under any Facility by including any new Commitments of any Increase Lender provided that:
 - (i) no Event of Default is continuing;

- (ii) the terms of that Facility provide that no Utilisation may be made if, at the time of such Utilisation, an Event of Default is continuing or would result from such Utilisation;
 - (iii) it shall be a condition to any Utilisation (other than in relation to a Rollover Advance) of any new Commitment that the Company shall certify in the relevant Request that the aggregate principal amount of the new Commitments shall not exceed, *mutatis mutandis*, the Additional Facilities Cap; and
 - (iv) each Borrower for that Facility is or becomes an Obligor.
- (b) The Company may by giving prior notice to the Facility Agent by no later than the date falling 30 Business Days after the effective date of a cancellation of:
- (i) the Available Commitments of a Defaulting Lender in accordance with Clause 10.9 (*Right of Cancellation in Relation to a Defaulting Lender*); or
 - (ii) the Commitments of a Lender in accordance with Clause 15 (*Illegality*), Clause 10.1 (*Mandatory Prepayment—Illegality*) and Clause 15.1 (*Illegality in Relation to an L/C Bank*),

request that the Commitments relating to any Facility be increased (and the Commitments under that Facility shall be so increased) in an aggregate amount in the relevant currency of up to the amount of the Available Commitments or Commitments relating to that Facility so cancelled.

- (c) The increased Commitments will be assumed by one or more Increase Lenders selected by the Company each of which confirms its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume as if it had been an Original Lender; each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender.
- (d) Each Increase Lender shall become a party to this Agreement as a “Lender” and any Increase Lender and each of the other relevant Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those relevant Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender.
- (e) The Commitments of the other Lenders shall continue in full force and effect.
- (f) An increase in the Commitments shall take effect on the date specified by the Company in the notice referred to above or any later date on which the conditions set out in paragraph (g) below are satisfied.
- (g) An increase in the Commitments will only be effective on:
 - (i) the execution by the Facility Agent of an Increase Confirmation from the relevant Increase Lender;
 - (ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase:
 - (A) the Increase Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and
 - (B) the performance by the Facility Agent of all necessary “know your client” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender, the completion of which the Facility Agent shall promptly notify to the Company, the Increase Lender and each L/C Bank; and
 - (iii) each participating Lender consenting to such increase.
- (h) The Company may pay to any Increase Lender a fee in the amount and at the times agreed between the Company and the Increase Lender.

- (i) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (j) The execution by the Company of an Increase Confirmation constitutes confirmation by each Guarantor that its obligations under Clause 17 (*Guarantee and Indemnity*) shall continue unaffected except that those obligations shall extend to the Total Telenet Additional Facility Commitments as increased by the addition of the new Commitments of any Increase Lender and shall be owed to each Finance Party including the relevant Lender.
- (k) Clause 29.6 (*Limitation of Responsibility of Existing Lender*) shall apply *mutatis mutandis* in this Clause 2.1 (*Increase*) in relation to an Increase Lender as if references in that Clause to:
 - (i) an “**Existing Lender**” were references to all the Lenders immediately prior to the relevant increase;
 - (ii) the “**New Lender**” were references to that “**Increase Lender**”; and
 - (iii) a “**re-transfer**” and “**re-assignment**” were references to respectively a “**transfer**” and “**assignment**”.

2.2 Telenet Additional Facility

- (a) Any person may, subject to the terms of this Agreement, become a Lender by delivering to the Facility Agent a Telenet Additional Facility Accession Agreement in each case duly completed and executed by that person and the Borrower. That person shall become a Lender on the date specified in a Telenet Additional Facility Accession Agreement.
- (b) Upon the relevant person becoming a Lender, the Total Telenet Additional Facility Commitments shall be increased by the amount set out in the relevant Telenet Additional Facility Accession Agreement as that Lender’s Telenet Additional Facility Commitment.
- (c) Subject to paragraphs (g) and (h) below, each Lender will grant to the relevant Borrower a term loan facility or a revolving loan facility (which may include any Ancillary Facility or Documentary Credit) in the amount specified in the relevant Telenet Additional Facility Accession Agreement in Euros or U.S. Dollars during the Availability Period specified in such Telenet Additional Facility Accession Agreement, subject to the terms of this Agreement.
- (d) The execution by the Borrower of a Telenet Additional Facility Accession Agreement constitutes confirmation by each Guarantor that its obligations under Clause 17 (*Guarantee and Indemnity*) shall continue unaffected except that those obligations shall extend to the Total Telenet Additional Facility Commitments as increased by the addition of the relevant Lender’s Commitment and shall be owed to each Finance Party including the relevant Lender.
- (e) Each Lender, by executing a Telenet Additional Facility Accession Agreement, confirms (for the avoidance of doubt) that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the Telenet Additional Facility becomes effective.
- (f) The Company may pay to any Telenet Additional Facility Lender a fee in the amount and at the times agreed between the Company and that Telenet Additional Facility Lender.
- (g) Subject to paragraph (h) below, the aggregate principal amount of any proposed Telenet Additional Facility shall not exceed the aggregate of the sum of:
 - (i) an unlimited amount, provided that on the date of such incurrence and after giving effect to the making of any Telenet Additional Facility (assuming a borrowing of the maximum amount of Advances available under any such Telenet Additional Facility being incurred and no netting of cash proceeds of any such Telenet Additional Facility being incurred) pursuant to a Telenet Additional Facility Accession Agreement on a pro forma basis: (A) Net Senior Debt to Consolidated Annualised EBITDA is equal to or less than 4.50:1; and (B) Net Total Debt to Consolidated Annualised EBITDA is equal to or less than 5.50:1.00 (excluding any Holdco Debt) and 6.00:1 (including any Holdco Debt);

- (ii) if the proceeds of the Telenet Additional Facility are being used to refinance existing indebtedness that ranks *pari passu* or senior in right of security to the Facilities, an amount equal to the accrued interest, premiums and other amounts owing or paid relating to such existing indebtedness together with related fees and expenses; and
- (iii) any amount of Financial Indebtedness available to be incurred pursuant to paragraph (ff) of the definition of Permitted Financial Indebtedness,

provided, that (x) any Telenet Additional Facility may be incurred under any of the above paragraphs as selected by the Company, in its sole discretion, (y) the Company may elect to incur Telenet Additional Facilities under paragraph (i) prior to using amounts available under paragraph (iii) and (z) amounts incurred pursuant to paragraph (iii) substantially concurrently with amounts incurred pursuant to paragraph (i) will not count as Financial Indebtedness for the purposes of calculating Net Senior Debt and Net Total Debt,

(the “**Additional Facilities Cap**”).

- (h) There shall be no limit on the aggregate principal amount of any proposed Telenet Additional Facility (a “**Refinancing Additional Facility**”) established in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or in part, existing Advances or Commitments (the “**Refinanced Debt**”) provided that if the obligations under such Refinancing Additional Facility do not rank equal to or junior to such existing Advances and Commitments the principal amount of such Refinancing Additional Facility shall not exceed an amount equal to the Additional Facilities Cap (or its equivalent in other currencies). A Refinancing Additional Facility may only be incurred pursuant to this paragraph (h) if the following conditions are met (provided that such conditions shall not be required to be met if such Refinancing Additional Facility is incurred pursuant to paragraph (g) above and the condition therein is met):
 - (i) it provides for Telenet Additional Facility Commitments which are in an aggregate principal amount that is not less than €1,000,000 in the case of any Revolving Facility and €15,000,000 in the case of any Term Facility provided that such amount may be less than €1,000,000 and €15,000,000, respectively, if such amount is equal to the entire outstanding principal amount of the Refinanced Debt;
 - (ii) in the case of Refinancing Additional Facilities which are not Revolving Facilities:
 - (A) as of the effective date of the relevant Telenet Additional Facility Accession Agreement (the “**Refinancing Additional Facility Effective Date**”), it does not have a final maturity date earlier than the applicable final maturity date in respect of the Refinanced Debt;
 - (B) as of the Refinancing Additional Facility Effective Date, it does not have a Weighted Average Life to Maturity shorter than the remaining Weighted Average Life to Maturity of the Refinanced Debt;
 - (C) if it ranks junior in right of security, it participates on a junior basis with respect to voluntary prepayments or cancellations and mandatory prepayments of term loans;
 - (D) it does not have a greater principal amount than the principal amount of the Refinanced Debt plus accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees, expenses, OID and upfront fees associated with the refinancing the Refinanced Debt;
 - (E) it ranks *pari passu* or junior in right of payment with any Telenet Additional Facility Commitments which are senior in right of payment and shall rank *pari passu* or junior in right of Security with the Telenet Additional Facility Commitments which are secured on a first ranking basis in accordance with the terms of the Intercreditor Agreement or other intercreditor agreement or arrangement reasonably satisfactory to the Borrower and the Facility Agent; and
 - (F) to the extent applicable, it is subject to the Intercreditor Agreement; and

- (iii) in the case of Refinancing Additional Facilities which are Revolving Facilities:
 - (A) it ranks *pari passu* or junior in right of payment with the Telenet Additional Facility Commitments that are senior in right of payment and shall rank *pari passu* in right of Security with the Telenet Additional Facility Commitments which are secured on a first ranking basis;
 - (B) it does not have a final maturity date or commitment reduction date earlier than the final maturity date or commitment reduction date, respectively, in respect of the Refinanced Debt;
 - (C) it provides that the borrowing and repayment (other than in respect of (i) payment of interest and fees at different rates on Refinancing Additional Facilities that are Revolving Facilities, (ii) repayments required upon the final maturity date of a Revolving Facility and (iii) repayment made in connection with a permanent repayment and termination of commitments (in accordance with paragraph (D) below)) of Advances with respect to Refinancing Additional Facilities that are Revolving Facilities after the Refinancing Additional Facility Effective Date shall be made on a pro rata basis or less than a pro rata basis (but not more than a pro rata basis) with all other Revolving Facilities then existing on the Refinancing Additional Facility Effective Date;
 - (D) it provides that assignments and participations of Refinancing Additional Facilities that are Revolving Facilities shall be governed by the same assignment and participation provisions applicable to the Revolving Facilities then existing on the Refinancing Additional Facility Effective Date;
 - (E) it does not have a greater principal amount of Additional Facility Commitments than the principal amount of the Refinanced Debt and accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees, expenses, OID and upfront fees associated with the refinancing of the Refinanced Debt; and
 - (F) it shall be subject to the Intercreditor Agreement.

2.3 Overall Facility Limits

- (a) The aggregate amount of all outstanding Advances under a Telenet Additional Facility shall not at any time exceed the relevant Total Telenet Additional Facility Commitments for that Telenet Additional Facility.
- (b) The aggregate amount of the participations of a Lender in advances under a Telenet Additional Facility shall not at any time exceed that Lender's Telenet Additional Facility Commitment for that Telenet Additional Facility at that time.

2.4 Nature of a Finance Party's Rights and Obligations

Unless all the Finance Parties agree otherwise:

- (a) the obligations of a Finance Party under the Finance Documents are several;
- (b) failure by a Finance Party to perform its obligations does not affect the obligations of any other Party under the Finance Documents;
- (c) no Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents;
- (d) the rights of a Finance Party under the Finance Documents are separate and independent rights;
- (e) a Finance Party may, except as otherwise stated in the Finance Documents, separately enforce those rights; and
- (f) a debt arising under the Finance Documents to a Finance Party is a separate and independent debt.

2.5 Security Agent as Joint Creditor

- (a) Each of the Obligor and each of the Finance Parties agree that the Security Agent shall be the joint and several creditor of each and every obligation of any Obligor towards each of the

Finance Parties under each Finance Document, and that accordingly the Security Agent will have its own independent right to demand performance by the relevant Obligor of those obligations. However, any discharge of such obligation to either the Security Agent or a Finance Party shall, to the same extent, discharge the corresponding obligation owing to the other.

- (b) Without limiting or affecting the Security Agent's rights against any Obligor (whether under this paragraph or under any other provision of the Finance Documents), the Security Agent agrees with each other Finance Party (on a several and divided basis) that, subject as set out in the next sentence, it will not exercise its rights as a joint and several creditor with a Finance Party except after consultation with the relevant Finance Party. However, for the avoidance of doubt, nothing in the previous sentence shall in any way limit the Security Agent's right to act in the protection or preservation of rights under or to enforce any Security Document as contemplated by the Finance Documents (or to do any act reasonably incidental to any of the foregoing).
- (c) Each of the Finance Parties hereby appoints the Security Agent as its representative in the sense of Article 5 of the Belgian Financial Collateral Act of 15 December 2004 (*Wet van 15 december 2004 betreffende financiële zekerheden en houdende diverse fiscale bepalingen inzake zakelijke-zekerheidsovereenkomsten en leningen met betrekking tot financiële instrumenten*) (the "**Financial Collateral Law**") for the purpose of each Belgian law governed pledge over the shares of a member of the Group granted to secure the Obligors' liabilities under the Finance Documents.

3. PURPOSE

3.1 Advances

Each Utilisation may only be used for the general corporate purposes of the Group (including, without limitation, funding the payment of permitted dividends or intercompany loans by the Company, financing a Permitted Acquisition, a Permitted Joint Venture and/or refinancing amounts outstanding under any other Facility).

3.2 No Obligation to Monitor

No Finance Party is bound to monitor or verify the utilisation of a Facility.

4. CONDITIONS PRECEDENT

4.1 Conditions precedent documents

The obligations of each Lender under Clause 5.5 (*Participations in Advances*) to make an Advance and an L/C Bank to issue a Documentary Credit are subject to the condition precedent that the Facility Agent has notified the Company and the Lenders that it has received (or waived receipt of) all of the documents and evidence set out in Part 1 of Schedule 2 (*Conditions Precedent Documents*) in form and substance satisfactory to the Facility Agent. The Facility Agent must give this notification to the Company and the Lenders promptly upon being so satisfied.

4.2 Further Conditions Precedent

The obligations of each Lender to participate in any Advance and an L/C Bank to issue a Documentary Credit are subject to the further conditions precedent that:

- (a) in the case of a Rollover Advance or a Documentary Credit that is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*), on both the date of the Request and on the proposed Utilisation Date for that Advance or Documentary Credit, the Facility Agent shall not have received instructions from the relevant Revolving Facility Instructing Group requiring the Facility Agent to refuse such rollover or renewal of a Documentary Credit, in each case, by reason of the Acceleration Date having occurred; or
- (b) in any other case on both the date of the Request and the proposed Utilisation Date for that Advance or Documentary Credit:
 - (i) the Repeating Representations are, and will be immediately after the Advance is drawn or the Documentary Credit is issued, correct in all material respects; and
 - (ii) no Default is outstanding or would result from the Advance or Documentary Credit,

provided that, in relation to any Advance or Documentary Credit under a Telenet Additional Facility in relation to a Limited Condition Transaction, the Lenders under that Telenet Additional Facility may agree to amend or waive any of the conditions under paragraphs (i) and (ii) above; and

- (c) in the case of a Utilisation under a Maintenance Covenant Revolving Facility (other than in relation to a Utilisation (i) that is a Rollover Advance provided that the amount of the Maturing Advance is equal to or greater than the amount of that Rollover Advance or (ii) under any Telenet Additional Facility in relation to a Limited Condition Transaction), subject to the expiry of the cure period in Clause 20.4 (*Cure Provisions*), there is no subsisting breach of Clause 20 (*Financial Covenant*).

5. ADVANCES

5.1 Delivery of Requests

Subject to the terms of this Agreement, an Advance will be made by the Lenders to the Borrower or a Documentary Credit will be issued by an L/C Bank at the Borrower's request if:

- (a) in the case of an Advance, the Facility Agent has received from such Borrower a duly completed Request; and
- (b) in the case of a Documentary Credit, both the Facility Agent and the relevant L/C Bank have received from a Borrower a duly completed Request in the relevant form,

in each case, (unless otherwise agreed with the Facility Agent (and, in relation to a Documentary Credit only, the L/C Bank)) by the Specified Time or (if applicable) by not later than the time specified in the relevant Telenet Additional Facility Accession Agreement.

5.2 Completion of Requests

- (a) A Request for an Advance or a Documentary Credit will not be regarded as having been duly completed unless:
 - (i) it identifies the Borrower;
 - (ii) it identifies the Facility the Advance or Documentary Credit applies to;
 - (iii) it identifies the currency of the proposed Advance (which must be in Euros or U.S. Dollars) or, in relation to a Revolving Facility, an Optional Currency;
 - (iv) the Utilisation Date is a Business Day falling within the relevant Availability Period;
 - (v) the proposed Term complies with this Agreement;
 - (vi) in the case of a Documentary Credit, the proposed form of Documentary Credit is substantially in the form set out in Schedule 10 (*Form of Documentary Credit*) unless the relevant L/C bank shall have approved the terms of such Documentary Credit (acting reasonably); and
 - (vii) in the case of a Utilisation by way of a Documentary Credit, the proposed Term of the Documentary Credit ends on or before the Final Maturity Date in respect of the relevant Revolving Facility.
- (b) Only one Advance or Documentary Credit may be requested in each Request (other than the Request in respect of the first utilisation under each Facility).
- (c) The maximum number of Advances or Documentary Credits permitted to be outstanding at any time in respect of a Telenet Additional Facility shall be the number specified in the relevant Telenet Additional Facility Accession Agreement.

5.3 Amount of Advance or Documentary Credit

- (a) Except as provided below, the Euro Amount of an Advance must be a minimum amount of €5,000,000 and an integral multiple of €1,000,000.
- (b) The amount of an Advance may also be the balance of the relevant undrawn Total Telenet Additional Facility Commitments or such other amount as the Facility Agent (acting on behalf of the Lenders) may agree.

- (c) In the case of a Documentary Credit, the proposed Euro Amount of such Documentary Credit shall be a minimum of €1,000,000 or such lesser amount as the relevant L/C Bank may agree (acting reasonably).

5.4 Notification to the Lenders

The Facility Agent must promptly notify each Lender participating in the relevant Advance of each request for an Advance and the amount of its participation in that Advance.

5.5 Participations in Advances

- (a) The amount of each Lender's share of the Advance will be its Pro Rata Share on the proposed Utilisation Date.
- (b) No Lender is obliged to participate in an Advance if, as a result:
 - (i) its share in the Advances under a Facility would exceed its Commitment for that Facility; or
 - (ii) the Advances would exceed the Total Telenet Additional Facility Commitments.
- (c) If the conditions set out in this Agreement have been met, each Lender must make its share in the Advance available to the Facility Agent for the relevant Borrower through its Facility Office on the Utilisation Date.
- (d) The Facility Agent shall determine the Euro Amount of each Advance under a Revolving Facility which is to be made in an Optional Currency and notify each relevant Lender of the amount, currency and the Euro Amount of each Advance, the amount of its participation in that Advance and, if different, the amount of that participation to be made available by it, by the Specified Time.

6. DOCUMENTARY CREDITS

6.1 Issue of Documentary Credits

- (a) Each L/C Bank shall issue Documentary Credits pursuant to Clause 4.2 (*Further Conditions Precedent*) by:
 - (i) completing the issue date and the proposed Expiry Date of any Documentary Credit to be issued by it; and
 - (ii) executing and delivering such Documentary Credit to the relevant Documentary Credit Beneficiary on the relevant Utilisation Date.
- (b) Each Lender having a Telenet Additional Facility Commitment in relation to a Revolving Facility (an "**L/C Lender**") will participate by way of indemnity in each Documentary Credit issued under the relevant Facility in an amount equal to its L/C Proportion.
- (c) The Facility Agent shall notify each L/C Lender and the relevant L/C Bank of the details of any requested Documentary Credit (including the Euro Amount of it, and, if such Documentary Credit is not to be denominated in Euro, the relevant currency in which it will be denominated and the amount of it) and its participation in that Documentary Credit.

6.2 Renewal of Documentary Credits

- (a) Each Borrower may request that a Documentary Credit issued on its behalf be renewed by delivering to the Facility Agent and the relevant L/C Bank a Renewal Request which complies with Clause 4.2 (*Further Conditions Precedent*) and Schedule 3 (*Form of Request*).
- (b) The terms of each renewed Documentary Credit shall be the same as those of the relevant Documentary Credit immediately prior to its renewal, except that (as stated in the Renewal Request therefor):
 - (i) its amount may be less than the amount of such Documentary Credit immediately prior to its renewal; and
 - (ii) its Documentary Credit Term shall start on the date which was the Expiry Date of that Documentary Credit immediately prior to its renewal, and shall end on the proposed Expiry Date specified in the Renewal Request.

- (c) If the conditions set out in this Clause 6.2 (*Renewal of Documentary Credits*) have been met, the relevant L/C Bank shall amend and re-issue the relevant Documentary Credit pursuant to a Renewal Request.

6.3 Reduction of a Documentary Credit

- (a) If, on the proposed Utilisation Date of a Documentary Credit, any of the Lenders under the relevant Revolving Facility is a Non-Acceptable L/C Lender and:
 - (i) that Lender has failed to provide cash collateral to the relevant L/C Bank in accordance with Clause 6.8 (*Cash Collateral by Non-Acceptable L/C Lender*); and
 - (ii) either:
 - (A) the relevant L/C Bank has not required the relevant Borrower which requested the Documentary Credit to provide cash cover pursuant to Clause 6.9 (*Cash Cover by Borrower*); or
 - (B) the relevant Borrower which requested the Documentary Credit has failed to provide cash cover to the relevant L/C Bank in accordance with Clause 6.9 (*Cash Cover by Borrower*),

the relevant L/C Bank may reduce the amount of that Documentary Credit by an amount equal to the amount of the participation of that Non-Acceptable L/C Lender in respect of that Documentary Credit and that Non-Acceptable L/C Lender shall be deemed not to have any participation (or obligation to indemnify the relevant L/C Bank) in respect of that Documentary Credit for the purposes of the Finance Documents.
- (b) The relevant Borrower shall notify the Facility Agent (with a copy to the relevant L/C Bank) of each reduction made pursuant to this Clause 6.3 (*Reduction of a Documentary Credit*).
- (c) This Clause 6.3 (*Reduction of a Documentary Credit*) shall not affect the participation of each other Lender in that Documentary Credit.

6.4 Revaluation of Documentary Credits

- (a) If any Documentary Credit is denominated in a currency other than Euro, the Facility Agent shall at six monthly intervals after the date of the Documentary Credit recalculate the Euro Amount of that Documentary Credit by notionally converting into Euro, the outstanding amount of that Documentary Credit on the basis of the Agent's Spot Rate of Exchange on the date of calculation.
- (b) The relevant Borrower shall, if requested by the Facility Agent within two days of any calculation under paragraph (a) above, ensure that within three Business Days sufficient outstanding amounts under the Revolving Facility in relation to that Documentary Credit are repaid (subject to Break Costs, if applicable, but otherwise without penalty or premium which might otherwise be payable), to prevent the Euro Amount of the outstanding amounts under that Revolving Facility exceeding the aggregate amount of all of the Telenet Additional Facility Commitments in relation to that Revolving Facility adjusted to reflect any cancellations or reductions, following any adjustment under paragraph (a) above.

6.5 Immediately Payable

- (a) If a Documentary Credit or any amount outstanding under a Documentary Credit becomes immediately payable under this Agreement, the relevant Borrower that requested (or on behalf of which the Company requested) the issue of that Documentary Credit shall repay or prepay that Documentary Credit or that amount within three Business Days of demand.
- (b) Each L/C Bank shall promptly notify the Facility Agent of any demand received by it under and in accordance with any Documentary Credit (including details of the Documentary Credit under which such demand has been received and the amount demanded). The Facility Agent shall promptly notify the Company, the relevant Borrower for whose account the Documentary Credit was issued and each of the Lenders under the relevant Revolving Facility.

6.6 Claims Under a Documentary Credit

- (a) Each Borrower irrevocably and unconditionally authorises each L/C Bank to pay any claim made or purported to be made under a Documentary Credit requested by it (or by the Company on its behalf) and which appears on its face to be in order (a “**claim**”).
- (b) Each Borrower shall within three Business Days of demand pay to the Facility Agent for the account of the relevant L/C Bank an amount equal to the amount of any claim under that Documentary Credit.
- (c) On receipt of any demand or notification under Clause 6.5 (*Immediately Payable*), the relevant Borrower shall (unless the Company notifies the Facility Agent otherwise) be deemed to have delivered to the Facility Agent a duly completed Request requesting an Advance under the relevant Revolving Facility:
 - (i) in an amount and currency equal to the amount and currency of the relevant claim (if applicable, net of any available cash cover);
 - (ii) for a Documentary Credit Term of three months or such other period of up to six months as notified by the relevant Borrower to the relevant L/C Bank prior to the Utilisation Date applicable to such currency; and
 - (iii) with a Utilisation Date on the date of receipt of the relevant demand or notification.The proceeds of any such Advance shall be used to pay the relevant claim.
- (d) Each Borrower acknowledges that each L/C Bank:
 - (i) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim; and
 - (ii) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.
- (e) The obligations of each Borrower under this Clause 6.6 (*Claims Under a Documentary Credit*) will not be affected by:
 - (i) the sufficiency, accuracy or genuineness of any claim or any other document; or
 - (ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document.
- (f) Without prejudice to any other matter contained in this Clause 6.6 (*Claims Under a Documentary Credit*), the relevant L/C Bank shall notify the relevant Borrower as soon as reasonably practicable after receiving a claim.

6.7 Documentary Credit Indemnities

- (a) The relevant Borrower shall within three Business Days of demand indemnify an L/C Bank against any cost, loss or liability incurred by such L/C Bank (otherwise than by reason of such L/C Bank’s gross negligence, wilful misconduct or wilful breach of the terms of this Agreement) in acting as an L/C Bank under any Documentary Credit requested by such Borrower.
- (b) Each L/C Lender shall (according to its L/C Proportion) promptly on demand indemnify an L/C Bank against any cost, loss or liability incurred by such L/C Bank (otherwise than by reason of such L/C Bank’s gross negligence, wilful misconduct or wilful breach of the terms of this Agreement) in acting as an L/C Bank under any Documentary Credit (except to the extent that such L/C Bank has been reimbursed by an Obligor pursuant to a Finance Document).
- (c) If any L/C Lender is not permitted (by its constitutional documents or any applicable Law) to comply with paragraph (b) above, then that L/C Lender will not be obliged to comply with paragraph (b) above and shall instead be deemed to have taken, on the date the relevant Documentary Credit is issued (or if later, on the date that L/C Lender’s participation in the Documentary Credit is transferred or assigned to that L/C Lender in accordance with the

terms of this Agreement), an undivided interest and participation in the Documentary Credit in an amount equal to its L/C Proportion of that Documentary Credit. On receipt of demand from the Facility Agent, that L/C Lender shall pay to the Facility Agent (for the account of the relevant L/C Bank) an amount equal to its L/C Proportion of the amount demanded under paragraph (b) above.

- (d) The Borrower which requested the Documentary Credit shall within three Business Days of demand reimburse any L/C Lender for any payment it makes to an L/C Bank under this Clause 6.7 (*Documentary Credit Indemnities*) in respect of that Documentary Credit unless such Lender or an Obligor has already reimbursed such L/C Bank in respect of that payment.
- (e) The obligations of each L/C Lender and Borrower under this Clause 6.7 (*Documentary Credit Indemnities*) are continuing obligations and will extend to the ultimate balance of sums payable by that L/C Lender in respect of any Documentary Credit, regardless of any intermediate payment or discharge in whole or in part.
- (f) The obligations of any L/C Lender or Borrower under this Clause 6.7 (*Documentary Credit Indemnities*) will not be affected by any act, omission, matter or thing which, but for this Clause 6.7 (*Documentary Credit Indemnities*) would reduce, release or prejudice any of its obligations under this Clause 6.7 (*Documentary Credit Indemnities*) (without limitation and whether or not known to it or any other person) including:
 - (i) any time, waiver or consent granted to, or composition with, any Obligor, any beneficiary under a Documentary Credit or any other person;
 - (ii) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor, any beneficiary under a Documentary Credit or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor, any beneficiary under a Documentary Credit or any other person;
 - (v) any amendment or restatement (however fundamental) or replacement of a Finance Document, any Documentary Credit or any other document or security;
 - (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Documentary Credit or any other document or security; or
 - (vii) any insolvency or similar proceedings.

6.8 Cash Collateral by Non-Acceptable L/C Lender

- (a) If, at any time, a Lender under a Revolving Facility is a Non-Acceptable L/C Lender, the relevant L/C Bank may, by notice to that Lender, request that Lender to pay and that Lender shall pay, on or prior to the date falling three Business Days after the request by such L/C Bank, an amount equal to that Lender's L/C Proportion of the outstanding amount of a Documentary Credit issued by such L/C Bank and in the currency of that Documentary Credit to an interest-bearing account held in the name of that Lender with such L/C Bank.
- (b) The Non-Acceptable L/C Lender to whom a request has been made in accordance with paragraph (a) above shall enter into a security document or other form of collateral arrangement over the account, in form and substance satisfactory to the relevant L/C Bank, as collateral for any amounts due and payable under the Finance Documents by that Lender to the L/C Bank in respect of that Documentary Credit.
- (c) Until no amount is or may be outstanding under that Documentary Credit, withdrawals from the account may only be made to pay to the relevant L/C Bank amounts due and payable to the relevant L/C Bank by the Non-Acceptable L/C Lender under the Finance Documents in respect of that Documentary Credit.

- (d) Each Lender under a Revolving Facility shall notify the Facility Agent and the Company:
 - (i) on the date of this Agreement or on any later date on which it becomes such a Lender in accordance with Clause 2.1 (*Increase*) or Clause 28.7 (*Changes to Parties*) whether it is a Non-Acceptable L/C Lender; and
 - (ii) as soon as practicable upon becoming aware of the same, that it has become a Non-Acceptable L/C Lender,

and an indication in a Transfer Certificate or an Increase Confirmation to that effect will constitute a notice under paragraph (d)(i) to the Facility Agent and, upon delivery in accordance with Clause 36.6 (*Copy of Transfer Certificate or Increase Confirmation to the Company*), to the Company.
- (e) Any notice received by the Facility Agent pursuant to paragraph (d) above shall constitute notice to each L/C Bank of that Lender's status and the Facility Agent shall, upon receiving each such notice, promptly notify each L/C Bank of that Lender's status as specified in that notice.
- (f) If a Lender who has provided cash collateral in accordance with this Clause 6.8 (*Cash Collateral by Non-Acceptable L/C Lender*):
 - (i) ceases to be a Non-Acceptable L/C Lender; and
 - (ii) no amount is due and payable by that Lender in respect of a Documentary Credit,

that Lender may, at any time it is not a Non-Acceptable L/C Lender, by notice to the relevant L/C Bank request that an amount equal to the amount of the cash provided by it as collateral in respect of that Documentary Credit (together with any accrued interest) standing to the credit of the relevant account held with that L/C Bank be returned to it and that L/C Bank shall pay that amount to the Lender within three Business Days after the request from the Lender (and shall cooperate with the Lender in order to procure that the relevant security or collateral arrangement is released and discharged).

6.9 Cash Cover by Borrower

- (a) If a Lender which is a Non-Acceptable L/C Lender fails to provide cash collateral (or notifies the relevant L/C Bank that it will not provide cash collateral) in accordance with Clause 6.8 (*Cash Collateral by Non-Acceptable L/C Lender*) and that L/C Bank notifies the Company and the relevant Borrower (with a copy to the Facility Agent) that it requires the relevant Borrower of the relevant Documentary Credit or proposed Documentary Credit to provide cash cover to an account with that L/C Bank in an amount equal to that Lender's L/C Proportion of the outstanding amount of that Documentary Credit and in the currency of that Documentary Credit then that Borrower shall do so within five Business Days after the notice is given.
- (b) Notwithstanding Clause 1.2 (*Construction*), the relevant Borrower shall be entitled to withdraw amounts up to the level of that cash cover from the account if:
 - (i) the relevant L/C Bank is satisfied that the relevant Lender is no longer a Non-Acceptable L/C Lender;
 - (ii) the relevant Lender's obligations in respect of the relevant Documentary Credit are transferred to a New Lender in accordance with the terms of this Agreement; or
 - (iii) an Increase Lender has agreed to undertake the obligations in respect of the relevant Lender's L/C Proportion of the Documentary Credit.
- (c) To the extent that a Borrower has complied with its obligations to provide cash cover in accordance with this Clause 6.9 (*Cash Cover by Borrower*), the relevant Lender's L/C Proportion in respect of that Documentary Credit will remain (but that Lender's obligations in relation to that Documentary Credit may be satisfied in accordance Clause 1.2 (*Construction*)). However, the relevant Borrower's obligation to pay any Documentary Credit fee in relation to the relevant Documentary Credit to the Facility Agent (for the account of that Lender) in accordance with Clause 25 (*Fees*) will be reduced proportionately as from the date on which it complies with that obligation to provide cash cover (and for so long as the relevant amount of cash cover continues to stand as collateral).

- (d) The relevant L/C Bank shall promptly notify the Facility Agent of the extent to which the relevant Borrower provides cash cover pursuant to this Clause 6.9 (*Cash Cover by Borrower*) and of any change in the amount of cash cover so provided.

6.10 Rights of Contribution

No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this Clause 6 (*Documentary Credits*).

6.11 Appointment and Change of L/C Bank

- (a) The Company, with the prior written consent of the relevant Lender, may designate any Lender with a Telenet Additional Facility Commitment in relation to a Revolving Facility that permits Documentary Credits as an L/C Bank or as a replacement therefor, but not with respect to Documentary Credits already issued by any other L/C Bank.
- (b) Any Lender so designated shall become an L/C Bank under this Agreement by delivering to the Facility Agent an executed L/C Bank Accession Certificate.
- (c) An L/C Bank may resign as issuer of further Documentary Credits at any time if: (i) the Company and the Majority Lenders consent to such resignation or so require; (ii) there is, in the reasonable opinion of each L/C Bank, an actual or potential conflict of interest in it continuing to act as L/C Bank; or (iii) its Telenet Additional Facility Commitment in relation to a relevant Revolving Facility is reduced to zero, provided that an L/C Bank shall not resign until a replacement L/C Bank is appointed.

7. ANCILLARY FACILITIES

7.1 Utilisation of Ancillary Facilities

- (a) Each Borrower may, subject to paragraph (b) below, at any time at least 35 days prior to the Final Maturity Date in respect of a Revolving Facility by delivery of a notice (a “**Conversion Notice**”) to the Facility Agent, request an Ancillary Facility to be established by the conversion of any Lender’s Available Telenet Additional Facility Commitment in relation to that Revolving Facility (or any part of it) into an Ancillary Facility Commitment with effect from the date (in this Clause 7 (*Ancillary Facilities*), the “**Effective Date**”) specified in the Conversion Notice (being a date not less than three Business Days after the date such Conversion Notice is received by the Facility Agent).
- (b) Each Conversion Notice shall specify:
 - (i) the proposed Borrower(s) (or any Affiliate of the Borrower(s) that is a member of the Group) which may use the Ancillary Facility;
 - (ii) the nominated Ancillary Facility Lender;
 - (iii) the type of Ancillary Facility and the currency or currencies in which the relevant Borrower wishes such Ancillary Facility to be available;
 - (iv) the proposed Euro Amount of the original Ancillary Facility Commitment, being an amount (A) equal to the Available Telenet Additional Facility Commitment in relation to a Revolving Facility of the nominated Ancillary Facility Lender or, if less, (B) equal to or more than €1,000,000;
 - (v) the Effective Date and expiry date for the Ancillary Facility (such expiry date not to extend beyond the Final Maturity Date in respect of the relevant Revolving Facility);
 - (vi) if the Ancillary Facility is an overdraft facility comprising more than one account, its maximum gross amount (that amount being the “**Designated Gross Amount**” and its maximum net amount (that amount being the “**Designated Net Amount**”)); and
 - (vii) such other details as to the nature, amount, fees for and operation of the proposed Ancillary Facility as the Facility Agent and the nominated Ancillary Facility Lender may reasonably require.
- (c) The Facility Agent shall promptly notify the Company, the nominated Ancillary Facility Lender and the Lenders of each Conversion Notice received pursuant to paragraph (a) above.

- (d) Any Lender nominated as an Ancillary Facility Lender which has notified the Facility Agent of its consent to such nomination shall be authorised to make the proposed Ancillary Facility available in accordance with the Conversion Notice (as approved by the Facility Agent) with effect on and from the Effective Date. No other Lender shall be obliged to consent to the nomination of the Ancillary Facility Lender.
- (e) Any material variation from the terms of the Ancillary Facility or any proposed increase or reduction or extension of the Ancillary Facility Commitment shall be effected on and subject to the provisions of this Clause 7 (*Ancillary Facilities*) *mutatis mutandis* as if such Ancillary Facility were newly requested (including, for the avoidance of doubt, that such newly requested Ancillary Facility shall only take effect from a date not less than three Business Days after the date the Facility Agent has received notice of the modification or variation or extension), provided that the Euro Amount of the Ancillary Facility Outstandings under each Ancillary Facility provided by an Ancillary Facility Lender shall at no time exceed the Available Telenet Additional Facility Commitment in relation to the relevant Revolving Facility of that Ancillary Facility Lender.
- (f) Each relevant Borrower may (subject to compliance with the applicable terms of the relevant Ancillary Facility) at any time by giving written notice to the Facility Agent and the relevant Ancillary Facility Lender cancel any Ancillary Facility Commitment pursuant to and in accordance with Clause 10.7 (*Voluntary Cancellation*), provided that on the date of such cancellation, that part of such Ancillary Facility Commitment as shall have been so cancelled shall be converted back into the Telenet Additional Facility Commitment in relation to the relevant Revolving Facility of the relevant Lender unless those Telenet Additional Facility Commitments are also cancelled on such date.
- (g) The Ancillary Facility Commitment of any Ancillary Facility Lender shall terminate and be cancelled on the date agreed therefor between the relevant Ancillary Facility Lender and the relevant Borrower, provided that such date shall be no later than the Final Maturity Date in respect of the relevant Revolving Facility (the “**Ancillary Facility Final Maturity Date**”). Any Ancillary Facility Outstandings on the applicable Ancillary Facility Final Maturity Date shall be repaid in full by the relevant Borrower on such date.
- (h) The Telenet Additional Facility Commitment in relation to a Revolving Facility of each Lender at any time shall be reduced by the amount of any relevant Ancillary Facility Commitment of such Lender at such time but such reduced Commitment shall, subject to any other provisions of this Agreement, automatically be increased by the amount of any portion of its Ancillary Facility Commitment which ceases to be made available to the relevant Borrowers for any reason (other than as a result of an Advance of it) in accordance with the terms of such Ancillary Facility or is cancelled pursuant to paragraph (f) or (g) above.

7.2 Operation of Ancillary Facilities

- (a) Subject to paragraph (b) below, the terms governing the operation of any Ancillary Facility (including the rate of interest (including default interest), fees, commission and other remuneration in respect of such Ancillary Facility) shall be those determined by agreement between the Ancillary Facility Lender and the relevant Borrower, provided that such terms shall be based upon the normal commercial terms and market rates of the relevant Ancillary Facility Lender.
- (b) In the case of any inconsistency or conflict between the terms of any Ancillary Facility, the applicable Ancillary Facility Documents and this Agreement, the terms and provisions of the applicable Ancillary Facility Document shall prevail unless the contrary intention is expressly provided for in this Agreement.
- (c) Each relevant Borrower and Ancillary Facility Lender will promptly upon request by the Facility Agent, supply the Facility Agent with such information relating to the operation of each Ancillary Facility (including without limitation details of the Ancillary Facility Outstandings and the Euro Amount thereof) as the Facility Agent may from time to time reasonably request (and each relevant Borrower consents to such documents and information being provided to the Facility Agent and the other Lenders).

7.3 Ancillary Facility Default

- (a) If a default occurs under any Ancillary Facility, no Ancillary Facility Lender may demand repayment of any monies or demand cash cover for any Ancillary Facility Outstandings, or take any analogous action in respect of any Ancillary Facility, until the Acceleration Date.
- (b) If an Acceleration Date occurs, the claims of each Lender with Telenet Additional Facility Commitment in relation to a Revolving Facility and each Ancillary Facility Lender in respect of amounts outstanding to them under that Revolving Facility and the related Ancillary Facilities respectively shall be adjusted in accordance with this Clause 7.3 (*Ancillary Facility Default*) by making all necessary transfers of such portions of such claims such that following such transfers the outstandings under that Revolving Facility and the related Ancillary Facility Outstandings (together with the rights to receive interest, fees and charges in relation thereto) of (i) each Lender with a Telenet Additional Facility Commitment in relation to that Revolving Facility and (ii) each Ancillary Facility Lender, in each case as at the Acceleration Date shall be an amount corresponding *pro rata* to the proportion that the sum of such Lender's Additional Facility Commitment in relation to that Revolving Facility and/or (as the case may be) related Ancillary Facility Commitment bears to the sum of all of the Telenet Additional Facility Commitments in relation to that Revolving Facility and the related Ancillary Facility Commitments, each as at the Acceleration Date.
- (c) No later than the third Business Day following the Acceleration Date each of the Ancillary Facility Lenders shall notify the Facility Agent in writing of the Euro Amount of its Ancillary Facility Outstandings as at the close of business on the Acceleration Date, such amount to take account of any clearing of debits which were entered into the clearing system of such Ancillary Facility Lenders prior to the Acceleration Date and any amounts credited to the relevant accounts prior to close of business on the Acceleration Date.
- (d) On receipt of the information referred to in paragraph (c) above, the Facility Agent will promptly determine what adjustment payments (if any) are necessary as between the Lenders participating in that Revolving Facility and each related Ancillary Facility Lender in order to ensure that, following such adjustment payments, the requirements of paragraph (b) above are complied with.
- (e) The Facility Agent will notify all the Lenders as soon as practicable of its determinations pursuant to paragraph (d) above, giving details of the adjustment payments required to be made. Such adjustment payments shall be payable by the relevant Lenders and shall be made to the Facility Agent within 5 Business Days following receipt of such notification from the Facility Agent. The Facility Agent shall distribute the adjustment payments received, among the Ancillary Facility Lenders and the Lenders participating in that Revolving Facility in order to satisfy the requirements of paragraph (b) above.
- (f) If at any time following the Acceleration Date, the amounts outstanding under a Revolving Facility of any Lender or related Ancillary Facility Outstandings of any Ancillary Facility Lender used in the Facility Agent's calculation of the adjustments required under paragraph (d) above should vary for any reason (other than as a result of currency exchange fluctuation or other reason which affects all relevant Lenders equally), further adjustment payments shall be made on the same basis (*mutatis mutandis*) provided for in this Clause 7.3 (*Ancillary Facility Default*).
- (g) In respect of any amount paid by any Lender (a "**Paying Lender**") pursuant to either of paragraph (e) or (f) above, as between a relevant Borrower and the Paying Lender, the amount so paid shall be immediately due and payable by such relevant Borrower to the Paying Lender and the payment obligations of such relevant Borrower to the Lender(s) which received such payment shall be treated as correspondingly reduced by the amount of such payment.
- (h) Each Lender shall promptly supply to the Facility Agent such information as the Facility Agent may from time to time request for the purpose of giving effect to this Clause 7.3 (*Ancillary Facility Default*).
- (i) If an Ancillary Facility Lender has the benefit of any Security Interest securing any of its Ancillary Facilities, the realisations from such security when enforced will be treated as an

amount recovered by such Ancillary Facility Lender in its capacity as a Lender which is subject to the sharing arrangements in Clause 33 (*Pro Rata Sharing*) to the intent that such realisation should benefit all Lenders *pro rata*.

- (j) Prior to the application of the provisions of paragraph (b) above, an Ancillary Facility Lender that has provided a Multi-account Overdraft shall set-off any Available Credit Balance on any account comprised in that Multi-account Overdraft.
- (k) All calculations to be made pursuant to this Clause 7.3 (*Ancillary Facility Default*) shall be made by the Facility Agent based upon information provided to it by the Lenders and Ancillary Facility Lenders and using the Euro Amount equivalent where applicable.
- (l) This Clause 7.3 (*Ancillary Facility Default*) shall not oblige any Lender to accept the transfer of a claim relating to an amount outstanding under an Ancillary Facility which is not denominated (pursuant to the relevant Finance Document) in Euro or where the Borrower is not an existing Borrower under the applicable Revolving Facility (excluding that Ancillary Facility).

7.4 Repayment of Ancillary Facilities

- (a) No Ancillary Facility Lender may demand repayment or prepayment of any amounts under its Ancillary Facility unless:
 - (i) the Telenet Additional Facility Commitment in relation to the relevant Revolving Facility has been cancelled in full, or the Facility Agent has declared all amounts outstanding under the relevant Revolving Facility immediately due and payable; or
 - (ii) the Ancillary Facility Outstandings under that Ancillary Facility can be repaid by an Advance under the relevant Revolving Facility (and not less than 7 Business Days' notice (or such shorter period as agreed to by the Company) is given to the relevant Borrower before payment becomes due).
- (b) For the purposes of repaying Ancillary Facility Outstandings (so long as paragraph (a)(i) above does not apply) an Advance under the relevant Revolving Facility may be borrowed irrespective of whether a Default is outstanding or any other applicable condition precedent not being satisfied.
- (c) The share of the Ancillary Facility Lender in an Advance under the relevant Revolving Facility being used to refinance that Ancillary Facility Lender's Ancillary Facility will be that amount which will result (so far as possible) in:
 - (i) the proportion which its share of all amounts outstanding under that Revolving Facility bears to the aggregate amount of the amounts outstanding under that Revolving Facility,
being equal to:
 - (ii) the proportion which its Available Telenet Additional Facility Commitment with respect to that Revolving Facility bears to the aggregate of the Available Telenet Additional Facility Commitments with respect to that Revolving Facility,in each case, assuming the repayment of the relevant Ancillary Facility has taken place. The share of the other Lenders in any such Advance under that Revolving Facility will be adjusted accordingly.

7.5 Continuation of Ancillary Facilities

- (a) An Ancillary Facility Lender may agree with a Borrower, as between themselves only, to continue to provide the same banking facilities following the Final Maturity Date applicable to a Revolving Facility or, as the case may be, the Telenet Additional Facility Commitments in relation to a Revolving Facility are cancelled under this Agreement.
- (b) If any arrangement contemplated in paragraph (a) above is to occur, the relevant Borrower and the Ancillary Facility Lender shall each confirm that to be the case in writing to the Facility Agent. Upon such Final Maturity Date or, as the case may be, date of cancellation, any such facility shall continue as between the said entities on a bilateral basis and not as part

of, or under, the Finance Documents. Save for any rights and obligations against any Finance Party under the Finance Documents prior to such Final Maturity Date or, as the case may be, date of cancellation, no such rights or obligations in respect of such Ancillary Facility shall, as between the Finance Parties, continue and the Security shall not support any such facility in respect of any matters that arise after such Final Maturity Date or, as the case may be, date of cancellation.

7.6 Affiliates of Lenders as Ancillary Facility Lenders

- (a) Subject to the terms of this Agreement, an Affiliate of a Lender may become an Ancillary Facility Lender. In such case, the Lender and its Affiliate shall be treated as a single Lender whose Telenet Additional Facility Commitment in relation to a relevant Revolving Facility is the amount set out opposite the relevant Lender's name in the relevant Telenet Additional Facility Accession Agreement and/or the amount of any relevant Telenet Additional Facility Commitment transferred to or assumed by that Lender under this Agreement, to the extent (in each case) not cancelled, reduced or transferred by it under this Agreement (as applicable). For the purposes of calculating the Lender's Available Telenet Additional Facility Commitment with respect to the relevant Revolving Facility, the Lender's Commitment shall be reduced to the extent of the aggregate of the Ancillary Facility Commitments of its Affiliates.
- (b) The Company shall specify any relevant Affiliate of a Lender in any Conversion Notice delivered by the Company to the Facility Agent pursuant to Clause 7.1 (*Utilisation of Ancillary Facilities*).
- (c) An Affiliate of a Lender which becomes an Ancillary Facility Lender shall accede to this Agreement as an Ancillary Facility Lender, and the Intercreditor Agreement as a Senior Lender (as defined in the Intercreditor Agreement).
- (d) If a Lender assigns all of its rights and benefits or transfers all of its rights and obligations to a New Lender (in accordance with Clause 28.7 (*Changes to the Parties*)), its Affiliate shall cease to have any obligations under this Agreement or any Ancillary Facility Document.
- (e) Where this Agreement or any other Finance Document imposes an obligation on an Ancillary Facility Lender and the relevant Ancillary Facility Lender is an Affiliate of a Lender which is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

7.7 Affiliates of Borrowers

- (a) Subject to the terms of this Agreement, an Affiliate of a Borrower that is a member of the Group may with the approval of the relevant Ancillary Facility Lender become a Borrower with respect to an Ancillary Facility.
- (b) The Company shall specify any relevant Affiliate of the Borrower in any Conversion Notice delivered by the Company to the Facility Agent pursuant to Clause 7.1 (*Utilisation of Ancillary Facilities*).
- (c) If any Borrower ceases to be a Borrower under this Agreement in accordance with Clause 28.7 (*Changes to the Parties*), its Affiliate shall cease to have any rights under this Agreement or any Ancillary Facility Document.
- (d) Where this Agreement or any other Finance Document imposes an obligation on a Borrower under an Ancillary Facility and the relevant Borrower is an Affiliate of a Borrower which is not a party to that document, the relevant Borrower shall ensure that the obligation is performed by its Affiliate.
- (e) Any reference in this Agreement or any other Finance Document to a Borrower being under no obligations (whether actual or contingent) as a Borrower under such Finance Document shall be construed to include a reference to any Affiliate of a Borrower being under no obligations under any Finance Document or Ancillary Facility Document.

8. OPTIONAL CURRENCIES

8.1 Selection of Currency

Each Borrower under a Telenet Additional Facility that is a Revolving Facility shall select the currency of the Advance made to it (which shall be Euro, U.S. Dollars or an Optional Currency) in the Request relating to the relevant Advance.

8.2 Unavailability of Optional Currency

(a) If before the Specified Time on the Quotation Date for the relevant Advance:

- (i) a Lender notifies the Facility Agent that the relevant Optional Currency is not readily available to it in the amount required; or
- (ii) a Lender notifies the Facility Agent that compliance with its obligation to participate in the Advance in the proposed Optional Currency would contravene a Law or regulation applicable to it,

the Facility Agent will give notice to the relevant Borrower to that effect by the Specified Time. In this event, any Lender that gives notice pursuant to this Clause 8.2 (*Unavailability of Optional Currency*) will be required to participate in the relevant Advance in Euros (in an amount equal to that Lender's Pro Rata Share of the Euro Amount of the relevant Advance (as applicable) or, in respect of a Rollover Advance, an amount equal to that Lender's Pro Rata Share of the Euro Amount of any amount that the Lenders are actually required to advance in accordance with Clause 9.2 (*Rollover Advances*)), and its participation will be treated as a separate Advance denominated in Euros during that Term.

8.3 Any part of an Advance treated as a separate Advance under this Clause 8 (*Optional Currencies*) will not be taken into account for the purposes of any limit on the number of Advances or currencies outstanding at any one time.

9. REPAYMENT

9.1 Repayment of Advances

Each Advance will be repaid on such dates as the Company and the Telenet Additional Facility Lenders may agree in the Telenet Additional Facility Accession Agreement relating to that Advance.

9.2 Rollover Advances

Without prejudice to each Borrower's obligation to repay the full amount of each Advance in relation to a Revolving Facility made to it on the last day of the Term for that Advance, where, on the same day on which such Borrower is due to repay an Advance in relation to a Revolving Facility (a "**Maturing Advance**") such Borrower has also requested that one or more Advances in relation to that Revolving Facility in the same currency as and in an amount which is equal to or less than the Maturing Advance be made to it (a "**Rollover Advance**"), subject to the Lenders being obliged to make such Rollover Advance under Clause 4.2 (*Further Conditions Precedent*), the aggregate amount of the Rollover Advance shall be treated as if applied in or towards repayment of the Maturing Advance so that:

- (a) if the amount of the Maturing Advance exceeds the aggregate amount of the Rollover Advance:
 - (i) the relevant Borrower will only be required to pay an amount in cash in the relevant currency equal to that excess; and
 - (ii) each Lender's participation (if any) in the Rollover Advance shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation (if any) in the Maturing Advance and that Lender will not be required to make its participation in the Rollover Advance available in cash; and
- (b) if the amount of the Maturing Advance is equal to or less than the aggregate amount of the Rollover Advance:
 - (i) the relevant Borrower will not be required to make any payment in cash; and

- (ii) each Lender will be required to make its participation in the Rollover Advance available in cash only to the extent that its participation (if any) in the Rollover Advance exceeds that Lender's participation (if any) in the Maturing Advance and the remainder of that Lender's participation in the Rollover Advance shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the Maturing Advance.

9.3 Cash Collateralisation of Documentary Credits

- (a) If not previously repaid in accordance with paragraph (b) below, each Borrower must repay each Documentary Credit issued on its behalf in full on the date stated in that Documentary Credit to be its Expiry Date.
- (b) A Borrower may give the Facility Agent not less than five Business Days prior written notice of its intention to repay all or any portion of a Documentary Credit requested by it prior to its stated Expiry Date and, having given such notice, shall procure that the relevant Outstanding L/C Amount in respect of such Documentary Credit is reduced in accordance with such notice by providing cash cover therefor in accordance with Clause 1.2(a)(xvii) (*Construction*) (in each case) or by reducing the Outstanding L/C Amount of such Documentary Credit or by cancelling such Documentary Credit and returning the original to the relevant L/C Bank or the Facility Agent on behalf of the Lenders.

10. PREPAYMENT AND CANCELLATION

10.1 Mandatory Prepayment—Illegality

- (a) A Lender must notify the Facility Agent and the Company promptly if it becomes aware that it is unlawful in any applicable jurisdiction for that Lender to perform any of its obligations under a Finance Document or to fund or maintain its share in any Advance or, in the case of an Ancillary Facility Lender, any Utilisation under any Ancillary Facility.
- (b) After notification under paragraph (a) above the Facility Agent must notify the Company and:
 - (i) each Borrower must repay or prepay the share of that Lender in each Advance made to it on the date specified in paragraph (c) below;
 - (ii) each Borrower must repay each amount payable or, as the case may be, provide full cash cover in respect of each contingent liability under each Ancillary Facility of that Lender on the date specified in paragraph (c) below; and
 - (iii) the Commitments of that Lender will be immediately cancelled.
- (c) The date for repayment or prepayment of a Lender's share in an Advance or, in the case of an Ancillary Facility, the date for repayment of each amount payable or to provide full cash cover in respect of each contingent liability will be:
 - (i) the last day of the current Term of that Advance or, in the case of an Ancillary Facility, the last day of the interest period for each relevant Utilisation; or
 - (ii) if earlier, the date specified by the Lender in the notification under paragraph (a) above and which must not be earlier than the last day of any applicable grace period allowed by law.

10.2 Mandatory Prepayment—Change of Control

- (a) “**Change of Control**” means:
 - (i) the Controlling Company: (A) ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent; and (B) ceases, by virtue of any powers conferred by the articles of association or other documents regulating the Company or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, as applicable, to, directly or indirectly, direct or cause the direction of management and policies of the Company or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, as applicable;

- (ii) the sale, lease, transfer, conveyance or other disposition (other than by way of a merger or consolidation) in one or a series of related transactions, of all or substantially all of the assets of the Company, a Permitted Affiliate Parent (after any Permitted Affiliate Group Designation Date) and the Restricted Subsidiaries (taken as a whole), as applicable, to any “person” (as such term is used in sections 13(d) and 14(d) of the Exchange Act) other than a Permitted Holder (other than as a result of the transfer of receivables to any Asset Securitisation Subsidiary in connection with any asset securitisation programme or programmes and/or one or more factoring transactions); or
- (iii) at any time after a Permitted Affiliate Group Designation Date, any Permitted Affiliate Holdco ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) directly or indirectly of 100% of the total voting power of the Voting Stock of any Permitted Affiliate Parent,

provided that a Change of Control shall not be deemed to have occurred:

- (A) pursuant to paragraph (i) of this definition upon the consummation of a Post-Closing Reorganisation or a Spin-Off;
 - (B) pursuant to paragraphs (a)(i), (a)(ii) or (a)(iii) of this definition upon the liquidation on a solvent basis of a Permitted Affiliate Holdco provided that:
 - (1) 100 per cent. of the shares in the relevant Permitted Affiliate Parent continue to be pledged in favour of the Finance Parties on a first ranking basis without any material adverse effect on the interests of the Finance Parties;
 - (2) the successor Permitted Affiliate Holdco is not organized in a jurisdiction which would result in a materially adverse effect on the ability of the Finance Parties to enforce the share pledge over the shares in the relevant Permitted Affiliate Parent; and
 - (3) the successor Permitted Affiliate Holdco is the sole shareholder of the relevant Permitted Affiliate Parent provided that to the extent a Permitted Affiliate Parent is a Belgian limited liability company it may have a second shareholder organized in a jurisdiction that does not result in a materially adverse effect on the ability of the Finance Parties to enforce their security over all of the shares in the Permitted Affiliate Parent; and
 - (C) pursuant to paragraphs (a)(i), (a)(ii) or (a)(iii) of this definition as a result of any sale, lease, transfer or other disposition of 100 per cent. of the shares in a Permitted Affiliate Parent provided that such sale, lease, transfer, conveyance or other disposition falls within one or more of the paragraphs of the definition of Permitted Disposal.
- (b) Notwithstanding the foregoing, upon consummation of (i) the Post-Closing Reorganisation, “Controlling Company” will mean New Intermediate Holdco and its successors or (ii) a Spin-Off, “Controlling Company” will mean the Spin Holdco and its successors.
 - (c) For the purpose of this Clause 10.2 (*Mandatory Prepayment—Change of Control*) and the definition of Ultimate Parent, wholly-owned Subsidiary and Permitted Transaction:
 - (i) “**Capital Stock**” of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of interests in (howsoever designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity;
 - (ii) “**Controlling Company**” means, subject to paragraph (b) above:
 - (A) at any time prior to a Permitted Affiliate Group Designation Date, UGC Europe, Inc. and its successors; and

- (B) at any time on or after a Permitted Affiliate Group Designation Date, the Common Holding Company and its successors;
- (iii) “**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended;
- (iv) “**New Intermediate Holdco**” means the direct Subsidiary of the Ultimate Parent following a Post-Closing Reorganisation;
- (v) “**Permitted Holder**” means, collectively:
 - (A) the Ultimate Parent;
 - (B) in the event of a Spin-Off, the Spin Holdco and any Subsidiary of the Spin Holdco; and
 - (C) each Affiliate or Related Person of a Permitted Holder described in paragraph (A) above, and any successor to such Permitted Holder, Affiliate or Related Person;
 - (D) any Person who is acting as an underwriter in connection with any public or private offering of Capital Stock of the Company or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, acting in such capacity; and
 - (E) any “person” or “group” of related persons (as such terms are used in sections 13(d) and 14(d) of the Exchange Act) whose acquisition of “beneficial ownership” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of Voting Stock or all or substantially all of the assets of the Company or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, and its Restricted Subsidiaries (taken as a whole) would constitute a Change of Control in respect of which the Company, or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, as applicable, has provided a notice to the Facility Agent under paragraph (d)(i) below and the Facility Agent has not, within sixty Business Days of receipt of such notice, provided a notice to the Company or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, as applicable, under paragraph (d)(i) below cancelling the Facilities and/or declaring all outstanding Advances to be immediately due and payable;
- (vi) “**Person**” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company, government or any agency of political subdivision hereof or any other entity;
- (vii) “**Post-Closing Reorganisation**” means: (A) a distribution or other transfer of the Controlling Company and its Subsidiaries or a Holding Company of Controlling Company and its Subsidiaries to the Ultimate Parent or another direct Subsidiary of the Ultimate Parent through one or more mergers, transfers, consolidations or other similar transactions such that Controlling Company or such Holding Company will become the direct Subsidiary of the Ultimate Parent or such other direct Subsidiary of the Ultimate Parent; and/or (B) the issuance by the Controlling Company of Capital Stock to the Ultimate Parent or another direct Subsidiary of the Ultimate Parent and, as consideration therefor, the assignment or transfer by the Ultimate Parent or a direct Subsidiary of the Ultimate Parent of assets to the Controlling Company, as the case may be;
- (viii) “**Preferred Stock**”, as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation;
- (ix) “**Related Person**” with respect to any Permitted Holder, means:
 - (A) any controlling equity holder or majority (or more) owned Subsidiary of such Permitted Holder; or

- (B) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or
 - (C) any trust, corporation, partnership or other person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein;
- (x) “**Restricted Subsidiary**” means any Subsidiary of the Company or any Subsidiary of any Permitted Affiliate Parent, other than an Unrestricted Subsidiary.
- (xi) “**Spin-Off**” means, at any time after the Closing Date, a transaction by which all outstanding ordinary shares of the Controlling Company or any of its Holding Companies directly or indirectly owned by the Ultimate Parent are distributed to all of the Ultimate Parent’s shareholders in proportion to such shareholders’ holdings in the Ultimate Parent at the time of such transaction either directly or indirectly through the distribution of shares in a company holding the Controlling Company’s shares or such Holding Company’s shares;
- (xii) “**Spin Holdco**” means the company the shares of which are distributed to the shareholders of the Ultimate Parent pursuant to the Spin-Off; and
- (xiii) “**Voting Stock**” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.
- (d) Upon becoming aware of a Change of Control:
 - (i) the Company or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, as applicable, shall promptly notify the Facility Agent; and
 - (ii) if the Majority Lenders so require, the Facility Agent shall, by not less than 30 Business Days’ notice to the Company, cancel each Facility and declare all outstanding Utilisations, together with accrued interest and all other relevant amounts accrued under the Finance Documents immediately due and payable, whereupon each Facility will be cancelled and all such outstanding amounts will become immediately due and payable.

10.3 Mandatory Prepayment from Disposal Proceeds

- (a) Other than as provided in paragraph (c) below, on a Permitted Disposal (other than (i) the first €200,000,000 (or, if greater, an amount equal to five per cent. of Total Assets) of each Content Transaction or (ii) a disposal in accordance with paragraphs (a) to (vv) of the definition of “Permitted Disposal”), the Company shall procure that an amount of the Facilities is prepaid which is the lesser of: (i) the amount of the Net Proceeds of such disposal; and (ii) an amount so as to ensure that the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) for the most recent Measurement Period ending prior to the receipt of such Net Proceeds would not be breached if such financial ratio was tested for that most recent Measurement Period taking into account (on a *pro-forma* basis) all disposals made since the last day of that Measurement Period and the amount of such prepayment (but ignoring such Net Proceeds) provided that there shall be no requirement to make a prepayment if the financial ratio set out in Clause 22.2 (*Net Total Debt to Consolidated Annualised EBITDA*) was not required to be tested for the most recent Measurement Period ending prior to the receipt of such Net Proceeds;
- (b) Such amount shall be applied against the Telenet Additional Facilities in accordance with Clause 10.4 (*Order of application*).
- (c) No prepayment in accordance with paragraph (a) above is required:
 - (i) where the amount of any such prepayment would be less than the greater of €200,000,000 and five per cent. of Total Assets; or
 - (ii) where an amount equal to the amount of such prepayment is reinvested in assets in the Business (for the avoidance of doubt, including Permitted Acquisitions, Capital

Expenditure, Operational Expenditure and Permitted Joint Ventures). Any amount that has not been:

- (A) contracted to be so reinvested within 12 months of the relevant Permitted Disposal; and
- (B) so reinvested within 18 months of the relevant Permitted Disposal (“**Reinvestment End Date**”),

shall be applied in prepayment of the Facilities in accordance with Clause 10.4 (*Order of application*) provided that on the Reinvestment End Date, the Company shall procure that an amount of the Facilities is prepaid which is the lesser of: (i) the amount of the Net Proceeds of such disposal; and (ii) an amount so as to ensure that the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) for the most recent Measurement Period ending prior to the Reinvestment End Date would not be breached if such financial ratio was tested for that most recent Measurement Period taking into account (on a pro-forma basis) all disposals made since the last day of that Measurement Period and the amount of such prepayment but without taking into account in the calculation of Cash any Net Proceeds that have not been reinvested as at such Reinvestment End Date, provided that there shall be no requirement to make a prepayment if the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) was not required to be tested for the most recent Measurement Period ending prior to the Reinvestment End Date.

10.4 Order of application

- (a) The amount of each prepayment of the Facilities made under Clause 10.3 (*Mandatory Prepayment from Disposal Proceeds*) shall be applied:
 - (i) first against the Telenet Additional Facilities that are term loan facilities in such proportion as may be specified to the Facility Agent by the Company not less than two Business Days before the date on which the prepayment is due to be made and against all the outstanding Advances made under the relevant Facilities *pro rata*;
 - (ii) second against any Telenet Additional Facility that is a Revolving Facility in such proportion as may be specified to the Facility Agent by the Company not less than two Business Days before the date on which the prepayment is due to be made and against all the outstanding Advances made under the relevant Facility *pro rata* and then any Outstanding L/C Amounts *pro rata*; and
 - (iii) third in repayment of the Ancillary Facility Outstandings in such proportion as may be specified to the Facility Agent by the Company not less than two Business Days before the date on which the prepayment is due to be made and against all the outstanding Ancillary Facility Outstandings made under the relevant Ancillary Facility *pro rata*,

in each case with a corresponding permanent cancellation of the relevant Commitments (*pro rata* between the Commitments of the Lenders under the relevant Facility).

- (b) Unless the relevant Borrower makes an election under paragraph (d) below or notifies the Facility Agent that it intends to reinvest the Net Proceeds in assets in the Business of the Group in accordance with Clause 10.3 (*Mandatory Prepayment from Disposal Proceeds*), it shall prepay Advances promptly upon receipt of the Net Proceeds of the disposal.
- (c) If the Company does not give a notice to the Facility Agent specifying how amounts are to be applied in prepayment under Clause 10.3 (*Mandatory Prepayment from Disposal Proceeds*) within the time period specified in paragraph (a) above, the amount of the relevant prepayment shall be applied against all outstanding Term Facility Advances *pro rata* in accordance with paragraph (a) above.
- (d) Subject to paragraph (e) below, a Borrower may elect that any prepayment under Clause 10.3 (*Mandatory Prepayment from Disposal Proceeds*) be applied in prepayment of an Advance on the last day of the Term relating to that Advance. If the relevant Borrower makes that election then a proportion of the Advance equal to the amount of the relevant prepayment will be due and payable on the last day of its Term.

- (e) If a Borrower has made an election under paragraph (d) above but a Default has occurred and is continuing, that election shall no longer apply and a proportion of the Advance in respect of which the election was made equal to the amount of the relevant prepayment shall be immediately due and payable (unless the Majority Lenders otherwise agree in writing).

10.5 Voluntary Prepayment

- (a) The Company may by giving not less than three Business Days' (or such other period as may be agreed between the Company and the Facility Agent) prior notice to the Facility Agent, prepay (or ensure that a Borrower prepays) any outstanding Advance at any time in whole or in part.
- (b) A prepayment of part of an Advance must be in a minimum amount of €5,000,000 and an integral multiple of €1,000,000.

10.6 Automatic Cancellation

The Commitments of each Lender under a Facility will be automatically cancelled at the close of business on the last day of the Availability Period for that Facility.

10.7 Voluntary Cancellation

- (a) Subject to paragraph (b) below, the Company may, by giving not less than three Business Days (or such other period as may be agreed between the Company and the Facility Agent) prior notice to the Facility Agent, cancel the unutilised amount of the Total Telenet Additional Facility Commitments in whole or in part in such proportions as the Company may specify in that notice on the date specified in that notice.
- (b) Partial cancellation of the Total Telenet Additional Facility Commitments must be in a minimum amount of €5,000,000 and an integral multiple of €1,000,000.
- (c) Any cancellation in part will be applied against the relevant Commitment of each Lender *pro rata*.
- (d) If, at any time on or after the date of issuance of a notice in accordance with either paragraph (a) above or Clause 10.5(a) (*Voluntary Prepayment*) but prior to the cancellation or prepayment date specified therein (any such notice being an “**Active Cancellation Notice**”), the Facility Agent is required to determine whether sufficient Lenders have consented to an amendment and/or waiver of any term of the Finance Documents pursuant to Clause 28 (*Amendments and Waivers*) then the Facility Agent, in making that determination, shall:
 - (i) disregard any undrawn Commitment of any Lender which is due to be cancelled pursuant to any Active Cancellation Notice in existence at that time; and
 - (ii) disregard the outstanding Advances of any Lender which are due to be prepaid in accordance with any Active Cancellation Notice in existence at that time,

provided that, notwithstanding the irrevocable nature of an Active Cancellation Notice, to the extent that any such prepayment is not made on the date specified in the corresponding Active Cancellation Notice then the amount of the relevant outstanding Advances shall not be disregarded and the rights of the applicable Lender(s) to participate in the relevant voting process shall be fully reinstated with retroactive effect from the date of the corresponding Active Cancellation Notice.

10.8 Right of Repayment and Cancellation of a Single Lender

- (a) If:
 - (i) any sum payable to any Lender, Ancillary Facility Lender or L/C Bank by an Obligor is required to be increased under Clause 12.2(a) (*Tax Gross-up*);
 - (ii) any Lender, Ancillary Facility Lender or L/C Bank claims indemnification from the Company or a Borrower under Clause 12.4(a) (*Tax Indemnity*) or Clause 14 (*Increased Costs*); or
 - (iii) any Lender, Ancillary Facility Lender or L/C Bank invokes Clause 13.3 (*Market Disruption*) or Clause 10.1 (*Mandatory Prepayment—Illegality*),

then, subject to paragraph (c) below:

- (A) if the circumstance relates to a Lender, the Company may:
 - (1) arrange for the transfer or assignment in accordance with this Agreement of the whole (but at par only) of that Lender's Commitment and participation in the Utilisations to a new or existing Lender willing to accept that transfer or assignment; or
 - (2) give the Facility Agent notice of cancellation of that Lender's Commitment and the Company's intention to procure the repayment of that Lender's participation in the Utilisation, whereupon the Commitment of that Lender shall immediately be reduced to zero;
 - (B) if the circumstance relates to an Ancillary Facility Lender, the Company may give the Facility Agent notice of cancellation of that Ancillary Facility Lender's Ancillary Facility Commitment and the Company's intention to procure the repayment of the utilisations of any Ancillary Facility granted by that Ancillary Facility Lender, whereupon the Ancillary Facility Commitment of that Ancillary Facility Lender shall immediately be reduced to zero; and
 - (C) if the circumstance relates to an L/C Bank, the Company may give the Facility Agent notice of repayment of any outstanding Documentary Credit issued by such L/C Bank and cancellation of the appointment of such L/C Bank as an L/C Bank under this Agreement in relation to any Documentary Credit to be issued in the future or the provision of full cash cover in respect of such L/C Bank's maximum contingent liability under each outstanding Documentary Credit.
- (b) On the last day of each Term which ends after the Company has given notice under paragraph (a)(iii)(A)(2), (a)(iii)(B) or (a)(iii)(C) above (or, if earlier, the date specified by the Company in that notice), each Borrower to which a Utilisation or utilisation of an Ancillary Facility is outstanding shall repay that Lender's participation in that Utilisation or the utilisation of the Ancillary Facility granted by that Ancillary Facility Lender (together with all interest and other amounts accrued under the Finance Documents) or, as the case may be, provide full cash cover in respect of any Documentary Credit issued by that L/C Bank or any contingent liability under an Ancillary Facility.
- (c) The Company may only exercise its rights under paragraph (a) above if:
- (i) in the case of paragraphs (a)(i) and (a)(ii) above, the circumstance giving rise to the requirement or indemnification continues or, in the case of (a)(iii) no more than 90 days have elapsed since the relevant invoking of Clause 13.3 (*Market Disruption*) or Clause 10.1 (*Mandatory Prepayment—Illegality*); and
 - (ii) it gives the Facility Agent and the relevant Lender not less than five Business Days prior notice.
- (d) The replacement of a Lender pursuant to paragraph (a)(iii)(A)(1) above shall be subject to the following conditions:
- (i) no Finance Party shall have any obligation to find a replacement Lender;
 - (ii) any replaced Lender shall not be required to refund, or to pay or surrender to any other Lender, any of the fees or other amounts received by that replaced Lender under any Finance Document; and
 - (iii) any replacement of a Lender which is the Facility Agent shall not affect its role as the Facility Agent.

10.9 Right of Cancellation in Relation to a Defaulting Lender

Without prejudice to the Company's rights under Clause 2.1 (*Increase*):

- (a) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Facility Agent three Business Days' notice of cancellation of each Available Commitment of that Lender.

- (b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Facility Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

10.10 Miscellaneous Provisions

- (a) Any notice of prepayment given by a Borrower pursuant to Clause 10.5 (*Voluntary Prepayment*) or Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*) and a notice of cancellation pursuant to Clause 10.7 (*Voluntary Cancellation*) shall be irrevocable, shall specify the date upon which such prepayment is to be made and the amount of such prepayment and shall oblige that Borrower to make such prepayment on such date, provided that a notice of prepayment or cancellation may be conditional and not irrevocable provided that the Company or a Borrower shall within 10 Business Days' notice from the Facility Agent indemnify any Lender in respect, and in the amount, of such Lender's Break Costs as specified in such notice should cancellation or prepayment not occur on the date specified in the notice of cancellation or prepayment.
- (b) All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except for Break Costs.
- (c) No prepayment or cancellation is allowed except in accordance with the express terms of this Agreement.
- (d) A Lender for whose account a repayment is to be made under Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*) shall not be obliged to participate in the making of Advances (including Advances under any Revolving Facility) or in the issue or counter-guarantee in respect of Documentary Credits or in the provision of Ancillary Facilities on or after the date upon which the Facility Agent receives the relevant notice of intention to repay such Lender's share of the Telenet Additional Facility Outstandings, on which date all of such Lender's Available Commitments shall be cancelled and all of its Commitments shall be reduced to zero.
- (e) No amount of an Advance prepaid under this Agreement may subsequently be re-borrowed other than an Advance or any Documentary Credit in relation to a Revolving Facility repaid in accordance with this Agreement. For the avoidance of doubt, unless expressly agreed to the contrary in the relevant Ancillary Facility Documents, this paragraph (e) shall not apply to any Ancillary Facility.
- (f) No amount of the Total Telenet Additional Facility Commitments cancelled under this Agreement may subsequently be reinstated.
- (g) Any partial prepayment of an Advance will be applied against the participations of the Lenders in that Advance *pro rata*.

11. INTEREST

11.1 Calculation of Interest

The rate of interest on each Advance for each Term is the percentage rate per annum equal to the aggregate of the applicable:

- (a) Margin; and
- (b) EURIBOR or LIBOR (as applicable).

11.2 Payment of Interest

Except where it is provided to the contrary in this Agreement, each Borrower must pay accrued interest on each Advance made to it on the last day of each Term and also, if the Term is longer than six months, on the dates falling at six-monthly intervals after the first day of that Term.

11.3 Interest on Overdue Amounts

- (a) If an Obligor fails to pay any amount payable by it under the Finance Documents, it must immediately on demand by the Facility Agent pay interest on the overdue amount from its due date up to the date of actual payment, both before, on and after judgment.
- (b) Interest on an overdue amount is payable at a rate determined by the Facility Agent to be one per cent. per annum above the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted an Advance in the currency of the overdue amount. For this purpose, the Facility Agent may (acting reasonably):
 - (i) select successive Terms of any duration of up to three months; and
 - (ii) determine the appropriate Quotation Date for that Term.
- (c) Notwithstanding paragraph (b) above, if the overdue amount is a principal amount of an Advance and becomes due and payable before the last day of its current Term, then:
 - (i) the first Term for that overdue amount will be the unexpired portion of that Term; and
 - (ii) the rate of interest on the overdue amount for that first Term will be one per cent. per annum above the rate then payable on that Advance.

After the expiry of the first Term for that overdue amount, the rate on the overdue amount will be calculated in accordance with paragraph (b) above.
- (d) Interest (if unpaid) on an overdue amount will be compounded with that overdue amount at the end of each of its Terms but will remain immediately due and payable.

11.4 Notification of Rates of Interest

The Facility Agent must promptly notify each relevant Party of the determination of a rate of interest under this Agreement.

11.5 Selection—Term Facility

- (a) Each Term Facility Advance has successive Terms.
- (b) A Borrower must select the first Term for a Term Facility Advance in the relevant Request and each subsequent Term in an irrevocable notice received by the Facility Agent not later than 10.00 am three Business Days before the first day of that subsequent Term. Each Term for a Term Facility Advance will start on its Utilisation Date or on the expiry of its preceding Term.
- (c) If a Borrower fails to select a Term for an outstanding Term Facility Advance under paragraph (b) above, that Term will, subject to the other provisions of this Clause 11.5 (*Selection—Term Facility*), be three months.
- (d) Each Term for a Term Facility Advance will be one, two, three or six months or:
 - (i) any shorter period agreed by the Company and the Facility Agent and, in relation to the first Term for a Term Facility Advance only, any other period of six months or less agreed by the Company and the Facility Agent; or
 - (ii) any longer period of up to 12 months agreed by the Company and the Lenders whose commitments under the relevant Facility then aggregate two thirds or more of the aggregate Commitments under that Facility.

11.6 Selection—Revolving Facility

- (a) Each Advance under a Revolving Facility has one Term only.
- (b) A Borrower must select the Term for an Advance under a Revolving Facility in the relevant Request.
- (c) Each Term for an Advance under a Revolving Facility will be for a period of any number of days from and including 1 day to and including 30 days or 1, 2, 3 or 6 months or such other period of up to 12 months as Lenders whose Commitments under that Revolving Facility then

aggregate two thirds or more of the aggregate Commitments under that Revolving Facility may agree with the Company prior to submission of the relevant Request provided that such period shall end on or before the Final Maturity Date in respect of that Revolving Facility.

- (d) Each Term for an Advance under a Revolving Facility will commence on its Utilisation Date.

11.7 Consolidation—Term Facility Advances

Unless a Borrower otherwise requests, a Term for a Term Facility Advance will end on the same day as the current Term for any other Term Facility Advance denominated in the same currency as that Term Facility Advance and borrowed by that Borrower under the same Facility. On the last day of those Terms, those Term Facility Advances will be consolidated and treated as one Term Facility Advance under the relevant Facility.

11.8 No Overrunning the Final Maturity Date

If a Term in respect of an Advance under a Facility would otherwise overrun the Final Maturity Date for that Facility, it will be shortened so that it ends on the Final Maturity Date for that Facility.

11.9 Other Adjustments

The Facility Agent and the Company may enter into such other arrangements as they may agree for the adjustment of Terms and the consolidation and/or splitting of Advances under a Facility.

11.10 Notification

The Facility Agent must notify each relevant Party of the duration of each Term promptly after ascertaining its duration.

12. TAXES

12.1 General

- (a) In this Clause 12 (*Taxes*) “**Tax Credit**” means a credit against any Tax or any relief or remission for Tax (or its repayment).
- (b) In this Clause 12 (*Taxes*) a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination acting reasonably and in good faith.

12.2 Tax Gross-up

- (a) Each Obligor must make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If:
 - (i) a Lender is not, or ceases to be, a Qualifying Lender; or
 - (ii) an Obligor or a Lender is aware that an Obligor must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction),it must promptly notify the Facility Agent. The Facility Agent must then promptly notify the affected Parties.
- (c) Except as provided below, if a Tax Deduction is required by law to be made by an Obligor or the Facility Agent, the amount of the payment due from the Obligor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) Except as provided below, an Obligor is not required to make an increased payment under paragraph (c) above to a Lender that is not, or has ceased to be, a Qualifying Lender in respect of that Obligor in excess of the amount that the Obligor would have had to pay had the Lender been, or not ceased to be, a Qualifying Lender in respect of that Obligor.
- (e) Paragraph (d) above will not apply if the Lender has ceased to be a Qualifying Lender by reason of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or double taxation agreement or Double Tax Treaty or any published practice or concession of any relevant taxing authority.

- (f) If an Obligor is required to make a Tax Deduction, that Obligor must make the minimum Tax Deduction allowed by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (g) Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Obligor making that Tax Deduction must deliver to the Facility Agent for the relevant Finance Party evidence satisfactory to that Finance Party (acting reasonably) that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.
- (h) Each party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction. No party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

12.3 Lender Tax Status

- (a) The Finance Parties and the Borrowers shall co-operate in good faith in completing any procedural steps (including, but not limited to, giving any required confirmation or providing any relevant information) necessary for the Borrowers to make payments to the Finance Party without any withholding or deduction for any Taxes. In particular, the Borrowers agree to provide such information in respect of itself as may be reasonably requested by the Finance Parties in writing in order for the Finance Parties to comply with any administrative formalities required for the Finance Parties to be exempt from withholding or deduction for any Taxes under any applicable international treaty.
- (b) Similarly, each Finance Party undertakes to provide any tax certificate or other document as may be reasonably requested by the Borrower in writing in order for the Borrower to be exempt from withholding or deduction for any Taxes under any applicable international treaty.
- (c) Each Finance Party shall confirm whether it is entitled to receive payments under the Finance Documents free from withholding under FATCA and shall provide any documentation, forms and other information relating to its status under FATCA reasonably requested by the Facility Agent or the Borrower sufficient for the Facility Agent and a Borrower to comply with their obligations under FATCA and to determine whether such Finance Party has complied with such applicable reporting requirements.
- (d) Each Lender shall represent and warrant to the Facility Agent and to the Borrower that, as at the relevant Transfer Date or the date of the relevant Telenet Additional Facility Accession Agreement, it is a Qualifying Lender as the same shall be expressly indicated in the relevant Transfer Certificate or Telenet Additional Facility Accession Agreement.
- (e) Notwithstanding Clause 29.3 (*Transfers by Lenders*), no Lender shall be permitted to enter into a Telenet Additional Facility Accession Agreement with any Borrower which is incorporated in Belgium if, as a result of the entry into such Telenet Additional Facility Accession Agreement, any Obligor would be required to make a Tax Deduction unless such Lender has obtained the prior written consent of the Company.

12.4 Tax Indemnity

- (a) Except as provided below, the Company must indemnify (within ten Business Days of written demand by the Facility Agent) a Finance Party against any loss or liability which that Finance Party (in its absolute discretion) determines will be or has been suffered (directly or indirectly) by that Finance Party for or on account of Tax in relation to a payment received or receivable (or any payment deemed to be received or receivable) under a Finance Document. Such Finance Party shall within five Business Days of any request by the Company provide to the Company reasonable written details explaining the loss, liability or cost and the calculation of the amount claimed by the Finance Party.

- (b) Paragraph (a) above does not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the laws of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party has a Facility Office and is treated as resident for tax purposes; or
 - (B) under the laws of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction, if that Tax is imposed on or calculated by reference to the net income received or receivable by that Finance Party. However, any payment deemed to be received or receivable, including any amount treated as income but not actually received by the Finance Party, such as a Tax Deduction, will not be treated as net income received or receivable for this purpose; and
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 12.2 (*Tax Gross-up*);
 - (B) would have been compensated for by an increased payment under Clause 12.2 (*Tax Gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 12.2 (*Tax Gross-up*) applied;
 - (C) relates to a FATCA Deduction required to be made by a Party; or
 - (D) is suffered or incurred by a Finance Party in respect of a Bank Levy.
 - (c) A Finance Party making, or intending to make, a claim under paragraph (a) above must promptly notify the Facility Agent of the event which will give, or has given, rise to the claim, following which the Facility Agent shall promptly provide such information to the Company.
 - (d) A Finance Party shall, on receiving a payment from an Obligor under this Clause 12.4 (*Tax Indemnity*), notify the Facility Agent.

12.5 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party (in its absolute discretion) determines that:

- (a) a Tax Credit is attributable to that Tax Payment; and
- (b) it has used and retained that Tax Credit,

the Finance Party must pay an amount to the Obligor which that Finance Party determines (in its absolute discretion) will leave it (after that payment) in the same after-tax position as it would have been if the Tax Payment had not been required to be made by the Obligor.

12.6 U.S. Taxes

A U.S. Borrower shall not be required to pay any additional amount pursuant to Clause 12.2 (*Tax Gross-up*) in respect of Taxes of the United States or any political subdivision thereof which arise or are imposed as a result of the failure of a Lender to provide the forms described in paragraph (a) or (b) below, or a connection of a Lender as described in paragraph (c) below, with respect to a sum payable by it pursuant to this Agreement to a Lender if on the date such Lender becomes a Party to this Agreement or has designated a new Facility Office either:

- (a) in the case of a Lender which is not a U.S. person,
 - (i) such Lender has not provided the Borrower with two accurate and complete original signed copies including all necessary attachments of (i) U.S. Internal Revenue Service Form W-8BEN (or successor form), (ii) U.S. Internal Revenue Service Form W 8ECI (or successor form), or (iii) (if appropriate) Internal Revenue Service Form W-8IMY, certifying, in each case, to such Lender's entitlement as of such date to a complete exemption from United States withholding with respect to all amounts payable pursuant to the Finance Documents; or

- (ii) after the date such Lender becomes a Party to this Agreement, when a lapse in time or change in circumstances renders the previous certification of such Lender made pursuant to paragraph (a)(i) above obsolete or inaccurate, such Lender has not delivered to the Company two new accurate and complete original signed copies of U.S. Internal Revenue Service Form W-8ECI or Form W-8BEN, as the case may be, and such other forms as may be required in order to confirm or establish the entitlement of such Lender to a continued exemption from United States withholding tax with respect to amounts payable pursuant to the Finance Documents;
- (b) in the case of a Lender which is a U.S. Person:
 - (i) such Lender has not provided the Borrower with two accurate and complete original signed copies, including all necessary attachments, of U.S. Internal Revenue Service Form W-9 (or successor form); or
 - (ii) after the date such Lender becomes a Party to this Agreement, when a lapse in time or change in circumstances renders the previous certification of such Lender made pursuant to paragraph (b)(i) above obsolete or inaccurate, such Lender has not delivered to the Company two new accurate and complete original signed copies of U.S. Internal Revenue Service Form W-9, as the case may be, and such other forms as may be required in order to confirm or establish the entitlement of such Lender to a continued exemption from United States withholding tax with respect to amounts payable pursuant to the Finance Documents; or
- (c) such Lender is subject to such Tax by reason of any connection between the jurisdiction imposing such Tax and the Lender or its Facility Office other than a connection arising solely from this Agreement or any transaction contemplated hereby.

12.7 Stamp Taxes

The Company shall pay and, within 10 Business Days of demand, indemnify each Finance Party against any cost, loss or liability which that Finance Party incurs in relation to all stamp duty, registration and other similar Tax liabilities payable in respect of any Finance Document (other than those imposed by reason of any assignment or novation by any Finance Party).

12.8 Value Added Taxes

- (a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT and no Party shall exercise any potential option for waiving a VAT exemption. Subject to paragraph (b) below, if VAT is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT, unless the VAT charge is caused by the Finance Party's option to waive a VAT exemption, and in either case concurrently against the issue of an appropriate invoice.
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") in connection with a Finance Document, and any Party other than the Recipient (the "**Subject Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration),
 - (i) if the Supplier is required to account to the relevant tax authority for the VAT, the Subject Party must also pay to the Supplier and, (ii) if the Recipient is required to account to the relevant tax authority for the VAT the Subject Party must pay to the Recipient, (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. Where paragraph (i) applies, the Recipient must promptly pay to the Subject Party an amount equal to any credit or repayment obtained by the Recipient from the relevant tax authority which the Recipient reasonably determines is in respect of the VAT chargeable on that supply. Where paragraph (ii) applies, the Subject Party must only pay to the Recipient an amount equal to the amount of such VAT to the extent that the Recipient reasonably determines that it is not entitled to a credit or repayment from the relevant tax authority in respect of that VAT.

- (c) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party for the full amount of such costs and expenses including such costs that represent VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of the VAT.
- (d) Any reference in this Clause 12.8 (*Value Added Taxes*) to any Party shall, at any time when such Party is treated as a member of a group including but not limited to any fiscal unities for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term “**representative member**” to have the same meaning as in the relevant legislation of any jurisdiction having implemented Council Directive 2006/112/EC on the common system of value added tax).
- (e) If VAT is chargeable on any supply made by a Finance Party to any Party under a Finance Document and if reasonably requested by such Finance Party, that Party must give the Finance Party details of its VAT registration number and any other information as is reasonably requested in connection with the Finance Party’s reporting requirements for the supply and at such time that the Finance Party may reasonably request it.
- (f) Where a Borrower is required to make a payment under paragraph (b) above, such amount shall not become due until the relevant Borrower has received a formal invoice detailing the amount to be paid.

12.9 Confirmation by Lenders

Each Lender as at the date of this Agreement hereby confirms that, as at the date of this Agreement, it is a Qualifying Lender.

13. MARKET DISRUPTION AND ALTERNATIVE INTEREST RATES

13.1 Unavailability of Screen Rate

- (a) *Interpolated Screen Rate*: If no Screen Rate is available for LIBOR or, if applicable, EURIBOR for the Term of an Advance, the applicable LIBOR or EURIBOR shall be the Interpolated Screen Rate for a period equal in length to the Term of that Advance.
- (b) *Shortened Term*: If no Screen Rate is available for LIBOR or, if applicable, EURIBOR for:
 - (i) the currency of an Advance; or
 - (ii) the Term of an Advance and it is not possible to calculate the Interpolated Screen Rate,
 the Term of that Advance shall (if it is longer than the applicable Fallback Term) be shortened to the applicable Fallback Term and the applicable LIBOR or EURIBOR for that shortened Term shall be determined pursuant to the definition of “**LIBOR**” or “**EURIBOR**” as applicable.
- (c) *Shortened Term and Historic Screen Rate*: If the Term of an Advance is, after giving effect to paragraph (b) above, either the applicable Fallback Term or shorter than the applicable Fallback Term and, in either case, no Screen Rate is available for LIBOR or, if applicable EURIBOR for:
 - (i) the currency of that Advance; or
 - (ii) the Term of that Advance and it is not possible to calculate the Interpolated Screen Rate,
 the applicable LIBOR or EURIBOR shall be the Historic Screen Rate for that Advance.
- (d) *Shortened Term and Interpolated Historic Screen Rate*: If paragraph (c) above applies but no Historic Screen Rate is available for the Term of that Advance, the applicable LIBOR or EURIBOR shall be the Interpolated Historic Screen Rate for a period equal in length to the Term of that Advance.
- (e) *Reference Bank Rate*: If paragraph (d) above applies but it is not possible to calculate the Interpolated Historic Screen Rate, the Term of that Advance shall, if it has been shortened

pursuant to paragraph (b) above, revert to its previous length and the applicable LIBOR or EURIBOR shall be the Reference Bank Rate as of the Specified Time for the currency of that Advance and for a period equal in length to the Term of that Advance.

- (f) *Alternative Reference Bank Rate*: If paragraph (e) above applies but no Reference Bank Rate is available for the relevant currency or Term the applicable LIBOR or EURIBOR shall be the Alternative Reference Bank Rate as of the Specified Time for the currency of that Advance and for a period equal in length to the Term of that Advance.
- (g) *Cost of funds*: If paragraph (f) above applies but no Alternative Reference Bank Rate is available for the relevant currency or Term there shall be no LIBOR or EURIBOR for that Advance and Clause 13.4 (*Cost of funds*) shall apply to that Advance for that Term.

13.2 Calculation of Reference Bank Rate and Alternative Reference Bank Rate

- (a) Subject to paragraph (b) below, if LIBOR or EURIBOR is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.
- (b) If at or about noon on the Quotation Date none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Term.
- (c) Subject to paragraph (d) below, if LIBOR or EURIBOR is to be determined on the basis of an Alternative Reference Bank Rate but an Alternative Reference Bank does not supply a quotation by the Specified Time, the Alternative Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Alternative Reference Banks.
- (d) If before close of business in London on the date falling one Business Day after the Quotation Date none or only one of the Alternative Reference Banks supplies a quotation, there shall be no Alternative Reference Bank Rate for the relevant Term.

13.3 Market disruption

- (a) If LIBOR or, if applicable, EURIBOR is determined otherwise than on the basis of an Alternative Reference Bank Rate and before close of business in London on the Quotation Date for the relevant Term, the Facility Agent receives notifications from a Lender or Lenders (whose participations in an Advance exceed 40 per cent. of that Advance) that the cost to it of funding its participation in that Advance from whatever source it may reasonably select would be in excess of LIBOR or, if applicable, EURIBOR then the applicable LIBOR or EURIBOR shall be the Alternative Reference Bank Rate as of the Specified Time for the currency of the Advance and for a period equal in length to the Term of that Advance and if no Alternative Reference Bank Rate is available for the relevant currency or Term there shall be no LIBOR or EURIBOR for that Advance and Clause 13.4 (*Cost of funds*) shall apply to that Advance for the relevant Term.
- (b) If LIBOR or, if applicable, EURIBOR is determined on the basis of an Alternative Reference Bank Rate and before close of business in London on the date falling one Business Day after the Quotation Date for the relevant Term of the Advance the Facility Agent receives notifications from a Lender or Lenders (whose participations in an Advance exceed 40 per cent. of that Advance) that the cost to it of funding its participation in that Advance from whatever source it may reasonably select would be in excess of LIBOR or, if applicable, EURIBOR then Clause 13.4 (*Cost of funds*) shall apply to that Advance for the relevant Term.

13.4 Cost of funds

- (a) If this Clause 13.4 (*Cost of funds*) applies, the rate of interest on each Lender's share of the relevant Advance for the relevant Term shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event within one Business Day of the first day of that Term (or, if earlier, on the date falling

five Business Days before the date on which interest is due to be paid in respect of that Term), to be that which expresses as a percentage rate per annum the cost to the relevant Lender of funding its participation in that Advance from whatever source it may reasonably select.

- (b) If this Clause 13.4 (*Cost of funds*) applies and the Facility Agent or the Company so requires, the Facility Agent and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of the affected Lenders and the Company, be binding on all Parties.
- (d) If this Clause 13.4 (*Cost of funds*) applies pursuant to Clause 13.3 (*Market disruption*): and
 - (i) a Lender's Funding Rate is less than LIBOR or, in relation to any Advance in Euro, EURIBOR; or
 - (ii) a Lender does not supply a quotation by the time specified in paragraph (a)(ii) above, the cost to that Lender of funding its participation in that Advance for that Term shall be deemed, for the purposes of paragraph (a) above, to be LIBOR or, in relation to an Advance in Euro, EURIBOR.
- (e) If this Clause 13.4 (*Cost of funds*) applies pursuant to Clause 13.1 (*Unavailability of Screen Rate*) but any Lender does not supply a quotation by the time specified in paragraph (a)(ii) above the rate of interest shall be calculated on the basis of the quotations of the remaining Lenders.

13.5 Notification to the Company

If Clause 13.4 (*Cost of funds*) applies or if LIBOR or, if applicable, EURIBOR is to be determined on the basis of an Alternative Reference Bank Rate the Facility Agent shall, as soon as is practicable, notify the Company.

13.6 Revocation of currency

If before 9.30 a.m. on any Quotation Date, the Facility Agent receives notice from a Lender that:

- (a) it is impracticable for the Lender to fund its participation in an Advance in U.S. Dollars during that Term in the ordinary course of business in the London interbank market; and/or
- (b) the use of U.S. Dollars might contravene any law or regulation,

the Facility Agent shall give notice to the Company and to the Lenders to that effect before 11.00 a.m. on that day. In this event:

- (i) the Company and the Lenders may agree that the drawdown will not be made; or
- (ii) in the absence of agreement that Lender's participation in the Advance (or, if more than one Lender is similarly affected, those Lender's participations in the Advance) shall be treated as a separate Advance denominated in Euros during the relevant Term.

14. INCREASED COSTS

14.1 Increased Costs

Except as provided below in this Clause 14 (*Increased Costs*), the Company must pay to a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates as a result of:

- (a) the introduction of, or any change in, or any change in the interpretation, administration or application of, any law or regulation; or
- (b) compliance with any law or regulation made after the date of this Agreement.

14.2 Exceptions

The Company need not make any payment for an Increased Cost to the extent that the Increased Cost is:

- (a) compensated for under another Clause or would have been but for an exception to that Clause;

- (b) attributable to a Finance Party or its Affiliate wilfully failing to comply with any law or regulation;
- (c) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (“**Basel II**”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates);
- (d) attributable to the gross negligence of or wilful breach by, the relevant Finance Party or, if applicable, any of its Affiliates of any law, regulation, practice, concession, directive, requirement, request or guideline, to which the imposition of such Increased Cost relates;
- (e) suffered by a relevant Finance Party and in respect of which that relevant Finance Party intends to make a claim pursuant to Clause 14.1 (*Increased Costs*) and Clause 14.3 (*Claims*), but which is not (and its claim under Clause 14.1 (*Increased Costs*) and Clause 14.3 (*Claims*) is not) notified by that relevant Finance Party to the Facility Agent within 30 days of that Finance Party becoming aware that it had suffered the relevant Increased Cost;
- (f) attributable to a FATCA Deduction required to be made by a Party;
- (g) attributable to any Bank Levy but only to the extent that such Bank Levy is no more onerous than in respect of:
 - (i) a Bank Levy not yet enacted into law, any draft of such proposed Bank Levy as at the date of this Agreement; or
 - (ii) any other Bank Levy, as set out under existing law as at the date of this Agreement; or
- (h) attributable to the implementation or application of, or compliance with, Basel III or CRD IV or any law or regulation that implements or applies Basel III or CRD IV to the extent that a Finance Party knew about or could reasonably be expected to have known about the relevant Increased Cost on or prior to the date on which it became a Finance Party.

In this Clause 14.2:

“**Basel III**” means: (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated; (b) the rules for global systematically important banks contained in “Global systematically important banks: assessment methodology and the additional loss absorbency requirement—Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended supplemented or restated; and (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to implementing or modifying “Basel III” (in each case, whether such implementations, application or compliance is by a government, regulator, a Finance Party or any of its Affiliates).

“**CRD IV**” means: (a) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and (b) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and the prudential supervision of credit institutions and investment firms.

14.3 Claims

- (a) A Finance Party intending to make a claim for an Increased Cost must notify the Facility Agent of the circumstances giving rise to and the amount of the claim, following which the Facility Agent will promptly notify the Company.
- (b) Each Finance Party must, as soon as practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Increased Cost.

15. ILLEGALITY AND MITIGATION

15.1 Illegality in Relation to an L/C Bank

If it becomes unlawful in any relevant jurisdiction for an L/C Bank to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Documentary Credit (an “**Affected Documentary Credit**”):

- (a) that L/C Bank shall promptly notify the Facility Agent upon becoming aware of that event;
- (b) upon the Facility Agent notifying the Company, that L/C Bank shall not be obliged to issue any future Documentary Credit that would give rise to such unlawfulness; and
- (c) upon the Facility Agent notifying the Company, each relevant Borrower shall use its best endeavours to procure the release of any Affected Documentary Credit.

15.2 Mitigation

- (a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount (including without limitation, VAT) becoming payable under, or cancelled pursuant to, any of Clause 12 (*Taxes*), Clause 14 (*Increased Costs*), Clause 10.1 (*Mandatory Prepayment—Illegality*) or Clause 15 (*Illegality and Mitigation*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

15.3 Limitation of Liability

- (a) The Borrowers shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 15.2 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 15.2 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

15.4 Conduct of business by a Finance Party

No term of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (Tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it in respect of Tax or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (Tax or otherwise) or any computation in respect of Tax.

16. PAYMENTS

16.1 Place

Unless a Finance Document specifies that payments under it are to be made in another manner, all payments by a Party (other than the Facility Agent) under the Finance Documents must be made to the Facility Agent to its account at such office or bank in the principal financial centre of a Participating Member State or London, as it may notify to that Party for this purpose by not less than five Business Days’ prior notice.

16.2 Funds

Payments under the Finance Documents to the Facility Agent must be made for value on the due date at such times and in such funds as the Facility Agent may specify to the Party concerned as being customary at the time for the settlement of transactions in that currency in the place for payment.

16.3 Distribution

- (a) Each payment received by the Facility Agent under the Finance Documents for another Party must, except as provided below, be made available by the Facility Agent to that Party by payment (as soon as practicable after receipt) to its account with such office or bank in the principal financial centre of a Participating Member State or London, as it may notify to the Facility Agent for this purpose by not less than five Business Days' prior notice.
- (b) The Facility Agent may (with the consent and at the expense of the Company) apply any amount received by it for an Obligor in or towards payment (as soon as practicable after receipt) of any amount due from that Obligor under the Finance Documents or in or towards the purchase of any amount of any currency to be so applied.
- (c) Where a sum is paid to the Facility Agent under this Agreement for another Party, the Facility Agent is not obliged to pay that sum to that Party until it has established that it has actually received it. However, the Facility Agent may assume that the sum has been paid to it, and, in reliance on that assumption, make available to that Party a corresponding amount. If it transpires that the sum has not been received by the Facility Agent, that Party must immediately on demand by the Facility Agent refund any corresponding amount made available to it together with interest on that amount from the date of payment to the date of receipt by the Facility Agent at a rate calculated by the Facility Agent to reflect its cost of funds.

16.4 Currency

- (a) Unless a Finance Document specifies that payments under it are to be made in a different manner, the currency of each amount payable under the Finance Documents is determined under this Clause 16.4 (*Currency*).
- (b) Amounts payable in respect of Taxes, fees, costs and expenses are payable in the currency in which they are incurred.
- (c) Each other amount payable under the Finance Documents is payable in Euro or U.S. Dollars (as applicable).

16.5 No Set-off or Counterclaim

All payments made by an Obligor under the Finance Documents must be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

16.6 Business Days

- (a) If a payment under the Finance Documents is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not) or whatever day the Facility Agent determines is market practice.
- (b) During any extension of the due date for payment of any principal under this Agreement interest is payable on that principal at the rate payable on the original due date.

16.7 Partial Payments

- (a) If any Administrative Party receives a payment insufficient to discharge all the amounts then due and payable by the Obligors under the Finance Documents, the Administrative Party must apply that payment towards the obligations of the Obligors under the Finance Documents in the following order:
 - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Administrative Parties and each L/C Bank under the Finance Documents;
 - (ii) **secondly**, in or towards payment pro rata of any accrued interest or fee due but unpaid under this Agreement;
 - (iii) **thirdly**, in or towards payment pro rata of any principal amount due but unpaid under this Agreement; and

- (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Facility Agent must, if so directed by all the Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.
- (c) This Clause 16.7 (*Partial Payments*) will override any appropriation made by an Obligor.

16.8 Timing of Payments

If a Finance Document does not provide for when a particular payment is due, that payment will be due within three Business Days of demand by the relevant Finance Party.

17. GUARANTEE AND INDEMNITY

17.1 Guarantee and Indemnity

- (a) Subject to Clause 17.9 (*Limitations*) each Guarantor jointly and severally and irrevocably and unconditionally:
 - (i) guarantees to each Finance Party punctual performance by each Obligor of all its obligations under the Finance Documents;
 - (ii) undertakes with each Finance Party that, whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, it must immediately on demand by the Facility Agent pay that amount as if it were the principal obligor in respect of that amount; and
 - (iii) indemnifies each Finance Party immediately on demand against any loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal; the amount of the loss or liability under this indemnity will be equal to the amount the Finance Party would otherwise have been entitled to recover.
- (b) This guarantee is an independent guarantee and not a surety (*borg/cautionment*).

17.2 Continuing Guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of all sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

17.3 Reinstatement

- (a) If any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of each Guarantor under this Clause 17 (*Guarantee and Indemnity*) will continue or be reinstated as if the discharge or arrangement had not occurred.
- (b) Each Finance Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

17.4 Waiver of Defences

The obligations of each Guarantor under this Clause 17 (*Guarantee and Indemnity*) will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Clause 17 (*Guarantee and Indemnity*) (whether or not known to it or any Finance Party). This includes:

- (a) any time or waiver granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;

- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amendment (however fundamental) of a Finance Document or any other document or security;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security; or
- (h) any insolvency or similar proceedings.

17.5 Immediate Recourse

- (a) Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from that Guarantor under this Clause 17 (*Guarantee and Indemnity*).
- (b) This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

17.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may without affecting the liability of any Guarantor under this Clause 17 (*Guarantee and Indemnity*):

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) against those amounts; or
- (b) apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and
- (c) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of that Guarantor's liability under this Clause 17 (*Guarantee and Indemnity*).

17.7 Non-competition

Unless:

- (a) all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full; or
- (b) the Facility Agent otherwise directs,

no Guarantor will, after a claim has been made or by virtue of any payment or performance by it under this Clause 17 (*Guarantee and Indemnity*):

- (i) be subrogated to any rights, security or moneys held, received or receivable by any Finance Party (or any trustee or agent on its behalf);
- (ii) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of that Guarantor's liability under this Clause 17 (*Guarantee and Indemnity*);
- (iii) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with any Finance Party (or any trustee or agent on its behalf); or
- (iv) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor.

Each Guarantor must hold in trust for and immediately pay or transfer to the Facility Agent for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Clause 17 (*Guarantee and Indemnity*) or in accordance with any directions given by the Facility Agent under this Clause 17 (*Guarantee and Indemnity*).

17.8 Additional Security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Secured Party.

17.9 Limitations

- (a) This guarantee does not apply to any liability to the extent that it would result in the guarantee constituting unlawful financial assistance under any laws applicable to a Guarantor.
- (b) Notwithstanding any other provision of this Clause 17 (*Guarantee and Indemnity*), the obligations of each U.S. Guarantor under this Clause 17 (*Guarantee and Indemnity*), shall be limited to a maximum aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Bankruptcy Code, any applicable provisions of comparable state law or any applicable case law (collectively, the “**Fraudulent Transfer Laws**”), in each case after giving effect to all other liabilities of such U.S. Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of such U.S. Guarantor pursuant to (i) applicable law or (ii) any agreement providing for an equitable allocation among such U.S. Guarantors and other Affiliates of the Group of the obligations arising under guarantees by such parties.

For the purposes of this Clause 17 (*Guarantee and Indemnity*), “**U.S. Guarantor**” means each Guarantor incorporated (or in the case of a non-corporate Guarantor, formed and subsisting) in the United States of America (or any of its states or territories or any political or legal subdivision thereof).

- (c) Notwithstanding any other provision of this Clause 17 (*Guarantee and Indemnity*), the liability of Telenet BVBA (formerly, Telenet NV) pursuant to this Clause 17 (*Guarantee and Indemnity*) shall be limited, at any time, to an amount equal to the net assets of Telenet BVBA (formerly, Telenet NV) (determined in accordance with Article 617 of the Belgian Company Code (*Wetboek van vennootschappen*) and accounting principles generally accepted in Belgium) at the time each relevant demand is made under the guarantee.

17.10 Third Parties

Any counterparty to any Hedging Agreement may rely on this Clause 17 (*Guarantee and Indemnity*) and enforce its terms under the Contracts (Rights of Third Parties) Act 1999.

18. REPRESENTATIONS AND WARRANTIES

18.1 Representations and Warranties

The representations set out in this Clause 18 (*Representations and Warranties*) are made by each Obligor or (if it so states) the Company to each Finance Party. Each Obligor makes the representations set out in this Clause 18 (*Representations and Warranties*) in respect of itself and (where applicable) in respect of its Subsidiaries that are members of the Group.

18.2 Status

- (a) It is a limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- (b) It and each of its Subsidiaries that are members of the Group have the power to own its assets and carry on its business as it is being conducted.
- (c) In respect of the Original Borrower, it is resident for all purposes in the Kingdom of Belgium.

18.3 Powers and Authority

It has the power:

- (a) to enter into and comply with all obligations expressed on its part under the Finance Documents; and

- (b) (in the case of a Borrower) to borrow under this Agreement; and
- (c) (in the case of a Guarantor) to give the guarantee in Clause 17 (*Guarantee and Indemnity*),

and has taken all necessary actions to authorise the execution, delivery and performance of the Finance Documents to which it is or will be a party and the transactions contemplated by those Finance Documents.

18.4 Legal Validity

- (a) Each Finance Document to which it is or will be a party constitutes, or when executed in accordance with its terms will constitute, its legal, valid and binding obligations enforceable, subject to any relevant reservations or qualifications as to matters of law contained in any legal opinion referred to in Part 1 of Schedule 2 (*Conditions Precedent Documents*) or (as applicable) Part 2 of Schedule 2 (*Conditions Precedent Documents*), in accordance with its terms.
- (b) The choice of English law as the governing law of the Finance Documents and its irrevocable submission to the jurisdiction of the courts of England in respect of any proceedings relating to the Finance Documents (in each case other than any Finance Document which is expressed to be governed by a law other than English law) will be recognised and enforced in its jurisdiction of incorporation, subject to any relevant reservation or qualification as to matters of law contained in any legal opinion referred to in paragraph (a) above.
- (c) Any judgment obtained in England in relation to the Finance Documents will be recognised and enforced in its jurisdiction of incorporation, subject to any relevant reservation or qualification as to matters of law contained in any legal opinion referred to in paragraph (a) above.

18.5 Non-conflict

The execution and delivery by it of, the Finance Documents to which it is a party, and its performance of the transactions contemplated thereby will not violate:

- (a) in any material respect, any law or regulation or official judgment or decree applicable to it;
- (b) in any material respect, its constitutional documents; or
- (c) any agreement or instrument to which it is a party or binding on any of its assets or binding upon any other member of the Group or any other member of the Group's assets, where such violation would or is reasonably likely to have a Material Adverse Effect.

18.6 No Event of Default

- (a) No Event of Default has occurred and is outstanding or will result from the entry into of, or the performance of any transaction contemplated by, any Finance Document.
- (b) Neither it nor any other member of the Group is in default under any law, regulation or agreement to which it is subject, except for a default which will not have or be reasonably likely to have a Material Adverse Effect.

18.7 Authorisations

- (a) Subject to any relevant reservations or qualifications contained in any legal opinion referred to in Clause 18.4 (*Legal Validity*), all material and necessary authorisations, registrations, consents, approvals, licences, and filings required by it in connection with the execution, validity or enforceability of the Finance Documents to which it is a party and performance of the transactions contemplated by the Finance Documents have been obtained (or, if applicable, will be obtained within the required time period) and are validly existing.
- (b) The Licences are in full force and effect and each member of the Group is in compliance in all material respects with all provisions thereof such that the Licences are not the subject of any pending or, to the best of its knowledge, threatened attack, suspension or revocation by a competent authority except, in each case, to the extent that any lack of effect, non-compliance or attack, suspension or revocation of a Licence would not have or be reasonably likely to have a Material Adverse Effect.

- (c) All the Necessary Authorisations are in full force and effect, each member of the Group is in compliance in all material respects with all provisions thereof and the Necessary Authorisations are not the subject of any pending or, to the best of its knowledge, threatened attack or revocation by any competent authority except, in each case, to the extent that any lack of effect, non-compliance or attack or revocation of a Necessary Authorisation would not have or be reasonably likely to have a Material Adverse Effect.

18.8 Financial Statements

Its financial statements most recently delivered to the Facility Agent:

- (a) have been prepared in all material respects in accordance with the Accounting Principles, consistently applied; and
- (b) give a true and fair view of (if audited) or fairly represent (if unaudited) its financial condition (consolidated, if applicable) as the date to which they were drawn up,

except, in each case, as disclosed to the contrary in those financial statements.

18.9 No Material Adverse Change

There has been no material adverse change in the consolidated financial position of the Group (taken as a whole) since the date to which the Original Financial Statements were drawn up which would or is reasonably likely to have a Material Adverse Effect.

18.10 Litigation and Insolvency Proceedings

- (a) No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started against any member of the Group and, to its knowledge, no such proceedings are threatened, where in any such case, there is a reasonable likelihood of an adverse outcome to any member of the Group where that outcome is of a nature which would or is reasonably likely to have a Material Adverse Effect.
- (b) None of the circumstances referred to in Clause 22.7 (*Insolvency Proceedings*) are pending or, to its knowledge, threatened against it or any member of the Group.

18.11 Tax Liabilities

- (a) No claims are being asserted against it or any member of the Group with respect to Taxes which are reasonably likely to be determined adversely to it or to such member of the Group and which, if adversely determined, would or is reasonably likely to have a Material Adverse Effect.
- (b) It is not materially overdue in the filing of any Tax returns required to be filed by it (where such late filing might result in any material fine or penalty on it) and it has paid within any period required by law all Taxes shown to be due on any Tax returns required to be filed by it or on any assessments made against it (other than Tax liabilities being contested by it in good faith and where it has made adequate reserves for such liabilities or where such overdue filing, or non-payment, or a claim for payment, of which in each such case would not have or be reasonably likely to have a Material Adverse Effect).

18.12 Security Interests

Its execution and delivery of this Agreement does not necessitate and will not result in the creation or imposition of any Security Interest over any of its material assets or those of any member of the Group (except for any Security Interest created pursuant to the Security Documents).

18.13 Intellectual Property Rights

- (a) It (and each member of the Group) owns or has the legal right to use all the Intellectual Property Rights which are required for the conduct of the business of the Group as a whole from time to time or are required by it (or such member) in order for it to carry on such business as it is then being conducted, except where the failure to do so would not have or be reasonably likely to have a Material Adverse Effect.

- (b) As far as it is aware it does not (nor does any member of the Group), in carrying on its business, infringe any Intellectual Property Rights of any third party in any way which would or is reasonably likely to have a Material Adverse Effect.
- (c) None of the Intellectual Property Rights owned by any member of the Group is, to its knowledge, being infringed nor, to its knowledge, is there any threatened infringement of those Intellectual Property Rights, by any third party which, in either case, would or is reasonably likely to have a Material Adverse Effect.
- (d) All registered Intellectual Property Rights owned by it (or any member of the Group) are subsisting and all actions (including payment of all fees) required to maintain the same in full force and effect have been taken except where the absence of such rights or the failure to take any such action would not have or be reasonably likely to have a Material Adverse Effect.

18.14 Environmental Laws

- (a) It and each other member of the Group:
 - (i) have obtained all requisite Environmental Approvals required for the carrying on of its business as currently conducted;
 - (ii) have at all times complied with the terms and conditions of such Environmental Approvals; and
 - (iii) have at all times complied with all other applicable Environmental Law,
 which in each such case, if not obtained or complied with, would or is reasonably likely to have a Material Adverse Effect.
- (b) There is no Environmental Claim in existence, pending or, to the best of its knowledge, threatened, against it which is reasonably likely to be decided against it and which, if so decided, would or is reasonably likely to have a Material Adverse Effect.

18.15 Ownership of Assets

It and each member of the Group has good title to or valid leases or licences of or is otherwise entitled to use all assets necessary to conduct its business except where the failure to do so would not have or be reasonably likely to have a Material Adverse Effect.

18.16 ERISA

Neither it nor any member of the Group or ERISA Affiliate maintains, contributes to or has any obligation to contribute to or any liability under, any Plan, or in the past five years has maintained or contributed to or had any obligation to, or liability under, any Plan.

18.17 United States Regulations

Neither it nor any member of the Group is:

- (a) a public utility as defined in the United States Federal Power Act of 1920; or subject to regulation thereunder;
- (b) required to be registered as an investment company as defined in the United States Investment Company Act of 1940 or subject to regulation thereunder; or
- (c) subject to regulation under any United States Federal or State law or regulation that limits its ability to incur or guarantee indebtedness.

18.18 Anti-Terrorism Laws

To the best of its knowledge, neither it nor any member of the Group:

- (a) is, or is controlled by, a Designated Party;
- (b) has received funds or other property from a Designated Party; or
- (c) is in material breach of or is the subject of any action or investigation under any Anti-Terrorism Law.

It and each of its Affiliates have taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws.

18.19 Margin Stock

- (a) (In the case of the Borrowers only) the proceeds of the Facilities have been and will be used only for the purposes described in Clause 3 (*Purpose*).
- (b) Neither it nor any member of the Group is engaged principally in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations U and X of the Board of Governors of the United States Federal Reserve System), and no portion of any Advance has been or will be used, directly or indirectly, to purchase or carry margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock.

18.20 Times for Making Representations and Warranties

- (a) The representations and warranties set out in this Clause 18 (*Representations and Warranties*) are made by each Original Obligor on the date of this Agreement and (except for Clauses 18.5 (*Non-Conflict*), 18.6 (*No Event of Default*), 18.7 (*Authorisations*), 18.9 (*No Material Adverse Change*), 18.10 (*Litigation and Insolvency Proceedings*), 18.11 (*Tax Liabilities*), 18.12 (*Security Interests*), 18.13 (*Intellectual Property Rights*), 18.14 (*Environmental Laws*), 18.15 (*Ownership of Assets*), 18.16 (*ERISA*), 18.17 (*United States Regulations*) and 18.18 (*Anti-Terrorism Laws*)), are deemed to be made again by each relevant Obligor on the date of each Request and on each Utilisation Date with reference to the facts and circumstances then existing.
- (b) The representations and warranties set out in this Clause 18 (*Representations and Warranties*) (except Clauses 18.8 (*Financial Statements*) and 18.9 (*No Material Adverse Change*)) are repeated by each Additional Obligor with respect to itself on the date of the Accession Agreement relating to that Additional Obligor, with reference to the facts and circumstances then subsisting.
- (c) When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

19. INFORMATION COVENANTS

19.1 Financial Statements

- (a) The Obligors must supply to the Facility Agent in sufficient copies for all the Lenders (provided however, that to the extent any reports are filed on the SEC's website or the Company's website, such reports shall be deemed supplied to the Facility Agent in sufficient copies for all the Lenders):
 - (i) the audited consolidated financial statements for the Reporting Entity for each of its financial years; and
 - (ii) the unaudited quarterly consolidated management accounts (including, amongst other things, a consolidated balance sheet) of the Reporting Entity for each of its financial quarters in each of its financial years.
- (b) All financial statements must be supplied as soon as they are available and:
 - (i) in the case of the Reporting Entity's audited financial statements, within 150 days; and
 - (ii) in the case of the quarterly financial statements of the Reporting Entity, within 60 days (or, in the case of the quarterly financial statements of the Reporting Entity for its fourth financial quarter, within 150 days),of the end of the relevant financial period.
- (c) Together with any financial statements provided in accordance with paragraph (a) above, the Obligors shall provide to the Facility Agent in sufficient copies for all the Lenders (provided however, that to the extent any such information is filed on the SEC's website or the Company's website, such information shall be deemed supplied to the Facility Agent in sufficient copies for all the Lenders) a schedule containing the components and amounts of Holdco Debt.

- (d) At any time, on and from a Permitted Affiliate Group Designation Date, any financial statements provided to the Facility Agent pursuant to this Agreement shall be provided together with the accounts of any Permitted Affiliate Parent and any of its Subsidiaries on a combined basis.
- (e) To the extent that material differences exist between the business, assets, results of operations or financial condition of (i) the Reporting Entity and (ii) the Group (excluding, for the avoidance of doubt, the effect of any intercompany balances between the Reporting Entity and any member of the Group), the Company shall provide to the Facility Agent, together with the financial statements delivered under paragraph (a) above, in sufficient copies for all the Lenders, the Group Reconciliation (provided however, that to the extent the Group Reconciliation is filed on the SEC's website or the Company's website, such Group Reconciliation shall be deemed supplied to the Facility Agent in sufficient copies for all the Lenders).

19.2 Form of Financial Statements

The Company must ensure that each set of financial statements of the Reporting Entity supplied under this Agreement gives (if audited) a true and fair view of, or (if unaudited) fairly represents, the financial condition (consolidated or otherwise) of the relevant person as at the date to which those financial statements were drawn up.

19.3 Compliance Certificate

- (a) The Company must supply to the Facility Agent a Compliance Certificate with each set of its financial statements sent to the Facility Agent under this Agreement if, as at the last day of the Measurement Period ending on the date of such financial statements, the aggregate of the Telenet Additional Facility Outstandings under each Revolving Facility (other than Documentary Credits that are cash collateralised or undrawn) and any net indebtedness under each Ancillary Facility exceeds an amount equal to 33 1/3 per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment.
- (b) A Compliance Certificate must be signed by a director of the Company.

19.4 Information—Miscellaneous

The Obligors must supply to the Facility Agent, in sufficient copies for all the Lenders if the Facility Agent so requests:

- (a) copies of all documents despatched by any of the Obligors to its creditors generally at the same time as they are despatched;
- (b) promptly upon becoming aware of them, details of any litigation, arbitration or administrative proceedings which are current, threatened or pending and which might, if adversely determined, have a Material Adverse Effect;
- (c) a copy of any material report or other notice, statement or circular, sent or delivered by any member of the Group whose shares are pledged to the Security Agent pursuant to any Security Document to any person in its capacity as shareholder of such member of the Group, which materially adversely affects the interest of the Finance Parties under such Security Document;
- (d) in relation to any proposed Re-registration (as defined in paragraph (e)(i) of the definition of Permitted Transaction) of a member of the Group, the shares in which are the subject of Security in favour of the Finance Parties, promptly upon becoming aware of them, the final details of that proposed Re-registration; and
- (e) promptly on request, such further information regarding the financial condition and operations of the Group as any Finance Party through the Facility Agent may reasonably request.

19.5 Change in Accounting Principles

- (a) The Company may elect to apply for all purposes of this Agreement, in lieu of IFRS, GAAP. Thereafter, the Company may re-elect to apply for all purposes of this Agreement, in lieu of GAAP, IFRS.

- (b) Subject to the provisions of this Clause 19.5 (*Change in Accounting Principles*), after any such election in accordance with paragraph (a) above all:
 - (i) accounting expressions not otherwise defined in this Agreement shall be construed in accordance with; and
 - (ii) ratios, computations, and other determinations based on IFRS contained in this Agreement shall be computed in conformity with,
 at the Company's election, IFRS or GAAP.
- (c) The Company shall ensure that each set of financial information delivered to the Facility Agent pursuant to Clause 19.1 (*Financial Statements*) is prepared using accounting policies, practices and procedures consistent with that applied in the preparation of the Original Financial Statements, unless in relation to any set of financial information, the Company elects to notify the Facility Agent that there have been one or more changes in any such accounting policies, practices or procedures (including, without limitation, any change in the basis upon which costs are capitalised or any changes resulting from the Company's decision at any time to adopt GAAP or IFRS) and:
 - (i) the Company provides either:
 - (A) a statement (providing reasonable detail) confirming the changes would have no material effect on the operation of the ratio set out in Clause 20 (*Financial Covenant*); or
 - (B) a description of the changes and the adjustments that would be required to be made to that financial information in order to cause it to reflect the accounting policies, practices or procedures prior to such change and sufficient information, in such detail and format as may be reasonably required by the Facility Agent, to enable the Lenders to make a comparison between the financial positions indicated by that financial information and by the financial information required to be delivered under Clause 19.1 (*Financial Statements*);
 - (ii) following delivery of the notification referred to above by the Company to the Facility Agent, if the Facility Agent (acting on the instructions of the Majority Lenders) requests it, the Company shall use commercially reasonable efforts to provide, the statement contemplated by paragraph (A) above or the description contemplated by paragraph (B) above, as applicable, relating to the financial information required to be delivered pursuant to Clause 19.1 (*Financial Statements*) for the most recently completed financial quarter;
 - (iii) in the event of any changes to such accounting policies, practices or procedures other than resulting from the Company's decision to adopt GAAP, if the Company notifies the Facility Agent that it is no longer practicable to test compliance with the financial covenant set out in Clause 20 (*Financial Covenant*) and/or any other ratio set out in this Agreement against the financial information required to be delivered pursuant to this Clause 19 (*Information Covenants*) or that it wishes to cease preparing the additional information required by paragraph (i) above:
 - (A) the Facility Agent and the Company shall enter into negotiations with a view to agreeing an alternative financial covenant and/or ratios to replace the ratios contained in Clause 20 (*Financial Covenant*) and/or any other ratio set out in this Agreement in order to maintain a consistent basis for such financial covenant or ratio (and for approval by the Majority Lenders); and
 - (B) if the Facility Agent and the Company agree an alternative financial covenant to replace that contained in Clause 20 (*Financial Covenant*) and/or any other ratio set out in this Agreement which are acceptable to the Majority Lenders, such alternative financial covenant shall be binding on all parties hereto; and
 - (C) if, after three months following the date of the notice given to the Facility Agent pursuant to this paragraph (c), the Facility Agent and the Company cannot agree an alternative financial covenant and/or an alternative for another ratio set out in this Agreement which are acceptable to the Majority Lenders,

the Facility Agent shall refer the matter to any auditors as may be agreed between the Company and the Facility Agent for determination of the adjustments required to be made to such financial information or the calculation of such ratios to take account of such change, such determination to be binding on the parties hereto, provided that pending such determination (but not thereafter) the Company shall continue to prepare financial information and calculate such financial covenant in accordance with paragraph (i) above; or

- (iv) in the event of any changes to such accounting policies, practices or procedures resulting from the Company's decision to adopt GAAP, if the Company notifies the Facility Agent that it is no longer practicable to test compliance with the financial covenant set out in Clause 20 (*Financial Covenant*) and/or any other ratio set out in this Agreement against the financial information required to be delivered pursuant to this Clause 19 (*Information Covenants*) or that it wishes to cease preparing the additional information required by paragraph (i) above, in which case:
 - (A) the Company shall provide the Facility Agent with revised (1) financial covenant ratio levels to replace those contained in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) (the "**Revised Ratios**") and (2) financial covenant definitions and/or a revised ratio to replace that set out in any other provision of this Agreement (the "**Revised Definitions**"), in each case resulting from the adoption of GAAP by the Company and that are substantially equivalent to the financial covenant ratio levels and definitions in existence at such time on the basis of IFRS, as confirmed by a report of a reputable accounting firm; and
 - (B) the Revised Ratios and Revised Definitions shall become effective, and this Agreement shall be amended accordingly to reflect such amendments without any further consents from any Lender, if the Facility Agent (acting on the instructions of the Majority Lenders) has not objected (acting reasonably) to the implementation of the Revised Ratios and Revised Definitions within 60 days after receipt thereof, provided that, if at any time after the Company has adopted GAAP, it then elects to adopt IFRS, this Agreement shall, immediately upon such election, be amended to reflect such amendments without any further consents by any Finance Party to implement a deletion of the Revised Ratios and Revised Definitions and to reinstate the financial covenant ratio levels contained in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) and/or any other ratio set out in any other provision of this Agreement and the financial covenant definitions, in each case, as at the 2017 Amendment Effective Date (updated to reflect any other amendments made since that date) subject to any amendments in accordance with paragraphs (i) and (ii) above and provided that the reconciliation required under paragraph (i) above is also provided by the Company.

19.6 Notification of Default

- (a) Unless the Facility Agent has already been so notified by another Obligor, each Obligor must notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- (b) Promptly on request by the Facility Agent, the Company must supply to the Facility Agent a certificate, signed by an authorised officer of the Company, certifying that no Default is outstanding or, if a Default is outstanding, specifying the Default and the steps, if any, being taken to remedy it.
- (c) Any Obligor must promptly upon becoming aware of it notify the Facility Agent of:
 - (i) any Reportable Event;
 - (ii) the termination of or withdrawal from, or any circumstances reasonably likely to result in the termination of or withdrawal from, any Plan subject to Title IV of ERISA; and
 - (iii) material non-compliance with any law or regulation relating to any Plan which would or is reasonably likely to have a Material Adverse Effect.

19.7 Inspection Rights

Each Obligor shall, if required by the Facility Agent (acting on the instructions of the Majority Lenders), at any time whilst an Event of Default is continuing or the Facility Agent has reasonable grounds to believe that an Event of Default may exist and at other times if the Facility Agent has reasonable grounds for such request, permit representatives of the Facility Agent upon reasonable prior written notice to the Company to:

- (a) visit and inspect the properties of any member of the Group during normal business hours;
- (b) inspect its books and records other than records which the relevant member of the Group is prohibited by law, regulation or contract from disclosing to the Facility Agent; and
- (c) discuss with its principal officers and Auditors its business, assets, liabilities, financial position, results of operations and business prospects provided that (i) any such discussion with the Auditors shall only be on the basis of the audited financial statements of the Group and any compliance certificates issued by the Auditors and (ii) representatives of the Company shall be entitled to be present at any such discussion with the Auditors.

19.8 Know your Customer Requirements

- (a) Each Obligor must promptly on the request of any Finance Party supply to that Finance Party any documentation or other evidence which is reasonably requested by that Finance Party (whether for itself, on behalf of any Finance Party or any prospective new Lender) to enable a Finance Party or prospective new Lender to carry out and be satisfied with the results of all applicable know your customer requirements.
- (b) Each Lender must promptly on the request of the Facility Agent supply to the Facility Agent any documentation or other evidence which is reasonably required by the Facility Agent to carry out and be satisfied with the results of all know your customer requirements.

19.9 Use of Websites

- (a) An Obligor may (and upon request by the Facility Agent, shall) satisfy its obligations under this Agreement to deliver any information in relation to those Lenders (the “**Website Lenders**”) who have not objected to the delivery of information electronically by posting this information onto an electronic website designated by the Company and the Facility Agent (the “**Designated Website**”) or by e-mailing such information to the Facility Agent, if:
 - (i) the Facility Agent expressly agrees that it will accept communication and delivery of any documents required to be delivered pursuant to this Agreement by this method;
 - (ii) in the case of posting to the Designated Website, the Company and the Facility Agent are aware of the address of, and any relevant password specifications for, the Designated Website; and
 - (iii) the information is in a format previously agreed between the Company and the Facility Agent.
- (b) If any Lender (a “**Paper Form Lender**”) objects to the delivery of information electronically then the Facility Agent shall notify the Company accordingly and the Company shall supply the information to the Facility Agent (in sufficient copies for each Paper Form Lender) in paper form.
- (c) The Facility Agent shall supply each Website Lender with the address of, and any relevant password specifications for, the Designated Website following designation of that website by the Company and the Facility Agent.
- (d) Any Website Lender may request, through the Facility Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall comply with any such request within 10 Business Days.
- (e) Subject to the other provisions of this Clause 19.9 (*Use of Websites*), any Obligor may discharge its obligation to supply more than one copy of a document under this Agreement by posting one copy of such document to the Designated Website or e-mailing one copy of such document to the Facility Agent.

- (f) For the purposes of paragraph (a) above, the Facility Agent hereby expressly agrees that:
 - (i) it will accept delivery of documents required to be delivered under Clause 19.1 (*Financial Statements*) by the posting of such documents to the Designated Website or by email delivery to the Facility Agent; and
 - (ii) it has agreed to the format of the information required to be delivered under Clause 19.1 (*Financial Statements*).

20. FINANCIAL COVENANT

20.1 Interpretation

- (a) Except as provided to the contrary in this Agreement, an accounting term used in this Clause 20 (*Financial Covenant*) is to be construed in accordance with Accounting Principles on which the preparation of the Original Financial Statement was based.
- (b) No item must be credited or deducted more than once in any calculation under this Clause 20 (*Financial Covenant*).

20.2 Net Total Debt to Consolidated Annualised EBITDA

- (a) Subject to paragraph (b) below and Clause 22.5 (*Cross-default and Cross-acceleration*), in the event that on the last day of a Measurement Period the aggregate of the Telenet Additional Facility Outstandings under any Revolving Facility (other than Documentary Credits that are cash collateralised or undrawn) and any net indebtedness under each Ancillary Facility exceeds an amount equal to 33 1/3 per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment, the Company shall procure that the ratio of Net Total Debt to Consolidated Annualised EBITDA for each Measurement Period is not greater than 6.00:1 unless otherwise agreed in writing by the Composite Revolving Facility Instructing Group and the Company.
- (b) If the financial covenant set out in paragraph (a) has been breached for a Measurement Period (the “**First Measurement Period**”) but is complied with when tested for the next Measurement Period (the “**Second Measurement Period**”), then, the prior breach of such financial covenant or any Event of Default arising therefrom shall not (or shall be deemed to not) directly or indirectly constitute, or result in, a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or an Event of Default unless the Facility Agent has taken any action under Clause 22.18 (*Maintenance Covenant Revolving Facility Acceleration*) before the delivery of the financial statements in respect of the Second Measurement Period.

20.3 Calculations

- (a) For the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*), Net Total Debt for any Measurement Period will be calculated on the basis of Net Total Debt outstanding on the last day of that Measurement Period.
- (b) For the purposes of testing compliance with the financial ratio set out in this Clause 20 (*Financial Covenant*) and testing any other financial ratio in this Agreement:
 - (i) calculations shall be determined in good faith by a responsible financial or accounting officer of the Group and shall be made on a pro forma basis giving effect to all material acquisitions and disposals made by the Group (including in respect of anticipated expense and cost reductions) and including as a result of, or that would result from, any actions taken, committed to be taken or with respect to which substantial steps have been taken, by the Company or any other member of the Group including in connection with any cost reduction synergies or cost savings plan or program or in connection with any transaction, investment, acquisition, disposition, restructuring, corporate reorganizations or otherwise (regardless of whether these cost savings and cost reduction synergies could then be reflected in pro forma financial statements to the extent prepared);
 - (ii) Consolidated EBITDA for the relevant period will be calculated after giving pro forma effect thereto as if any incurrence, repayment, transaction, investment, acquisition,

disposition, restructuring, corporate reorganization or otherwise occurred on the first day of such period; and

- (iii) interest on any indebtedness that bears interest at a floating rate and that is being given pro forma effect shall be calculated as if the rate in effect on the date of calculation had been applicable for the entire period (taking into account any hedging in respect of such indebtedness).

20.4 Cure Provisions

- (a) The Company may cure a breach of the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) by procuring that additional equity is injected into the Group by one or more Restricted Persons and/or additional Subordinated Shareholder Loans are provided to the Group in an aggregate amount equal to the amount which:
 - (i) if it had been deducted from Net Total Debt for the Measurement Period in respect of which the breach arose, would have avoided the breach; or
 - (ii) if it had been added to the Consolidated Annualised EBITDA for the Measurement Period in respect of which the breach arose, would have avoided the breach.
- (b) A cure under this Clause 20.4 (*Cure Provisions*) will not be effective unless the required amount of additional equity or the proceeds of any Subordinated Shareholder Loans are received by one or more members of the Group within 15 Business Days of delivery of the financial statements delivered under Clause 19.1 (*Financial Statements*) which show that Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) has been breached.
- (c) No cure may be made under this Clause 20.4 (*Cure Provisions*):
 - (i) in respect of more than five Measurement Periods during the life of the Facilities; or
 - (ii) in respect of consecutive Measurement Periods.
- (d) The Company shall be under no obligation to apply any equity injected or the proceeds of any Subordinated Shareholder Loans into the Group under paragraph (a) above in prepayment of the Facilities and to the extent not applied such amount will be deemed to be deducted from Net Total Debt or added to Consolidated Annualised EBITDA for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) (as applicable).
- (e) For the purpose of ascertaining compliance with Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*), the ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) will be tested or retested, as applicable, giving effect to the adjustment referred to in paragraph (d) above. If, after giving effect to the adjustment, the requirements of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) are met, then the requirements of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) shall be deemed to have been satisfied as at the relevant original date of determination.

20.5 Determinations

- (a) Financial Indebtedness of the Group originally denominated in any currency other than Euro that has been swapped, directly or indirectly through one or more foreign exchange hedging transactions, into Euro, will be taken into account at its Euro equivalent using the effective exchange rate in the relevant foreign exchange hedging transactions.
- (b) All the terms used above are to be calculated in accordance with the Accounting Principles.
- (c) Notwithstanding paragraph (a) above and Clause 20.1(a) (*Interpretation*), Hedged Debt (as defined below) will be taken into account at its Euro equivalent calculated using the same weighted average exchange rates for the relevant Measurement Period used in the profit and loss statements of the relevant accounts of the Group for calculating the Euro equivalent of EBITDA denominated in the same currency as the currency in which that Hedged Debt is denominated or into which it has been swapped, as described below.

Hedged Debt means:

- (i) Financial Indebtedness of the Group originally denominated in any currency other than Euro in which any member of the Group earns EBITDA (a functional currency) and

that has not been swapped, directly or indirectly through one or more foreign exchange hedging transactions, into Euro; and

- (ii) Financial Indebtedness of the Group that has been swapped, directly or indirectly through one or more foreign exchange hedging transactions, into a functional currency.
- (d) If there is a dispute as to any interpretation of or computation for Clause 20 (*Financial Covenant*), the interpretation or computation of the Company shall prevail.

21. GENERAL COVENANTS

21.1 General

Each Obligor agrees to be bound by the covenants set out in this Clause 21 (*General Covenants*) relating to it and, where the covenant is expressed to apply to each member of the Group, each Obligor must ensure that each of its Subsidiaries that are members of the Group performs that covenant.

21.2 Authorisations

Each Obligor must:

- (a) obtain or cause to be obtained, maintain and comply with the terms of:
 - (i) every material consent, authorisation, licence or approval of, or filing or registration with or declaration to, governmental or public bodies or authorities or courts; and
 - (ii) every material notarisation, filing, recording, registration or enrolment in any court or public office,in each case required under any law or regulation to enable it to perform its obligations under, or for the validity, enforceability or admissibility in evidence of any Finance Document to which it is a party; and
- (b) obtain or cause to be obtained every Necessary Authorisation and ensure that:
 - (i) none of the Necessary Authorisations is revoked, cancelled, suspended, withdrawn, terminated, expires and is not renewed or otherwise ceases to be in full force and effect; and
 - (ii) no Necessary Authorisation is modified and no member of the Group commits any breach of the terms or conditions of any Necessary Authorisation,which, in each case, would or is reasonably likely to have a Material Adverse Effect.

21.3 Compliance with Laws

Each Obligor will, and will procure that each member of the Group will, comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over it or any of its assets except where failure to do so would not be reasonably likely to have a Material Adverse Effect.

21.4 Pari Passu Ranking

Each Obligor must ensure that its payment obligations under the Finance Documents rank at least pari passu with all the claims of its other present and future unsecured and unsubordinated creditors (save for those obligations mandatorily preferred by law applying to companies generally).

21.5 Negative Pledge

- (a) No Obligor shall permit (and the Company shall procure that no member of the Group shall permit) any Security Interest by any member of the Group to subsist, arise or be created or extended over all or any part of their respective present or future undertakings, assets, rights or revenues to secure or prefer any present or future Financial Indebtedness of any member of the Group or any other person, other than:
 - (i) Permitted Security Interests; or

- (ii) any Security Interest over any present or future undertakings, assets, rights or revenues that is not subject to Security (such Security Interest, the “**Initial Security Interest**”) if, contemporaneously with the incurrence of such Initial Security Interest, effective provision is made to secure the Financial Indebtedness due under this Agreement equally and rateably with (or prior to, in the case of any Security Interest with respect to Financial Indebtedness that ranks junior to the Facilities) the Financial Indebtedness secured by such Initial Security Interest so long as such Financial Indebtedness is so secured.
- (b) In the event that a Security Interest meets the criteria of more than one of the types of Permitted Security Interest described in the paragraphs of the definition of “Permitted Security Interest”, the Company, in its sole discretion, shall classify such Security Interest on the date such Security Interest subsists, arises, is created or extended and shall only be required to include such Security Interest under one of such paragraphs and will be permitted on the date such Security Interest subsists, arises, is created or extended to divide and classify such Security Interest in more than one of the types of Security Interest described in such paragraphs, and, from time to time, may reclassify all or a portion of such Security Interest, in any manner that complies with this covenant.
- (c) Any Security Interest created pursuant to the proviso described in Clause 21.5(a)(ii) securing the Financial Indebtedness due under this Agreement will be automatically and unconditionally released and discharged upon the release and discharge of the Initial Security Interest to which it relates (and, to the extent required, the Facility Agent and the Security Agent are hereby irrevocably authorised and instructed by the Lenders to enter into such documentation as is reasonably required to effect such release).

21.6 Disposals

- (a) Except as provided below, no Obligor or member of the Group may, either in a single transaction or in a series of transactions and whether related or not and whether voluntary or involuntary, dispose of any asset.
- (b) Paragraph (a) above does not apply to any Permitted Disposal.
- (c) In the event that a transaction (or a portion thereof) meets the criteria of a Permitted Disposal and also meets the criteria of a Permitted Payment, the Company, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as a Permitted Disposal and/or a Permitted Payment.

21.7 Financial Indebtedness

- (a) Except as provided below, each Obligor shall ensure that no member of the Group may incur or otherwise permit to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to Permitted Financial Indebtedness.
- (c) In the event that Financial Indebtedness meets the criteria of more than one of the types of Permitted Financial Indebtedness described in the paragraphs of the definition of “Permitted Financial Indebtedness”, the Company, in its sole discretion, shall classify such item of Financial Indebtedness on the date of its incurrence and shall only be required to include the amount and type of such Financial Indebtedness in one of such paragraphs and will be permitted on the date of such incurrence to divide and classify an item of such Financial Indebtedness in more than one of the types of Financial Indebtedness described in such paragraphs, and, from time to time, may reclassify all or a portion of such Financial Indebtedness, in any manner that complies with this covenant.

21.8 Change of Business

Each Obligor must ensure that no member of the Group makes any change to the nature of its business as carried on at the date of this Agreement which would give rise to a substantial change in the business of the Group taken as a whole.

21.9 Acquisitions and Mergers

- (a) No Obligor will, and each Obligor will procure that none of its Subsidiaries that are members of the Group will, make any Restricted Acquisition other than any Permitted Acquisition, Permitted Joint Venture and any Permitted Transaction.
- (b) Each Obligor will not merge or consolidate with any other company or person and will procure that no member of the Group will merge or consolidate with any other company or person save for:
 - (i) Restricted Acquisitions permitted by paragraph (a) above, any Permitted Transaction and disposals permitted by Clause 21.6 (*Disposals*);
 - (ii) with the prior written consent of the Facility Agent (acting on the instructions of the Majority Lenders); or
 - (iii) mergers between any member of the Group with any or all of the other members of the Group or any Unrestricted Subsidiary (“**Original Entities**”), into one or more entities (each a “**Merged Entity**”) provided that:
 - (A) reasonable details of the proposed merger in order to demonstrate satisfaction with paragraphs (C) to (F) below are provided to the Facility Agent within 30 days after the date on which the merger is entered into;
 - (B) if the proposed merger is between a member of the Group and an Unrestricted Subsidiary, the Company has delivered to the Facility Agent within 30 days after the date on which the merger is entered into financial projections which demonstrate that the Group will be in compliance with the undertakings set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) for the period commencing on the date of merger and ending on the earlier of the date that falls 3 years from the date of merger and the longest dated Final Maturity Date;
 - (C) such Merged Entity will be a member of the Group and will be liable for the obligations of the relevant Original Entities (including the obligations under this Agreement and the Security Documents), which obligations remain unaffected by the merger (other than as a result of the release of any Security Document in accordance with Clause 21.26(b) (*Security Documents—Change of Jurisdiction*)), and entitled to the benefit of all rights of such Original Entities;
 - (D) (if all or any part of the share capital of any of the relevant Original Entities was charged pursuant to a Security Document) the equivalent part of the issued share capital of such Merged Entity is charged pursuant to a Security Document on terms of at least an equivalent nature and equivalent ranking as any Security Document relating to the shares in each relevant Original Entity within 60 days of the merger;
 - (E) any possibility of the Security Documents referred to in paragraph (D) above being challenged or set aside is not materially greater than any such possibility in relation to the Security Documents entered into by, or in respect of the share capital of, any relevant Original Entity; and
 - (F) all the property and other assets of the relevant Original Entities are vested in the Merged Entity and the Merged Entity has assumed all the rights and obligations of the relevant Original Entities under any relevant material Necessary Authorisations and other licences or registrations (to the extent reasonably necessary for the business of the relevant Original Entities) granted in favour of the Original Entities and/or all such rights and obligations have been transferred to the Merged Entity and/or the relevant Necessary Authorisations and other licences or registrations (to the extent reasonably necessary for the business of the relevant Original Entities) granted in favour of the Original Entities have been reissued to the Merged Entity,

except that the requirements of paragraphs (B) to (F) above will not apply in respect of any merger between Original Entities:

- (1) both of which are not Obligor; and
- (2) neither one of which is party to a Security Document, neither one of whose share capital is charged pursuant to a Security Document and neither one of whom owes any receivables to another member of the Group which are pledged pursuant to a Security Document; or
- (iv) in the event that the relevant member of the Group liquidates or dissolves in accordance with the provisions of Clause 21.23 (*Internal Reorganisations*).

21.10 Environmental Matters

- (a) Each Obligor will and will procure that each of its Subsidiaries that are members of the Group will:
 - (i) obtain all requisite Environmental Approvals;
 - (ii) comply with the terms and conditions of all Environmental Approvals applicable to it; and
 - (iii) comply with all other applicable Environmental Law,in each case where failure to do so would or is reasonably likely to have a Material Adverse Effect.
- (b) Each Obligor will and will procure that each of its Subsidiaries that are members of the Group will, promptly upon receipt of the same, notify the Facility Agent of any claim, notice or other communication served on it in respect of any alleged breach of, or corrective or remedial obligation or liability under, any Environmental Law which, if substantiated, would or is reasonably likely to either have a Material Adverse Effect or result in any liability for a Finance Party.

21.11 Restricted Payments

- (a) Each Obligor will not, and will procure that no member of the Group will, make any Restricted Payments other than Permitted Payments.
- (b) In the event that a Permitted Payment meets the criteria of more than one type of Permitted Payment listed in the paragraphs of the definition of “**Permitted Payment**”, the Company will be entitled to classify such Permitted Payment (or portion thereof) on the date of its payment in more than one of the types of Permitted Payments described in such paragraphs or later reclassify such Permitted Payment (or portion thereof) in any manner that complies with the covenant in this Clause 21.11 (*Restricted Payments*).

21.12 Insurance

Each Obligor will, and will procure that each member of the Group will, insure its assets and business to such an extent and against such risks as a prudent company engaged in a similar business would insure.

21.13 Loans and Guarantees

Each Obligor will not, and will procure that no member of the Group will make any loans, grant any credit or give any guarantee, to or for the benefit of, or enter into any transaction having the effect of lending money to, any person, other than:

- (a) loans from a member of the Group to another member of the Group provided that no Obligor shall make a loan to any other member of the Group unless, prior to the Asset Security Release Date only, such Obligor has already entered into a pledge of receivables which creates an effective pledge in favour of the Security Agent in relation to such loan or, within 60 days of making the loan:
 - (i) such Obligor has entered into an Obligor Pledge of Receivables which creates an effective pledge in favour of the Security Agent in relation to such loan and provided

the Security Agent with such evidence as it may reasonably request as to the power and authority of such Obligor to enter into such Obligor Pledge of Receivables and that such Obligor Pledge of Receivables constitutes valid and legally binding obligations of such Obligor enforceable in accordance with its terms subject (to the extent possible) to substantially similar qualifications to those made in the legal opinions referred to in Schedule 2 (*Conditions Precedent Documents*); and

- (ii) the relevant member of the Group to whom the loan has been made has given a notification of pledge to the Security Agent in respect of such loan;
- (b) any credit given by a member of the Group to another member of the Group which arises by reason of cash pooling, set off or other cash management arrangements of the Group or other credits relating to services performed or allocation of expenses;
- (c) as permitted by Clause 21.7 (*Financial Indebtedness*);
- (d) in accordance with Clause 21.9 (*Acquisitions and mergers*);
- (e) liquidity loans of a type which is customary for asset securitisation programmes or other receivables factoring transactions, provided in connection with any asset securitisation programme or receivables factoring transaction otherwise permitted by Clause 21.6 (*Disposals*);
- (f) normal trade credit in the ordinary course of business;
- (g) guarantees given:
 - (i) by any Obligor in respect of the liabilities of another Obligor;
 - (ii) by a member of the Group in respect of the liabilities of an Obligor;
 - (iii) by a member of the Group (which is not an Obligor) in respect of the liabilities of another member of the Group (which is not an Obligor);
 - (iv) by an Obligor in respect of the liabilities of any other member of the Group to the extent that such liabilities could have been incurred by such Obligor directly without breaching this Agreement;
- (h) to the extent that the same constitute Permitted Payments or a Permitted Disposal (not being a Permitted Disposal of cash or cash equivalents);
- (i) loans, the granting of credit, guarantees and other transactions having the effect of lending money (each a “**Lending Transaction**”) from a member of the Group, in connection with an acquisition by that member which is permitted by Clause 21.9 (*Acquisitions and Mergers*), to the relevant person being acquired or one or more of its Subsidiaries, provided that the aggregate outstanding principal amount of all Lending Transactions (which principal amount shall be deemed to be no longer outstanding for this purpose at the time the beneficiary of the relevant Lending Transaction becomes a member of the Group upon completion of the relevant acquisition, provided such Lending Transaction was made to or in favour of the person acquired or its Subsidiaries) shall not exceed €300,000,000 at any time;
- (j) any loans or credit granted by a SSN Finance Subsidiary as contemplated in the definition of “SSN Finance Subsidiary” or the on-lending by any Parent to the Company of the proceeds of an issuance of Senior Secured Notes;
- (k) any loans or other credit made available to Asset Securitisation Subsidiaries and any notes issued by, and other amounts payable over time, by a purchaser of receivables in relation to any asset securitisation programme or receivables factoring transaction using a deferred purchase price structure including amounts payable pursuant to financing or operating leases;
- (l) any loan made by a member of the Group pursuant to an Asset Passthrough or a Funding Passthrough;
- (m) any loan made by a member of the Group to a member of the Wider Group (other than a member of the Group), where the proceeds of such loan are, or are to be (whether directly or indirectly) used:
 - (i) to make payments to the indenture trustee for the Senior Unsecured Notes in respect of any amounts payable to the indenture trustee which are High Yield Notes Trustee Amounts;

- (ii) to make payments under the Senior Secured Notes Documents;
- (iii) provided that no Event of Default has occurred and is continuing or is likely to occur as a result thereof, to fund Permitted Payments; or
- (iv) at any time after the occurrence of an Event of Default, to fund Permitted Payments to the extent not prohibited by the Intercreditor Agreement;
- (n) credit granted by any member of the Group to a member of the Wider Group, where the Financial Indebtedness outstanding thereunder relates to Intra-Group Services in the ordinary course of business;
- (o) any customary title guarantee given in connection with the assignment of leases where such assignment is permitted under Clause 21.6 (*Disposals*);
- (p) any loan granted as a result of a Subscriber being allowed terms, in the ordinary course of trade, whereby it does not have to pay for the services provided to it for a period after the provision of such services;
- (q) Lending Transactions from a member of the Group to any person of the proceeds of equity subscribed by any Restricted Person in, or Subordinated Shareholder Loans provided to, such member (other than any such proceeds which are otherwise applied in mandatory prepayment of any or all Facilities under this Agreement);
- (r) the provision of any Limited Recourse;
- (s) any counter guarantee in relation to any rental guarantee;
- (t) other than in respect of Financial Indebtedness, guarantees given by persons or undertakings acquired pursuant to a Permitted Acquisition;
- (u) any deferred consideration on Permitted Disposals up to 25 per cent. of the sale consideration;
- (v) any loans and guarantees entered into in connection with a Permitted Transaction or any loan or guarantee provided to a Permitted Joint Venture;
- (w) loans made, credit granted or guarantees given or the entry into any transaction having the effect of lending money by any member of the Group to any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business;
- (x) advances in the form of a prepayment of expenses, so long as such expenses are being paid in accordance with customary trade terms of the relevant member of the Group;
- (y) loans made, credit granted, guarantees given or the entry into any transaction having the effect of lending money by any member of the Group constituting (i) facilities or services related to cash management, cash pooling, treasury, depository, overdraft, credit or debit card, p-cards (including purchasing cards or commercial cards), electronic funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade financial services or other cash management and cash pooling arrangements and (ii) daylight exposures of any member of the Group in respect of banking and treasury arrangements entered into in the ordinary course of business;
- (z) loans made in connection with any start-up financing or seed funding provided that any such loans shall not exceed an aggregate value equal to the greater of (i) €10,000,000 and (ii) 1.00% of Total Assets;
- (aa) any loans made by any member of the Group to its employees either:
 - (i) in the ordinary course of its employees' employment; or
 - (ii) to fund the exercise of share options or the purchase of capital stock by its employees, directors, officers or consultants of the Group,

provided that the aggregate principal amount of all such loans shall not at any time exceed €10,000,000 (or its equivalent in other currencies); and

- (bb) loans made, credit granted or guarantees given by any member of the Group not falling within paragraphs (a) to (aa) above, in an aggregate amount not exceeding the greater of €100,000,000 (or its equivalent in other currencies) and 2% of Total Assets at any time.

21.14 Shareholder Loans

- (a) Each Obligor will procure that at any time a Restricted Person makes any Financial Indebtedness (other than Permitted Payments) available to any member of the Group, such Restricted Person shall enter into a Pledge of Subordinated Shareholder Loans on terms and conditions satisfactory to the Facility Agent and a Security Provider's Deed of Accession (each within 30 days of the date on which any such Financial Indebtedness is made available to that member of the Group) and provides (i) the Facility Agent with such documents and evidence as it may reasonably require as to the power and authority of the Restricted Person to enter into such Pledge of Subordinated Shareholder Loans and Security Provider's Deed of Accession and that the same constitute valid and legally binding obligations of such Restricted Person enforceable in accordance with their terms subject (to the extent applicable) to substantially similar qualifications to those made in the legal opinions referred to in Schedule 2 (*Conditions Precedent Documents*); and (ii) notification of such pledge to the relevant member of the Group.
- (b) Each Obligor shall ensure that each Subordinated Shareholder Loan and each shareholder loan entered into between an Obligor which is a party to an Existing Security Document that creates a pledge over intercompany loan receivables or an Obligor Pledge of Receivables as a creditor and a member of the Group is documented as a loan between that borrower and lender and governed by the law of the Kingdom of Belgium, Luxembourg, the State of Delaware, the State of Colorado, the State of New York, the Netherlands or England and Wales.
- (c) If any existing Subordinated Shareholder Loan which is subject to a Pledge of Subordinated Shareholder Loan (each an "**Existing Pledge of Subordinated Shareholder Loan**") and which is governed by the law of the Kingdom of Belgium is amended or restated such that it is governed by any law other than the law of the Kingdom of Belgium, each Obligor will procure that, on or prior to the date on which the governing law of the existing Subordinated Shareholder Loan is amended or restated, an equivalent Pledge of Subordinated Shareholder Loan governed by such law is entered into on terms which are consistent with the relevant Existing Pledge of Subordinated Shareholder Loan and terms that are satisfactory to the Security Agent and each Obligor shall provide, at the same time: (i) the Facility Agent with such documents and evidence as it may reasonably require as to the power and authority of the relevant Restricted Person to enter into such equivalent Pledge of Subordinated Shareholder Loans and that the same constitutes valid and legally binding obligations of such Restricted Person enforceable in accordance with their terms subject (to the extent applicable) to substantially similar qualifications to those made in the legal opinions referred to in Schedule 2 (*Conditions Precedent Documents*); and (ii) notification of such pledge to the relevant member of the Group.

21.15 Intellectual Property Rights

Except as otherwise permitted by this Agreement, each Obligor will, and will procure that each of its Subsidiaries that are members of the Group will:

- (a) make such registrations and pay such fees and similar amounts as are necessary to keep those registered Intellectual Property Rights owned by any member of the Group and which are material to the conduct of the business of the Group as a whole from time to time;
- (b) take such steps as are necessary and commercially reasonable (including, without limitation, the institution of legal proceedings) to prevent third parties infringing those Intellectual Property Rights referred to in paragraph (a) above and (without prejudice to paragraph (a) above) take such other steps as are reasonably practicable to maintain and preserve its interests in those rights, except where failure to do so will not have or be reasonably likely to have a Material Adverse Effect;
- (c) ensure that any licence arrangements in respect of the Intellectual Property Rights referred to in paragraph (a) above entered into with any third party are entered into on arm's length

terms and in the ordinary course of business (which shall include, for the avoidance of doubt, any such licensing arrangements entered into in connection with outsourcing on normal commercial terms) and will not have or be reasonably likely to have a Material Adverse Effect;

- (d) not permit any registration of any of the Intellectual Property Rights referred to in paragraph (a) above to be abandoned, cancelled or lapsed or to be liable to any claim of abandonment for non-use or otherwise to the extent the same would or is reasonably likely to have a Material Adverse Effect; and
- (e) pay all fees, and comply with each of its material obligations under, any licence of Intellectual Property Rights which are material to the conduct of the business of the Group as a whole from time to time.

21.16 Share Capital

Each Obligor will not, and will procure that no member of the Group (other than in respect of such other members of the Group in order to permit a solvent reorganisation permitted under Clause 21.9(b)(iii) (*Acquisitions and Mergers*)) will, reduce its capital or purchase or redeem any class of its shares or any other ownership interest in it, except to the extent the same:

- (a) constitutes a Permitted Payment;
- (b) constitutes a Permitted Transaction;
- (c) is in relation to a reduction of capital, purchase or redemption of any class of its shares for a nominal amount;
- (d) is in relation to a reduction of capital, purchase or redemption of any class of its shares that are or will be held by or transferred to another member of the Group;
- (e) is a payment to an Obligor (or, if not paid directly, results in the creation of a receivable from such Obligor towards the Obligor effecting the capital decrease or share redemption);
- (f) is a payment by a non-Obligor to another non-Obligor;
- (g) is carried out through an incorporation of losses; or
- (h) in the case of members of the Group other than the Obligors, is otherwise permitted by Clause 21.11 (*Restricted Payments*).

21.17 Share security

Each Obligor will not, and will procure that no member of the Group, the shares in which are subject to Security, will, issue any shares of any class unless such shares are charged or pledged in favour of the Secured Parties pursuant to the terms of a Security Document and there are delivered at the same time to the Security Agent the relevant share certificates and blank stock transfer forms (or equivalent documents, if any) in respect thereof together with such other documents and evidence (including, without limitation, a copy of the relevant shareholders' register showing an inscription in respect of such charge or pledge) and legal opinions as the Security Agent may reasonably require.

21.18 Constitutive Documents

Each Obligor will not, and will procure that no member of the Group will, amend its constitutive documents in any way which would or is reasonably likely to materially adversely affect (in terms of value, enforceability or otherwise) any charge or pledge over the shares or partnership interest of any member of the Group granted to the Secured Parties pursuant to the Security Documents.

21.19 ERISA

Each Obligor will, and will procure that its Subsidiaries which are members of the Group will, give the Facility Agent prompt notice of the adoption of, participation in or contribution to any Plan by it or any ERISA Affiliate, or any action by any of these to adopt, participate in or contribute to any Plan, or the incurrence by any of them of any liability or obligation to any Plan.

21.20 Content Transaction

- (a) Notwithstanding any other provisions of this Agreement, no Content Transaction shall be restricted by (nor deemed to constitute a utilisation of any of the permitted exceptions to) any provision of this Agreement, neither shall the implementation of any Content Transaction constitute a breach of any provision of any Finance Document, provided that:
 - (i) the cash proceeds of any Content Transaction are applied in accordance with Clause 10.3 (*Mandatory Prepayment from Disposal Proceeds*);
 - (ii) after giving pro forma effect for such Content Transaction, the Group continues to be in compliance with Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*); and
 - (iii) at the time of completion of such Content Transaction, no Event of Default has occurred and is continuing and no Event of Default would occur as a result of such Content Transaction.
- (b) Any Joint Venture established pursuant to a Content Transaction shall thereafter not be subject to any restrictions under this Agreement.

21.21 Asset Security Release

- (a) Following receipt by the Lenders of the Lender Asset Security Release Confirmation, the Parties shall (including, if applicable, in their capacities as Hedge Counterparties) and shall procure that any of their Affiliates that are Hedge Counterparties shall, at the request of the Company at any time, enter into all documentation that is necessary or desirable to ensure that, subject to obtaining the consent to the extent necessary of any applicable party to the Intercreditor Agreement that is not a Party (or an Affiliate of a Party that is a Hedge Counterparty) the Security (other than any Security required to be granted under paragraph (b) of the definition of “**80% Security Test**”) is released.
- (b) Following receipt by the Lenders of the Lender Asset Security Release Confirmation, each Lender shall, if applicable, in its capacity as a Hedge Counterparty and shall procure that any of its Affiliates that is a Hedge Counterparty shall, at any time at the request of the Company, enter into any amendments to any Hedging Agreement that are necessary or desirable to ensure that such Lender or such Affiliate in its capacity as a Hedge Counterparty is obliged to comply with the obligations in paragraph (a) above.

21.22 Further Assurances

- (a) The Company shall:
 - (i) subject to the proviso below and except as otherwise provided in this Clause 21 (*General Covenants*), procure that the 80% Security Test is satisfied at the end of each financial year where such test is calculated by reference to the annual financial information relating to the Group most recently delivered pursuant to Clause 19.1 (*Financial Statements*) and certified in the relevant Compliance Certificate accompanying the same;
 - (ii) subject to any Security Interests permitted under Clause 21.5 (*Negative Pledge*) procure that each member of the Group which becomes a party to this Agreement as an Obligor if required to satisfy the 80% Security Test shall have delivered to the Security Agent on or prior to the date of its accession to this Agreement as an Obligor, one or more Security Documents granting security over assets in accordance with the 80% Security Test other than any shares in, receivables owed by or any other interest in any Group Excluded Subsidiary or Joint Venture, or which the Security Agent agrees may be excluded from the Security Interests granted under the Security Documents (provided that the Security Agent shall not agree to exclude any asset of an Obligor from the Security where the net book value of such asset exceeds €10,000,000 (or its equivalent in other currencies) without the prior consent of the Majority Lenders (not to be unreasonably withheld or delayed)),

provided that, in respect of sub-paragraph (ii) above, any member of the Group or any Permitted Affiliate Parent which is required to become an Obligor within an applicable grace

period shall be entitled to become an Obligor without delivering any Security Documents to the Security Agent provided that such Security Documents shall be delivered to the Security Agent prior to the end of that applicable grace period.

- (b) A breach of paragraph (a) above shall not constitute a Default if:
 - (i) one or more members of the Group become Obligors in accordance with Clause 29.9 (*Additional Borrowers*) or Clause 29.10 (*Additional Guarantors*), as applicable, within 10 Business Days of the delivery of a Compliance Certificate by the Company demonstrating that the 80% Security Test is not satisfied; and
 - (ii) the Facility Agent (acting reasonably) is satisfied that the 80% Security Test would have been satisfied at the end of the relevant financial year if such Compliance Certificate had been prepared on the basis that such members of the Group had been Obligors as at that date.
- (c) In relation to any provision of this Agreement which requires the Obligors or any member of the Group to deliver a Security Document for the purposes of granting any guarantee or Security for the benefit of the Finance Parties, the Security Agent agrees to execute, as soon as reasonably practicable, any such guarantee or Security Document which is presented to it for execution.
- (d) For the purposes of determining whether the 80% Security Test is satisfied at any time under this Agreement other than at the end of a financial year pursuant to paragraph (a) above or for purposes of determining whether the 80% Security Test would be satisfied after a disposal or other transaction is consummated or to determine whether assets are required to remain or become subject to Security in order to comply with the 80% Security Test pursuant to paragraph (a) above or otherwise (in any such case, the “**Testing Time**”),
 - (i) the 80% Security Test shall be applied using the financial statements in respect of the financial quarter immediately preceding the Testing Time (and in the case of paragraph (e) below, including the financial information delivered pursuant to Clause 29.8 (*Permitted Affiliate Group Designation*), adjusted pro forma for the transaction (which, in the case of paragraph (e) below, means the designation of the Permitted Affiliate Parent as a Borrower and/or a Guarantor and the inclusion of the Subsidiaries of the Permitted Affiliate Parent as members of the Group, in the manner set out in Clause 29.8 (*Permitted Affiliate Group Designation*)) for which the 80% Security Test is being tested and any other transactions that took place after the end of such financial quarter that also required the satisfaction of the 80% Security Test; and
 - (ii) any member of the Group which (A) is not an Obligor or (B) has not granted Security over assets in accordance with the 80% Security Test, each in favour of the Security Agent in accordance with this Clause 21 (*General Covenants*), shall be excluded from the numerator (but not the denominator) in the determination of whether members of the Group generating not less than 80% of Consolidated Annualised EBITDA have acceded as Guarantors for purposes of the 80% Security Test.
- (e) On or prior to the date falling 60 Business Days from any Permitted Affiliate Group Designation Date, the Company shall deliver to the Facility Agent a certificate signed by an authorised signatory of the Company confirming that the 80% Security Test calculated on a combined basis (in accordance with paragraph (d) above) across the Group (as existing immediately prior to the Permitted Affiliate Group Designation Date) and the Permitted Affiliate Parent and its Subsidiaries) is satisfied.

21.23 Internal Reorganisations

- (a) No Obligor shall (for these purposes, a “**Predecessor Obligor**”), without the prior written consent of the Majority Lenders, liquidate on a solvent basis any Borrower, any Obligor that is a Material Subsidiary or the Company (a “**Solvent Liquidation**”) unless:
 - (i) on or prior to the Solvent Liquidation, an entity (the “**Successor Entity**”) acquires substantially all of the assets and assumes substantially all of the liabilities of the Predecessor Obligor (a “**Liquidation Transfer**”), excluding any rights under contracts that cannot be assigned or liabilities that will be satisfied or released upon the Solvent Liquidation, on an arm’s length basis and for full consideration;

- (ii) the Successor Entity is organised in the same jurisdiction as that in which the Predecessor Obligor is organised and is either:
 - (A) an existing Obligor; or
 - (B) a Subsidiary of the Company or a Subsidiary of any Permitted Affiliate Parent that is entitled to become (and subsequently does become) an Obligor in accordance with the provisions of Clause 29.9 (*Additional Borrowers*) or Clause 29.10 (*Additional Guarantors*);
- (iii) the Successor Entity does not incur any additional material liabilities in connection with the Solvent Liquidation other than those which are to be transferred to it by the Predecessor Obligor but which did not arise directly as a result of the Solvent Liquidation;
- (iv) to the extent previously provided in respect of the shares or the assets of the Predecessor Obligor, the Finance Parties are granted a first ranking security interest over the shares and/or assets of the Successor Entity (but only, in the case of any Predecessor Obligor other than the Company, to the extent required in order to comply with the 80% Security Test);
- (v) no Event of Default has occurred and is continuing or would arise from the Liquidation Transfer or the Solvent Liquidation; and
- (vi) immediately after the Solvent Liquidation, the following documents are delivered to the Facility Agent each in a form previously approved by the Facility Agent (acting on the instructions of the Majority Lenders):
 - (A) copies of solvency declarations of the directors of the Successor Entity confirming to the best of their knowledge and belief, that the Successor Entity was balance sheet solvent immediately prior to and after the Solvent Liquidation, accompanied by any report by the auditors or other advisers of the relevant Successor Entity on which such directors have relied for the purposes of giving such declaration;
 - (B) copies of the resolutions of the Predecessor Obligor and the Successor Entity (to the extent required by law) approving the Liquidation Transfer and/or the Solvent Liquidation (as applicable);
 - (C) copies of the statutory declarations of the directors of the Predecessor Obligor (to the extent required by law) given in connection with Solvent Liquidation;
 - (D) a copy of the executed transfer agreement relating to the Liquidation Transfer; and
 - (E) the legal opinion from the Successor Entity's counsel confirming (I) the due capacity and incorporation of each of the Successor Entity and the Predecessor Obligor, (II) the power and authority of the Successor Entity to enter into and perform its obligations under this Agreement and any other Finance Document to which it is a party and (III) that the transfer agreement giving effect to the Liquidation Transfer is legally binding and enforceable in accordance with its terms.
- (b) The solvent liquidation, dissolution or other reorganisation of any member of the Group (other than any Borrower and the Company) shall be permitted provided that any payments or assets distributed as a result of such solvent liquidation, dissolution or other reorganisation are distributed to other members of the Group.

21.24 Limited Condition Transaction

- (a) In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of this Agreement which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Company, be deemed satisfied, so long as no Default or Event of Default, as applicable,

exists on the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into. For the avoidance of doubt, where the Company has exercised its option under the first sentence of this paragraph (a) and any Default or Event of Default occurs following the date of such definitive agreement for a Limited Condition Transaction is entered into prior to the consummation of such Limited Condition Transaction, any such Default or Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted under this Agreement.

- (b) In connection with any action being taken in connection with a Limited Condition Transaction for purposes of determining compliance with any provision of this Agreement which requires the calculation of any financial ratio or test, including the ratio of Net Senior Debt to Consolidated Annualised EBITDA or Net Total Debt to Consolidated Annualised EBITDA, or testing baskets set forth in this Agreement including baskets measured as a percentage or multiple, as applicable, of Total Assets or Consolidated Annualised EBITDA, in each case, at the option of the Company (the Company's election to exercise such option in connection with any Limited Condition Transaction, an "**LCT Election**"), the date of determination of whether such action is permitted under this Agreement shall be deemed to be the date of the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into (the "**LCT Test Date**") provided that the Company shall be entitled to subsequently elect, in its sole discretion, the date of consummation of such Limited Condition Transaction instead of the LCT Test Date as the applicable date of determination and if, after giving pro forma effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of Financial Indebtedness and the use of proceeds thereof), as are appropriate and consistent with the pro forma adjustment provisions set forth in this Agreement, the Company, a Permitted Affiliate Parent or any member of the Group could have taken such action on the relevant LCT Test Date in compliance with the relevant ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with.
- (c) If the Company has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated Annualised EBITDA or Total Assets, of the Company, a Permitted Affiliate Parent and any member of the Group or the person or assets subject to the Limited Condition Transaction (as if each reference to the Company or a member of the Group in such definitions was to such person or assets) at or prior to the consummation of the relevant transaction or action, such ratios, tests or basket amounts will not be deemed to have been exceeded as a result of such fluctuations. If the Company has made an LCT Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any ratio, test or basket availability under this Agreement on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be calculated on a pro forma basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Financial Indebtedness and the use of proceeds thereof) have been consummated.

21.25 Group Redesignation

The Company may at any time deliver a notice (a "**Group Redesignation Notice**") to the Facility Agent designating any Holding Company of the Company and/or any Holding Company of any Permitted Affiliate Parent as a "New Group Topco" for the purposes of this Agreement provided that:

- (a) taking into account any actions to be taken by the Company for the benefit of the Lenders, it would not be materially prejudicial to the interests of the Lenders in the opinion of the Facility Agent (acting reasonably); and
- (b)
 - (i) an Obligor could incur €1.00 of Financial Indebtedness under paragraph (v) of the definition of Permitted Financial Indebtedness; or

- (ii) the ratio of (A) Net Senior Debt to Consolidated Annualised EBITDA, (B) Net Total Debt (excluding any Holdco Debt) to Consolidated Annualised EBITDA and (C) Net Total Debt to Consolidated Annualised EBITDA would not be greater than it was immediately prior to giving effect to such designation,

in each case, on a pro forma basis taking into account such designation.

21.26 Security Documents—Change of Jurisdiction

Notwithstanding any other provision of any Finance Document:

- (a) SuperHoldco (for so long as it is not a member of the Group) and any other entity which is not a member of the Group but which has provided Security which is governed by Belgian law (each a “**Belgian Law Security Provider**”) shall be permitted to change its jurisdiction of incorporation (including as a result of a merger) provided that:
 - (i) prior to such change in jurisdiction of incorporation, the relevant Belgian Law Security Provider shall consult with the Security Agent (acting reasonably) with a view to taking steps (other than a release and retake of the relevant Security) to ensure the continuation and effectiveness of the relevant Security and shall undertake all such commercially reasonable steps to ensure the continuity and effectiveness of the relevant Security; and
 - (ii) if it is not possible to take any steps in accordance with paragraph (i) above, the relevant Belgian Law Security Provider (or its successors, assigns or a post-merger surviving entity) shall enter into replacement security (the “**Replacement Security**”) prior to the date of any change of jurisdiction of incorporation on terms which are:
 - (A) consistent with the relevant existing Security; and
 - (B) satisfactory to the Security Agent (acting reasonably),and the Security Agent shall be authorised to release the relevant existing Security following the Belgian Law Security Provider’s entry into the Replacement Security; and
- (b) any member of the Group which has provided Security which is governed by Belgian law (each a “**Group Belgian Law Security Provider**”) shall be permitted to change its jurisdiction of incorporation (including by way of a merger in accordance with Clause 21.9 (*Acquisitions and Mergers*)) provided that:
 - (i) prior to such change in jurisdiction of incorporation, the relevant Group Belgian Law Security Provider shall consult with the Security Agent (acting reasonably) with a view to taking steps (other than a release and retake of the relevant Security) to ensure the continuation and effectiveness of the relevant Security and/or the obligations under the relevant Security Documents and shall undertake all such commercially reasonable steps to ensure the continuity and effectiveness of the relevant Security and/or the obligations under the relevant Security Documents; and
 - (ii) if it is not possible to take any steps in accordance with paragraph (i) above, the relevant Group Belgian Law Security Provider (or its successors, assigns or a post-merger surviving entity) shall enter into replacement security (the “**Group Replacement Security**”) prior to the date of any change of jurisdiction of incorporation on terms which are:
 - (A) consistent with the relevant existing Security; and
 - (B) satisfactory to the Security Agent (acting reasonably),and the Security Agent shall be authorised to release the relevant existing Security following the Group Belgian Law Security Provider’s entry into the Group Replacement Security.

22. DEFAULT

22.1 Events of Default

Each of the events or circumstances set out in Clauses 22.2 (*Non-Payment*) to 22.16 (*Acceleration Following Financial Ratio Breach*) is an Event of Default.

22.2 Non-payment

An Obligor does not pay on the due date any amount payable by it under the Finance Documents in the manner required under the Finance Documents, unless the relevant amount is paid in full within three Business Days (in the case of principal amounts) or five Business Days (in the case of other amounts) of the due date.

22.3 Breach of Other Obligations

- (a) An Obligor does not comply with any of Clauses 21.4 (*Pari Passu Ranking*), 21.5 (*Negative Pledge*), 21.6 (*Disposals*), 21.9 (*Acquisitions and Mergers*), 21.11 (*Restricted Payments*), 21.13 (*Loans and Guarantees*) or 21.17 (*Share security*).
- (b) An Obligor does not comply with any other term of the Finance Documents (other than (A) any term referred to in Clause 22.2 (*Non-payment*) or in paragraph (a) above and (B) (without prejudice to Clause 22.16 (*Acceleration Following Financial Ratio Breach*) or Clause 22.18 (*Maintenance Covenant Revolving Facility Acceleration*)) Clause 20 (*Financial Covenant*)), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within 30 days of the earlier of the Facility Agent giving notice of the breach to the Company and any Obligor becoming aware of the non-compliance.
- (c) During the Clean Up Period (as defined below), references to the Group, Material Subsidiaries or any member of the Group in Clauses 18 (*Representations and Warranties*), 21 (*General Covenants*) and 22 (*Default*) (other than Clause 22.3(a) (*Breach of Other Obligations*)) to the extent it refers to Clause 20 (*Financial Covenant*)) will not include any company which has been acquired pursuant to a Permitted Acquisition if the relevant event or circumstance, which would, but for the operation of this paragraph (c), have resulted in a Default:
 - (i) existed prior to the date of such Permitted Acquisition;
 - (ii) is capable of remedy during the Clean Up Period and reasonable steps are being taken, having become aware of such event or circumstance, to ensure that such event or circumstance is being remedied;
 - (iii) was not procured or approved by any member of the Group; and
 - (iv) has not resulted in or could not be reasonably be expected to have, a Material Adverse Effect.

“**Clean Up Period**” means the period commencing on the date of completion of any Permitted Acquisition referred to in paragraph (c) above and ending on the date falling 120 days thereafter.

22.4 Misrepresentation

A representation or warranty made or repeated by an Obligor in or in connection with any Finance Document or in any document delivered by or on behalf of any Obligor under or in connection with any Finance Document is incorrect or misleading in any material respect when made or deemed to be repeated, unless the circumstances giving rise to the misrepresentation or breach of warranty:

- (a) are capable of remedy; and
- (b) are remedied within 30 days of the earlier of the Facility Agent giving notice and the Obligor becoming aware of the misrepresentation or breach of warranty.

22.5 Cross-default and Cross-acceleration

Any of the following occurs in respect of a member of the Group or SuperHoldco or, after a Permitted Affiliate Group Designation Date, the Permitted Affiliate Holdco:

- (a) Subject to paragraph (d) below, any of its Financial Indebtedness is not paid when due and payable (after the expiry of any originally applicable grace period).
- (b) Subject to paragraph (d) below, any of its Financial Indebtedness:
 - (i) becomes prematurely due and payable;

- (ii) is placed on demand; or
 - (iii) is capable of being declared by or on behalf of a creditor to be prematurely due and payable or of being placed on demand,
- in each case, as a result of an event of default or any provision having a similar effect (howsoever described).
- (c) Subject to paragraph (d) below, any commitment for its Financial Indebtedness is cancelled or suspended as a result of an event of default or any provision having a similar effect (howsoever described).
 - (d) It shall not be an Event of Default under this Clause 22.5 (*Cross-default and Cross-acceleration*):
 - (i) where the aggregate principal amount (or, if the relevant Financial Indebtedness related to a Hedging Agreement, the amount or value (as applicable)) of all Financial Indebtedness to which any event specified in paragraph (a), (b) or (c) above relates is less than €75,000,000 (or its equivalent in other currencies);
 - (ii) if the circumstance which would otherwise have caused an Event of Default under this Clause 22.5 (*Cross-default and Cross-acceleration*) is being contested in good faith by appropriate action;
 - (iii) if the circumstance which would otherwise have caused an Event of Default under this Clause 22.5 (*Cross-default and Cross-acceleration*) is in respect of Financial Indebtedness which is cash-collateralised and such cash is available for application in satisfaction of such Financial Indebtedness;
 - (iv) if the circumstance which would otherwise have caused an Event of Default under this Clause 22.5 (*Cross-default and Cross-acceleration*) is in respect of Financial Indebtedness owing by a member of the Group to another member of the Group which is permitted under this Agreement;
 - (v) in the case of a Permitted Acquisition which results in an entity becoming a member of the Group, for a period of 180 days following completion of that Permitted Acquisition by reason only of an event of default (however described) arising in relation to the Financial Indebtedness of that acquired entity as a result only of the Permitted Acquisition of that acquired entity, provided that such Financial Indebtedness is not placed on demand, becomes prematurely due and payable or is otherwise accelerated during that period;
 - (vi) if the relevant Financial Indebtedness relates to Hedging Agreements in respect of which a termination event occurs as a result of the refinancing or redemption of any Financial Indebtedness of the Group or any Holding Company of a member of the Group at any time; or
 - (vii) if the relevant Financial Indebtedness is in relation to a Maintenance Covenant Revolving Facility.

22.6 Insolvency

- (a) Any of the following occurs in respect of a Material Group Member:
 - (i) it is, or is deemed for the purposes of any law to be, unable to pay its debts as they fall due or to be insolvent (*is in staat van staking van betalingen/est en état de cessation de paiements*);
 - (ii) it admits its inability to pay its debts as they fall due;
 - (iii) it suspends making payments on any of its debts generally or announces an intention so to do;
 - (iv) by reason of actual or anticipated financial difficulties, it begins negotiations with any creditors generally for the rescheduling of any of its indebtedness (excluding any Finance Party in its capacity as such); or

- (v) a moratorium is declared in respect of any of its indebtedness exceeding €10,000,000 (or its equivalent) in aggregate.
- (b) **United States of America:** any Material Group Member which is formed, organised or incorporated under the laws of the United States or any State of the United States or the District of Columbia, or that resides or has a domicile, a place of business or property in the United States (each a U.S. Obligor):
 - (i) admits in writing its inability to, or be generally unable to, pay its debts as such debts become due;
 - (ii) makes a general assignment for the benefit of creditors;
 - (iii) shall have had appointed a receiver, a custodian, trustee or similar official for, or a receiver, custodian, trustee or similar official shall have taken possession of, all or substantially all of its assets, in proceedings brought by or against such Obligor or Material Subsidiary, and such appointment shall not have been discharged or such possession shall not have been terminated within 60 days after the effective date thereof or such Obligor or Material Subsidiary shall have consented to or acquiesced in such appointment or possession;
 - (iv) shall have filed a petition for relief under the insolvency, bankruptcy or similar laws of the United States of America or any state thereof, or an involuntary petition for such relief shall have been filed against any such Obligor or Material Subsidiary under such laws and shall not have been dismissed or terminated within 60 days after such involuntary petition is filed; or
 - (v) shall have failed to have discharged or obtained a stay of any proceeding to enforce, within a period of 45 days after the commencement thereof, any attachment, sequestration or similar proceeding asserted against all or substantially all of the assets of such Obligor or Material Subsidiary.

22.7 Insolvency Proceedings

- (a) Except as provided below, any of the following occurs in respect of a Material Group Member:
 - (i) any step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of its creditors;
 - (ii) a meeting of it is convened for the purpose of considering any resolution for (or to petition for) its winding-up, administration, examination or dissolution or any such resolution is passed;
 - (iii) any person presents a petition or files documents with the appropriate legal authorities for its winding-up, administration, examination, dissolution, bankruptcy (*faillite/faillissement*) or judicial composition (*concordat judiciaire/gerechtelijk akkoord*);
 - (iv) an order for its winding-up, administration, examination, dissolution, bankruptcy (*faillite/faillissement*) or judicial composition (*concordat judiciaire/gerechtelijk akkoord*) is made;
 - (v) any liquidator, trustee in bankruptcy, examination, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, *voorlopig bewindvoerder/administrateur judiciaire* or similar officer is appointed in respect of it;
 - (vi) its directors or other officers request the appointment of a liquidator, trustee in bankruptcy, examination, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer; or
 - (vii) any other analogous step or procedure is taken in any jurisdiction.
- (b) Paragraph (a) above does not apply to:
 - (i) any step or procedure which is part of a Permitted Transaction;
 - (ii) a petition for winding-up presented by a creditor which is being contested in good faith and with due diligence or where steps are diligently being taken to remedy the

grounds for the petition and (in each case) the relevant petition is discharged or struck out within 90 days (or within 30 days of the end of any longer period applicable under an order of court staying proceedings) or such longer period as the Majority Lenders may agree (acting reasonably);

- (iii) any solvent liquidation or dissolution pursuant to Clause 21.23 (*Internal Reorganisations*); or
- (iv) any action or proceeding which can be demonstrated to the satisfaction of the Facility Agent (within 30 days of any such action or proceedings having commenced) as being frivolous, vexatious or an abuse of the process of the court.

22.8 Creditors' Process

Any attachment, sequestration, execution, executory or conservatory seizure (*uitvoerend of bewarend beslag/saisie exécution ou conservatoire*) or analogous event affects any asset(s) of a Material Group Member, having an aggregate value of €75,000,000, or more (in the case of a conservatory seizure or sequestration) and (in the case of a conservatory seizure or sequestration) is not discharged within 90 days.

22.9 Similar Proceedings

Anything which has an equivalent effect to any of the events specified in Clauses 22.6 (*Insolvency*) to 22.8 (*Creditors' Process*) (inclusive) shall occur under the laws of any applicable jurisdiction in relation to any Material Group Member.

22.10 Cessation of Business

An Obligor or a member of the Group ceases, or threatens to cease, to carry on business in circumstances which would have a Material Adverse Effect except:

- (a) as part of a Permitted Transaction; or
- (b) as a result of any disposal allowed under this Agreement.

22.11 Effectiveness of Finance Documents

- (a) It is or becomes unlawful for any member of the Group or any Subordinated Creditor to perform any of its payment or other material obligations under the Finance Documents.
- (b) An Obligor or Subordinated Creditor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

22.12 Intercreditor Agreement

- (a) Any Obligor, member of the Group or Subordinated Creditor (as defined in the Intercreditor Agreement) does not perform its obligations under, or breaches the terms of, the Intercreditor Agreement unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within 30 days of the earlier of the Facility Agent giving notice of the breach to the Company and any Obligor becoming aware of the non-compliance.
- (b) A representation or warranty given by an Obligor in the Intercreditor Agreement is incorrect in any material respect unless the circumstances giving rise to the misrepresentation or breach of warranty:
 - (i) are capable of remedy; and
 - (ii) are remedied within 30 days of the earlier of the Facility Agent giving notice and the Obligor becoming aware of the misrepresentation or breach of warranty.

22.13 Loss of Licences

Any Licence is in whole or part:

- (a) terminated, suspended or revoked or does not remain in full force and effect or otherwise expires and is not renewed prior to its expiry (in each case, without replacement by Licence(s) have substantially equivalent effect) in any case in a manner which would or is reasonably likely to have a Material Adverse Effect; or

- (b) is modified or is reached in a manner which would or is reasonably likely to have a Material Adverse Effect.

22.14 Material Adverse Change

Any event or series of events occurs which would or is reasonably likely to have a Material Adverse Effect.

22.15 ERISA

The occurrence of any event or condition that presents a material risk that any member of the Group or any ERISA Affiliate may incur a material liability to a Plan or to the United States Internal Revenue Service or to the United States Pension Benefit Guaranty Corporation.

22.16 Acceleration Following Financial Ratio Breach

The Composite Revolving Facility Instructing Group directs the Facility Agent to take any action in accordance with Clause 22.18 (*Maintenance Covenant Revolving Facility Acceleration*) as a result of a breach of the undertaking set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*).

22.17 Acceleration

If an Event of Default is outstanding, the Facility Agent may, and must if so instructed by the Majority Lenders, by notice to the Company:

- (a) cancel all or any part of the Total Telenet Additional Facility Commitments and/or Ancillary Facility Commitments if not already cancelled under Clause 22.19 (*Automatic Acceleration*); and/or
- (b) declare that all or part of any amounts outstanding (or cash cover in respect of any amounts outstanding under any Ancillary Facilities or Documentary Credits) under the Finance Documents are:
 - (i) immediately due and payable; and/or
 - (ii) payable on demand by the Facility Agent acting on the instructions of the Majority Lenders.

Any notice given under this Sub-Clause will take effect in accordance with its terms.

22.18 Maintenance Covenant Revolving Facility Acceleration

In the event of a breach of the undertakings set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*), subject to the expiry of the cure period in Clause 20.4 (*Cure Provisions*), the Facility Agent shall, if the Composite Revolving Facility Instructing Group so directs:

- (a) cancel all or any part of the Commitments in relation to any Maintenance Covenant Revolving Facility (other than in respect of Rollover Advances) and any related Ancillary Facility Commitments;
- (b) demand that all or part of the Telenet Additional Facility Outstandings under any Maintenance Covenant Revolving Facility be immediately due and payable, whereupon they shall become immediately due and payable together with all interest accrued on those Telenet Additional Facility Outstandings and all other amounts payable by the Obligors under that Maintenance Covenant Revolving Facility;
- (c) declare that all or part of the Telenet Additional Facility Outstandings under any Maintenance Covenant Revolving Facility be payable on demand, whereupon they shall immediately become payable on demand by the Facility Agent on the instructions of the Composite Revolving Facility Instructing Group;
- (d) declare that cash cover in respect of each Documentary Credit under any Maintenance Covenant Revolving Facility is immediately due and payable at which time it shall become immediately due and payable;

- (e) declare that cash cover in respect of each Documentary Credit under any Maintenance Covenant Revolving Facility is payable on demand at which time it shall immediately become due and payable on demand by the Facility Agent on the instructions of the Composite Revolving Facility Instructing Group;
- (f) declare all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities in relation to any Maintenance Covenant Revolving Facility to be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (g) declare that all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities in relation to any Maintenance Covenant Revolving Facility be payable on demand, at which time they shall immediately become payable on demand by the Facility Agent on the instructions of the Composite Revolving Facility Instructing Group.

22.19 Automatic Acceleration

If an Event of Default described in Clause 22.6(b)(ii), (iii) or (iv) (*United States of America*) occurs, or upon the entry of an order for relief in a voluntary or involuntary bankruptcy of a U.S. Obligor, all outstanding Advances drawn by a U.S. Borrower under this Agreement will be immediately and automatically due and payable and the Total Telenet Additional Facility Commitments (to the extent they relate to such Advances) will, if not already cancelled under this Agreement, be immediately and automatically cancelled.

23. THE ADMINISTRATIVE PARTIES

23.1 Appointment and Duties of the Agents

- (a) Each Finance Party (other than the Facility Agent and the Security Agent (as the case may be)) irrevocably appoints each Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each Finance Party irrevocably authorises each Agent to:
 - (i) perform the duties and to exercise the rights, powers and discretions that are specifically given to it under the Finance Documents, together with any other incidental rights, powers and discretions; and
 - (ii) execute each Finance Document expressed to be executed by such Agent.
- (c) Each Agent has only those duties which are expressly specified in the Finance Documents. Subject to the terms of Clause 2.5 (*Security Agent as Joint Creditor*), those duties are solely of a mechanical and administrative nature.

23.2 Role of the Mandated Lead Arrangers

Except as specifically provided in the Finance Documents, no Mandated Lead Arranger has any obligation of any kind to any other Party in connection with any Finance Document.

23.3 No Fiduciary Duties

Nothing in the Finance Documents makes an Administrative Party, L/C Bank or any Ancillary Facility Lender a trustee or fiduciary for any other Party or any other person. No Administrative Party, L/C Bank or any Ancillary Facility Lender need hold in trust any moneys paid to it or recovered by it for a Party in connection with the Finance Documents or be liable to account for interest on those moneys.

23.4 Individual Position of an Administrative Party

- (a) If it is also a Lender, each Administrative Party has the same rights and powers under the Finance Documents as any other Lender and may exercise those rights and powers as though it were not an Administrative Party.
- (b) Each Administrative Party, each L/C Bank and each Ancillary Facility Lender may:
 - (i) carry on any business with an Obligor or its related entities (including acting as an agent or a trustee for any other financing); and

- (ii) retain any profits or remuneration it receives under the Finance Documents or in relation to any other business it carries on with an Obligor or its related entities.

23.5 Reliance

Each Agent and each L/C Bank may:

- (a) rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
- (b) rely on any statement made by any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify;
- (c) assume, unless the context otherwise requires, that any communication made by an Obligor is made on behalf of and with the consent and knowledge of each Obligor;
- (d) engage, pay for and rely on professional advisers selected by it (including those representing a Party other than the relevant Agent); and
- (e) act under the Finance Documents through its personnel and agents.

23.6 Majority Lenders' Instructions

- (a) Each Agent is fully protected if it acts on the instructions of the Majority Lenders, the Composite Revolving Facility Instructing Group or the Revolving Facility Instructing Group (as applicable) in the exercise of any right, power or discretion or any matter not expressly provided for in the Finance Documents. Any such instructions given by the Majority Lenders, the Composite Revolving Facility Instructing Group or the Revolving Facility Instructing Group (as applicable) will be binding on all the Lenders. In the absence of instructions, each Agent may act as it considers to be in the best interests of all the Lenders.
- (b) Each Agent may assume that unless it has received notice to the contrary, any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised.
- (c) No Agent is authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings in connection with any Finance Document.
- (d) Each Agent may require the receipt of security satisfactory to it, whether by way of payment in advance or otherwise, against any liability or loss which it may incur in complying with the instructions of the Majority Lenders.

23.7 Responsibility

- (a) No Administrative Party nor any L/C Bank is responsible to any other Finance Party for the adequacy, accuracy or completeness of any statement or information (whether written or oral) made in or supplied in connection with any Finance Document including the Information Memorandum.
- (b) No Administrative Party is responsible to any other Finance Party for the legality, validity, effectiveness, adequacy, completeness or enforceability of any Finance Document or any other document.
- (c) Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms that it:
 - (i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Finance Documents (including the financial condition and affairs of each Obligor and its related entities and the nature and extent of any recourse against any Party or its assets); and
 - (ii) has not relied exclusively on any information provided to it by any Administrative Party in connection with any Finance Document or agreement entered into in anticipation of or in connection with any Finance Document.

23.8 Exclusion of Liability

- (a) No Agent, L/C Bank or Ancillary Facility Lender is liable or responsible to any other Finance Party for any action taken or not taken by it in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

- (b) No Party (other than the relevant Agent, L/C Bank or Ancillary Facility Lender) may take any proceedings against any officers, employees or agents of another Administrative Party, L/C Bank or Ancillary Facility Lender in respect of any claim it might have against that Agent, L/C Bank or Ancillary Facility Lender or in respect of any act or omission of any kind by that officer, employee or agent in connection with any Finance Document. Any officer, employee or agent of an Administrative Party may rely on this Sub-Clause and enforce its terms under the Contracts (Rights of Third Parties) Act 1999.
- (c) An Agent is not liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by that Agent if that Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by that Agent for that purpose.
- (d) Nothing in this Agreement will oblige any Administrative Party to satisfy any know your customer requirement in relation to the identity of any person on behalf of any Finance Party.
- (e) Each Finance Party confirms to each Administrative Party that it is solely responsible for any know your customer requirements it is required to carry out and that it may not rely on any statement in relation to those requirements made by any other person.

23.9 Default

- (a) Neither Agent is obliged to monitor or enquire whether a Default has occurred. No Agent is deemed to have knowledge of the occurrence of a Default.
- (b) If an Agent:
 - (i) receives notice from a Party referring to this Agreement, describing a Default and stating that the event is a Default; or
 - (ii) is aware of the non-payment of any principal, interest or fee payable to a Lender under this Agreement,
 it must promptly notify the other Lenders.

23.10 Information

- (a) Each Agent must promptly forward to the person concerned the original or a copy of any document which is delivered to that Agent by a Party for that person.
- (b) Except where a Finance Document specifically provides otherwise, no Agent is obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (c) Except as provided above, no Agent has a duty:
 - (i) either initially or on a continuing basis to provide any Lender with any credit or other information concerning the risks arising under or in connection with the Finance Documents (including any information relating to the financial condition or affairs of any Obligor or its related entities or the nature or extent of recourse against any Party or its assets) whether coming into its possession before, on or after the date of this Agreement; or
 - (ii) unless specifically requested to do so by a Lender in accordance with a Finance Document, to request any certificate or other document from any Obligor.
- (d) In acting as an Agent, the agency division of that Agent is treated as a separate entity from its other divisions and departments. Any information acquired by an Agent which, in its opinion, is acquired by it otherwise than in its capacity as that Agent may be treated as confidential by that Agent and will not be treated as information possessed by that Agent in its capacity as such.
- (e) The Facility Agent is not obliged to disclose to any person any confidential information supplied to it by or on behalf of a member of the Group solely for the purpose of evaluating whether any waiver or amendment is required in respect of any term of the Finance Documents.

- (f) The Facility Agent may disclose the identity of a Defaulting Lender to the other Finance Parties and the Company and shall disclose the same upon the written request of the Company or the Majority Lenders.
- (g) Each Obligor irrevocably authorises each Agent to disclose to the other Finance Parties any information which, in its opinion, is received by it in its capacity as that Agent.
- (h) The Facility Agent may execute on behalf of any L/C Bank any Documentary Credit issued under this Agreement.

23.11 Indemnities

- (a) Without limiting the liability of any Obligor under the Finance Documents, each Lender must indemnify each Agent for that Lender's Pro Rata Share of any cost, claim, loss, expense (including legal fees) or liability incurred by such Agent in acting as the Facility Agent or the Security Agent, except to the extent that the loss or liability is caused by such Agent's gross negligence or wilful misconduct.
- (b) If a Party owes an amount to an Agent under the Finance Documents, that Agent may, after giving notice to that Party:
 - (i) deduct from any amount received by it for that Party any amount due to that Agent from that Party under a Finance Document but unpaid; and
 - (ii) apply that amount in or towards satisfaction of the owed amount,
 that Party will be regarded as having received the amount so deducted.

23.12 Compliance

Each Agent may refrain from doing anything (including disclosing any information) which might, in its opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation.

23.13 Resignation of an Agent

- (a) Each Agent may resign and appoint any of its Affiliates as successor Agent by giving notice to the other Finance Parties and the Company.
- (b) Alternatively, an Agent may resign by giving notice to the Finance Parties and the Company, in which case the Majority Lenders may appoint a successor Agent.
- (c) If no successor Agent has been appointed under paragraph (b) above within 30 days after notice of resignation was given, the resigning Agent may appoint a successor for such Agent.
- (d) The person(s) appointing a successor Agent must, if practicable, consult with the Company prior to the appointment.
- (e) The resignation of an Agent and the appointment of any successor Agent will both become effective only when the successor Agent notifies all the Parties that it accepts its appointment. On giving the notification, the successor Agent will succeed to the position of the Facility Agent or Security Agent as appropriate and the term Facility Agent will mean the successor Facility Agent and the term Security Agent will mean the successor Security Agent.
- (f) The retiring Agent must, at its own cost, make available to the successor Agent such documents and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as the Agent under the Finance Documents.
- (g) Upon its resignation becoming effective, this Clause 23 (*The Administrative Parties*) will continue to benefit the retiring Agent in respect of any action taken or not taken by it in connection with the Finance Documents while it was the Agent, and, subject to paragraph (f) above, it will have no further obligations under any Finance Document.
- (h) The Majority Lenders may, by notice to an Agent, require it to resign under paragraph (b) above.

- (i) The Company may provided no Default is outstanding, following a period of consultation with the relevant Agent of not less than 14 days, by notice to that Agent require it to resign. Such notice must specify the reasons for which the Company is seeking the Agent's resignation. In this event, the relevant Agent shall resign in accordance with paragraph (b) above and the Company shall appoint a successor (without any requirement to obtain any Lender's consent) Facility Agent acting through an office in the United Kingdom or Belgium. The Company may exercise such right to replace the Facility Agent twice during the life of the Facilities.
- (j) If requested by the Company by written notice to the Facility Agent, the Facility Agent shall resign in accordance with this Clause 23.13 (*Resignation of an Agent*) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Facility Agent under the Finance Documents the Facility Agent notifies the Company that the Facility Agent will cease to be a FATCA Exempt Party on or after that FATCA Application Date and (in each case) the Company reasonably believes that a Party would be required to make a deduction on account of FATCA that would not be required if the Facility Agent were a FATCA Exempt Party.

23.14 Relationship with Lenders

- (a) Each Agent may treat each Lender as a Lender, entitled to payments under this Agreement and as acting through its Facility Office(s) until it has received not less than five Business Days' prior notice from that Lender to the contrary.
- (b) Each Agent may at any time, and must if requested to do so by the Majority Lenders, convene a meeting of the Lenders.
- (c) The Facility Agent must keep a register with respect to the Parties (which shall be maintained on behalf of all the Parties) and the Commitments and must supply any other Party with a copy of the information contained in that register on request. The register must include:
 - (i) the name, address and other contact details of each Party;
 - (ii) the Facility Office of each Lender;
 - (iii) the Commitments of each Lender;
 - (iv) the principal amounts, the applicable interest rates and, if applicable, the Terms of each Lender's Advances; and
 - (v) information concerning any other amounts owing to a Finance Party.
- (d) Entries in the register shall be conclusive and binding, absent manifest error.

23.15 Notice Period

Where this Agreement specifies a minimum period of notice to be given to an Agent, that Agent may, at its discretion, accept a shorter notice period.

23.16 Release of Security

The Security Agent shall manage the Security Documents on its own behalf and as agent on behalf of the other Finance Parties. The Security Agent shall and is hereby authorised by each of the Finance Parties (and to the extent it may have any interest therein, every other party hereto) to execute on behalf of itself and each of the Finance Parties (other than the Security Agent) and every other party hereto where relevant without the need for any further referral to, or authority from, any Finance Party or other person hereto all such releases of security and guarantees given by Obligors under any Finance Document. The Security Agent may effect such a release as soon as it has received confirmation from the Facility Agent that all Finance Party Claims and Security Agent Claims have been repaid in full and there is no possibility of any Finance Party Claims and Security Agent Claims coming or re-entering into existence.

23.17 Impaired Agent

- (a) If, at any time, the Facility Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Facility Agent may

instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of “**Acceptable Bank**” and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Finance Party beneficially entitled to that payment under the Finance Documents. In each case such payments must be made within five Business Days of the due date for payment under the Finance Documents.

- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account *pro rata* to their respective entitlements.
- (c) A party which has made a payment in accordance with this Clause 23.17 (*Impaired Agent*) shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Facility Agent in accordance with Clause 23.13 (*Resignation of an Agent*), each Party which has made a payment to a trust account in accordance with this Clause 23.17 (*Impaired Agent*) shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Facility Agent for distribution in accordance with this Agreement.

23.18 Role of Reference Banks and Alternative Reference Banks

- (a) No Reference Bank or Alternative Reference Bank is under any obligation to provide a quotation or any other information to the Facility Agent.
- (b) No Reference Bank or Alternative Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.
- (c) No Party (other than the relevant Reference Bank or Alternative Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank or Alternative Reference Bank in respect of any claim it might have against that Reference Bank or Alternative Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank or Alternative Reference Bank may rely on this Clause 23.18 (*Role of Reference Banks and Alternative Reference Banks*) subject to Clause 1.2(d) (*Construction*) and the provisions of the Third Parties Act.

23.19 Third party Reference Banks and Alternative Reference Banks

A Reference Bank or Alternative Reference Bank which is not a Party may rely on Clause 23.18 (*Role of Reference Banks and Alternative Reference Banks*) and Clause 31 (*Confidentiality of Funding Rates and Reference Bank Quotations*) notwithstanding Clause 1.2(d) (*Construction*) and the provisions of the Third Parties Act.

24. EVIDENCE AND CALCULATIONS

24.1 Accounts

Accounts maintained by a Finance Party in connection with this Agreement are prima facie evidence of the matters to which they relate for the purpose of any litigation or arbitration proceedings.

24.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under the Finance Documents will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

24.3 Calculations

Any interest or fee accruing under this Agreement accrues from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or otherwise, depending on what the Facility Agent determines (acting reasonably) is market practice.

24.4 Reductions

Any repayment of any Advance denominated in an Optional Currency shall reduce the amount of such Advance by the amount of such Optional Currency repaid and shall reduce the Euro Amount of such Advance proportionately.

25. FEES

25.1 Agent's Fee

The Company must pay to the relevant Agent for its own account an agency fee in the manner agreed in the Fee Letter between the Agent and the Company.

25.2 Arrangement Fee

The Company must pay to each Mandated Lead Arranger for its own account an arrangement fee in the manner agreed in the Fee Letter between the Mandated Lead Arrangers and the Company.

25.3 Commitment Fee

No commitment fee payable under the terms of any Fee Letter shall be payable to the Facility Agent (for the account of any Lender) on any Available Commitment under a Revolving Facility of that Lender for any date on which that Lender is a Defaulting Lender.

25.4 Documentary Credit Fee

Each Borrower shall, in respect of each Documentary Credit issued on its behalf pay (or procure the payment of) to the Facility Agent for the account of each L/C Lender (for distribution in proportion to each L/C Lender's L/C Proportion of such Documentary Credit) a documentary credit fee in the currency in which the relevant Documentary Credit is denominated at a rate equal to the applicable Margin applied on the Outstanding L/C Amount in relation to such Documentary Credit (less any amount which has been repaid or prepaid). Such documentary credit fee shall be paid in arrears on 31 March, 30 June, 30 September and 31 December during the Term of the relevant Documentary Credit and on the relevant Expiry Date (or the date of its repayment, prepayment or cancellation, if earlier) for that Documentary Credit.

25.5 L/C Bank Fee

Each relevant Borrower shall pay (or procure the payment of) to any other L/C Bank a fronting fee in respect of each Documentary Credit requested by it and issued by that L/C Bank, in the amount and at the times agreed in any letter entered into between such L/C Bank and such Borrower.

26. INDEMNITIES AND BREAK COSTS

26.1 Currency Indemnity

- (a) Each Obligor must, as an independent obligation, indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:
 - (i) that Finance Party receiving an amount in respect of an Obligor's liability under the Finance Documents; or
 - (ii) that liability being converted into a claim, proof, judgment or order,
in a currency other than the currency in which the amount is expressed to be payable under the relevant Finance Document.
- (b) Unless otherwise required by law, each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

26.2 Other Indemnities

- (a) Each Obligor must, within 10 Business Days of demand, indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:
 - (i) the occurrence of any Default;

- (ii) any failure by an Obligor to pay any amount due under a Finance Document on its due date, including resulting from any distribution or redistribution of any amount among the Lenders under this Agreement;
- (iii) (other than by reason of negligence or default by that Finance Party) an Advance not being made after a Request has been delivered for that Loan; or
- (iv) an Advance (or part of an Advance) not being prepaid in accordance with this Agreement.

Each Obligor's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Finance Document or any Advance.

- (b) Each Obligor must, within 10 Business Days of demand, indemnify the Facility Agent against any loss or liability incurred by the Facility Agent (acting reasonably) as a result of:
 - (i) investigating any event which the Facility Agent reasonably believes to be an Event of Default; or
 - (ii) acting or relying on any notice which it reasonably believes to be genuine, correct and appropriately authorised.

26.3 Break Costs

- (a) Each Borrower must pay to each Lender its Break Costs.
- (b) Each Lender must supply to the Facility Agent for the relevant Borrower details of the amount of any Break Costs claimed by it under this Clause 26.3 (*Break Costs*).

27. EXPENSES

27.1 Initial Costs

Each Obligor must pay to each Administrative Party the amount of all reasonable duly evidenced costs and expenses (including legal fees any value added tax or similar tax and any costs associated with perfecting any security under the Security Documents) incurred by it in connection with the negotiation, preparation, printing, entry into and syndication of the Finance Documents.

27.2 Subsequent Costs

Each Obligor must pay to an Agent the amount of all reasonable duly evidenced costs and expenses (including legal fees, subject to any agreed caps, any value added tax or similar tax and any costs associated with perfecting any security under the Security Documents) incurred by it in connection with:

- (a) the negotiation, preparation, printing and entry into of any Finance Document (other than a Transfer Certificate) executed after the date of this Agreement; and
- (b) any amendment, waiver or consent requested by or on behalf of an Obligor or specifically allowed by this Agreement.

27.3 Enforcement Costs

Each Obligor must pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by it in connection with:

- (a) the enforcement of, or the preservation of any rights under, any Finance Documents; or
- (b) any proceedings instituted by or against an Agent as a consequence of it entering into a Security Document.

28. AMENDMENTS AND WAIVERS

28.1 Procedure

- (a) Except as provided in this Clause 28 (*Amendments and Waivers*), any term of the Finance Documents may be amended or waived with the agreement of the Company and the Majority Lenders. The Facility Agent may effect, on behalf of any Finance Party, an amendment or waiver allowed under this Clause 28 (*Amendments and Waivers*).

- (b) The Facility Agent must promptly notify the other Parties of any amendment or waiver effected by it under paragraph (a) above. Any such amendment or waiver is binding on all the Parties.
- (c) Each Obligor agrees to any amendment or waiver allowed by this Clause 28 (*Amendments and Waivers*) or expressly permitted elsewhere in this Agreement which is agreed to by the Company. This includes any amendment or waiver which would, but for this paragraph, require the consent of each Guarantor if the guarantee under the Finance Documents is to remain in full force and effect.

28.2 Exceptions

- (a) An amendment or waiver which:
 - (i) changes the definition of Majority Lenders in Clause 1.1 (*Definitions*);
 - (ii) changes any term of Clause 2.4 (*Nature of a Finance Party's Rights and Obligations*);
 - (iii) extends the date of payment of any amount to a Lender under the Finance Documents;
 - (iv) reduces the Margin or the amount of any payment of principal, interest, fee or other amount payable to a Lender under the Finance Documents;
 - (v) without prejudice to the provisions of Clause 2.2 (*Telenet Additional Facility*) and the ability of a Borrower to enter into a Telenet Additional Facility Accession Agreement, increases or extends the availability of a Commitment or the Total Telenet Additional Facility Commitments (other than pursuant to a Structural Adjustment);
 - (vi) releases an Obligor (other than in order to effect a Permitted Transaction or a disposal of all, but not part, of the share capital of that Obligor in accordance with the terms of this Agreement);
 - (vii) relates to the release of an asset from a Security Document (except as otherwise expressly permitted herein or in any such Security Document and except in furtherance of a disposal or any other transaction which is permitted by any Finance Document);
 - (viii) changes a term of a Finance Document which expressly requires the consent of each Lender;
 - (ix) changes the right of a Lender to assign or transfer its rights or obligations under the Finance Documents; or
 - (x) changes any term of Clause 33 (*Pro Rata Sharing*); or
 - (xi) changes this Clause,

may only be made with the consent of all the Lenders.
- (b) An amendment or waiver which relates to the rights or obligations of an Administrative Party may only be made with the consent of that Administrative Party.
- (c) A Fee Letter may be amended or waived with the agreement of the Administrative Party that is a party to that Fee Letter and the Company.

28.3 Non Consenting Lenders

- (a) In this Clause:

"Non Consenting Lender" means a Lender who does not agree to a consent or amendment to, or a waiver of, a provision of a Finance Document where:

 - (i) the Company or the Facility Agent has requested the Lenders to consent to a departure from or waiver of any provision of any Finance Document or to agree to an amendment to any Finance Document;
 - (ii) the consent, waiver or amendment in question requires the consent of all of the Lenders;

- (iii) a period of not less than 21 days has elapsed from the date the consent, waiver or amendment was requested;
 - (iv) the Majority Lenders have agreed to such consent, waiver or amendment; and
 - (v) the Company has notified the Facility Agent that it will treat the Lender as a Non Consenting Lender.
- (b) If at any time any Lender becomes a Non Consenting Lender, then the Company may within 90 days of the date that Lender become a Non Consenting Lender:
 - (i) request that the Lenders take a transfer in accordance with Clause 28.7 (*Changes to the Parties*) of all of the rights and obligations under the Finance Documents of the Non Consenting Lender for an aggregate purchase price equal to the outstanding principal amount of such Non Consenting Lender's participation in the outstanding Advances and all accrued interest, fees and other amounts due and unpaid on the transfer date to that Non Consenting Lender under the Finance Documents; no Lender shall be obliged to accept such a transfer and any such transfer may be made in such proportions and to such Lenders as the Lenders agree. The Non Consenting Lender shall be required to transfer its rights and obligations under the Finance Documents to Lenders who agree to accept such transfer as contemplated in this paragraph;
 - (ii) require the Non Consenting Lender to transfer, and the Non Consenting Lender must transfer, in accordance with Clause 28.7 (*Changes to the Parties*) all of its rights and obligations under the Finance Documents to another bank or financial institution (including any other Lender) which has agreed to acquire the Non Consenting Lenders rights and obligations under the Finance Documents (as notified by the Company to the Non Consenting Lender and in the proportions notified by the Company to the Non Consenting Lender) for an aggregate purchase price equal to the outstanding principal amount of such Non Consenting Lender's participation in the outstanding Advances and all accrued interest, fees and other amounts due and unpaid on the transfer date to that Non Consenting Lender under the Finance Documents; or
 - (iii) notwithstanding any other provision of this Agreement, if the Majority Lenders agree, the Company may prepay the Non Consenting Lender's participation in each Advance in full together with all accrued interest, fees and other amounts due and unpaid on the transfer date under the Finance Documents (including any Break Costs).
- (c) The replacement of a Lender pursuant to this Clause 28.3 (*Non Consenting Lenders*) shall be subject to the following conditions:
 - (i) the Company shall have no right to replace the Facility Agent or Security Agent in its capacity as an Agent;
 - (ii) no Finance Party shall have any obligation to any Obligor to find a Lender or replace the Non Consenting Lender; and
 - (iii) in no event shall the Lender replaced under this Clause 28.3 (*Non Consenting Lenders*) be required to pay or surrender to any replacement Lender any of the fees received by such Lender pursuant to the Finance Documents.
- (d) For the avoidance of doubt, no Finance Party shall have any obligation to any Obligor to find a Lender to replace the Non Consenting Lender.

28.4 Change of Currency

If a change in any currency of a country occurs (including where there is more than one currency or currency unit recognised at the same time as the lawful currency of a country), the Finance Documents will be amended to the extent the Facility Agent (acting reasonably and after consultation with the Company) determines is necessary to reflect the change.

28.5 Waivers and Remedies Cumulative

The rights of each Finance Party under the Finance Documents:

- (a) may be exercised as often as necessary;

- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any right is not a waiver of that right.

28.6 Structural Adjustments

- (a) In this Clause 28 (*Amendments and Waivers*), a Structural Adjustment means:
 - (i) the introduction of any additional tranche or facility into the Finance Documents (other than a Telenet Additional Facility Commitment);
 - (ii) any increase in or addition of any Commitment (other than a Telenet Additional Facility Commitment), any extension of a Commitment's availability or the redenomination of a Commitment into another currency; and
 - (iii) any material changes to the Finance Documents which the Facility Agent agrees acting reasonably are consequential on any of the foregoing.
- (b) Structural Adjustments may be approved with the consent of each of the following, subject to the provisions of the Intercreditor Agreement:
 - (i) the Majority Lenders; and
 - (ii) each Lender that is assuming a new Commitment (other than a Telenet Additional Facility Commitment) or an increased Commitment or whose Commitment's availability is being extended or redenominated, or to whom any amount (including interest), which is being redenominated is due.

28.7 Amendments Generally

For the avoidance of doubt, any amendments relating to this Agreement shall only be made in accordance with the provisions of this Agreement and any amendments relating to a Hedging Agreement shall only be made in accordance with the provisions of such Hedging Agreement, in each case notwithstanding any other provisions of the relevant Finance Documents.

29. CHANGES TO THE PARTIES

29.1 General

In this Clause 28.7 (*Changes to the Parties*):

Transfer Date means for a Transfer Certificate the later of:

- (a) the proposed Transfer Date specified in that Transfer Certificate; and
- (b) the date on which the Facility Agent executes that Transfer Certificate.

29.2 Assignment or Transfers by Obligors

No Obligor may assign or transfer any of its rights and obligations under the Finance Documents without the prior consent of all the Lenders.

29.3 Transfers by Lenders

- (a) A Lender (the "**Existing Lender**") may, subject to the following provisions of this Sub-Clause 29.3 (*Transfers by Lenders*), at any time transfer (by way of novation) any of its rights and obligations under this Agreement to any person (the "**New Lender**").
- (b) Any transfer under paragraph (a) above shall be for an amount of not less than €2,000,000 or \$2,000,000 (in the case of participations in Advances denominated in euro or U.S. Dollars, respectively) (or if less, the aggregate of the Commitments of that Existing Lender and any other Existing Lender that is managed or controlled by the same investment manager subject to a threshold of €1,000,000).
- (c) The consent of the Company is required for any assignment or transfer (other than pursuant to Syndication) unless the New Lender is another Lender or an Affiliate of a Lender or an Event

of Default is outstanding. The consent of the Company must not be unreasonably withheld or delayed. The Company will be deemed to have given its consent ten Business Days after it is given notice of the request unless it is expressly refused by the Company within that time;

- (d) Notwithstanding any other provision of this Agreement, the consent of each L/C Bank shall be required (such consent not to be unreasonably withheld or delayed) for any assignment or transfer of any Lender's rights and/or obligations under the relevant Revolving Facility provided that in relation to any assignment or transfer required by the Company under Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*) or Clause 28.3 (*Non Consenting Lenders*), an L/C Bank may not withhold such consent unless, acting reasonably, the reason for so doing relates to the creditworthiness of the proposed New Lender.
- (e) A transfer of obligations will be effective only if the obligations are novated in accordance with the following provisions of this Clause 28.7 (*Changes to the Parties*).
- (f) Unless the Facility Agent otherwise agrees, the New Lender must pay to the Facility Agent for its own account, on or before the date any assignment or transfer occurs, a fee of €2,500.
- (g) Any reference in this Agreement to a Lender includes a New Lender but excludes a Lender if no amount is or may be owed to or by it under this Agreement.

29.4 Procedure for Transfer by Way of Novations

- (a) A novation is effected if:
 - (i) the Existing Lender and the New Lender deliver to the Facility Agent a duly completed Transfer Certificate;
 - (ii) the Facility Agent executes it; and
 - (iii) the Facility Agent enters the name of the New Lender and the particulars concerning the transferred interests in the register referred to in Clause 23.14(c) (*Relationship with Lenders*).
- (b) The Facility Agent must, as soon as reasonably practicable:
 - (i) execute and deliver a Transfer Certificate delivered to it and which appears on its face to be in order; and
 - (ii) enter the name of the New Lender and the details of the transferred interests in the register referred to in Clause 23.14(c) (*Relationship with Lenders*).
- (c) Each Party (other than the Existing Lender and the New Lender) irrevocably authorises the Facility Agent to execute any duly completed Transfer Certificate on its behalf.
- (d) On the Transfer Date:
 - (i) the New Lender will assume the rights and obligations of the Existing Lender expressed to be the subject of the novation in the Transfer Certificate in substitution for the Existing Lender; and
 - (ii) the Existing Lender will be released from those obligations and cease to have those rights.
- (e) For the purposes of Article 1278 of the Belgian Civil Code, each Obligor, the Lenders and the New Lenders agree that, upon any transfer in whole or in part of any of its rights and obligations under this Agreement by way of novation or upon the implementation of any amendment or granting of any waiver which takes effect as a novation, the Security Interests created by the Security Documents will be preserved for the benefit of the New Lender, the Existing Lenders and the Security Agent.

29.5 Designated Entities

- (a) A Lender (the “**Related Lender**”) may designate an affiliate or substitute Facility Office (a “**Designated Entity**”) as its Facility Office for the purpose of participating in Advances to a Borrower in a particular jurisdiction.
- (b) An affiliate or Facility Office of a Lender may be designated for the purposes of paragraph (a) above by acceding as a Designated Entity by signing an accession agreement substantially in the form of Schedule 13 (*Form of Designated Entity Accession Agreement*).

- (c) A Designated Entity does not have any Commitment and does not have any obligations under this Agreement prior to such Designated Entity participating in an Advance.
- (d) When a Designated Entity participates in an Advance:
 - (i) subject to paragraph (e) below, it shall be entitled to all the rights of a Lender and have the corresponding obligations of a Lender, in each case under the Finance Documents relating to its participation in any such Advances; and
 - (ii) the other parties to the Finance Documents shall treat the Designated Entity as a Lender for these purposes.

The Designated Entity is a party to this Agreement for these purposes.

- (e) For the purposes only of voting in connection with any Finance Document, the participation of a Designated Entity in any outstanding Advances shall be deemed to be a participation of the Related Lender.
- (f) Any notice or communication to be made to a Designated Entity shall be served directly on the Designated Entity at the address supplied to the Facility Agent by the Related Lender where the Related Lender or Designated Entity reasonably requests or, if no such request has been made, shall be delivered to the Related Lender in accordance with this Agreement.
- (g) A Designated Entity may assign or transfer any of its rights and obligations under this Agreement in respect of its participation in any Advance (and the Related Lender may assign or transfer any corresponding Commitment) in accordance with this Clause 28.7 (*Changes to Parties*).

29.6 Limitation of Responsibility of Existing Lender

- (a) Unless expressly agreed to the contrary, an Existing Lender is not responsible to a New Lender for the legality, validity, adequacy, accuracy, completeness or performance of:
 - (i) any Finance Document or any other document; or
 - (ii) any statement or information (whether written or oral) made in or supplied in connection with any Finance Document,
 and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
 - (i) has made, and will continue to make, its own independent appraisal of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement; and
 - (ii) has not relied exclusively on any information supplied to it by the Existing Lender in connection with any Finance Document.
- (c) Nothing in any Finance Document requires an Existing Lender to:
 - (i) accept a re-transfer from a New Lender of any of the rights and obligations transferred under this Clause 29 (*Changes to the Parties*); or
 - (ii) support any losses incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under any Finance Document or otherwise.

29.7 Costs resulting from Change of Lender or Facility Office

If:

- (a) a Lender transfers any of its rights and obligations under the Finance Documents or changes its Facility Office; and
- (b) as a result of circumstances existing at the date the transfer or change occurs, an Obligor would be obliged to pay a Tax Payment or an Increased Cost,
- (c) then, unless the assignment, transfer or change is made by a Lender to mitigate any circumstances giving rise to the Tax Payment, Increased Cost or a right to be prepaid and/or

cancelled by reason of illegality, the Obligor need only pay that Tax Payment or Increased Cost to the same extent that it would have been obliged to if no assignment, transfer or change had occurred.

29.8 Permitted Affiliate Group Designation

- (a) The Company may provide the Facility Agent with notice that it wishes to include any Affiliate (the “**Permitted Affiliate Parent**”) of the Company and the Subsidiaries of any such Permitted Affiliate Parent as members of the Group for the purposes of this Agreement. Such Affiliate shall become a Permitted Affiliate Parent for the purposes of this Agreement upon confirmation from the Facility Agent to the Company that:
 - (i) such Affiliate and the Company have complied with the requirements of:
 - (A) Clause 29.9 (*Additional Borrowers*) and such Affiliate has acceded to this Agreement as a Borrower; or
 - (B) Clause 29.10 (*Additional Guarantors*) and such Affiliate has acceded to this Agreement as a Guarantor;
 - (ii) Security Interests have been granted (in form and substance satisfactory, to the Facility Agent (acting reasonably)) in favour of the Security Agent over all of such Affiliate’s shares and all of the rights in relation to loans from any member of the Wider Group (other than such Affiliate and its Subsidiaries) to such Affiliate and its Subsidiaries;
 - (iii) the Company has delivered a certificate to the Facility Agent signed by an authorised signatory of the Company which certifies that:
 - (A) the designation of such Affiliate as a Permitted Affiliate Parent under this Agreement will not:
 - (1) materially and adversely affect the Security Interests and guarantees provided in relation to the liabilities under this Agreement; or
 - (2) result in the Lenders under this Agreement becoming structurally subordinated in right of payment to lenders to the Permitted Affiliate Parent and its Subsidiaries; and
 - (B) if the ratio of Net Total Debt to Consolidated Annualised EBITDA is calculated for the most recent Measurement Period ending prior to the Permitted Affiliate Parent becoming a Party for which financial statements have been delivered pursuant to Clause 19.1 (*Financial Statements*) (the “**Relevant Measurement Period**”) but adding to the:
 - (1) amount of Net Total Debt used in such calculations any net increase in the Net Total Debt (as applicable) since the end of the Relevant Measurement Period or subtracting from the amount of Net Total Debt (as applicable) used in such calculation any net deduction in the Net Total Debt (as applicable) (in each case taking into account the amount of Net Total Debt (as applicable) attributable to the Permitted Affiliate Parent becoming a Party); and
 - (2) Consolidated Annualised EBITDA, the Annualised EBITDA of the Permitted Affiliate Parent and its Subsidiaries for the Relevant Measurement Period,that ratio would be equal to or less than the ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*);
 - (iv) it has received, in form and substance satisfactory to it (acting reasonably):
 - (A) a combined Group business plan for the designation of such Subsidiary as a Permitted Affiliate Parent which sets out the management plan for the period from the date of the proposed designation up to and including the earlier to occur of:
 - (1) the then latest applicable Final Maturity Date; and
 - (2) the date falling three years from the date of the relevant designation;

- (B) an updated group structure chart showing the Common Holding Company (as defined below) and all of its direct and indirect Subsidiaries pro forma for the designation of such Subsidiary as a Permitted Affiliate Parent; and
- (C) financial statements for the last financial year of the Permitted Affiliate Parent and its Subsidiaries or any Holding Company of the Permitted Affiliate Parent and its Subsidiaries including consolidated balance sheets, consolidated income statements and statements of cash flow; and
- (v) the Company has given written notice to the Facility Agent identifying a person that is a Holding Company of the Company and each Permitted Affiliate Parent as the common Holding Company for the purposes of this Agreement (“**Common Holding Company**”) provided that the Common Holding Company and any of its Holding Companies has not issued or incurred, and shall not issue or incur, Holdco Debt (except that, in respect of SuperHoldco, it may be the Common Holding Company if it has issued or incurred Holdco Debt and it may issue or incur Holdco Debt).

29.9 Additional Borrowers

- (a) If the Company wishes one of its wholly-owned Subsidiaries, any Permitted Affiliate Parent or any wholly-owned Subsidiary of any Permitted Affiliate Parent to become an Additional Borrower, then it may (following consultation with the Facility Agent) deliver to the Facility Agent the relevant documents and evidence listed in Part 2 of Schedule 2 (*Conditions Precedent Documents*).
- (b) The prior consent of all the Lenders is required if the Additional Borrower is incorporated in a jurisdiction outside the Kingdom of Belgium, the Netherlands or Luxembourg unless that Additional Borrower is a U.S. Finance Vehicle.
- (c) A member of the Group or the Permitted Affiliate Parent may only become an Additional Borrower if it is already a Guarantor.
- (d) The relevant member of the Group or the Permitted Affiliate Parent will become an Additional Borrower when the Facility Agent notifies the other Finance Parties and the Company that it has received all of the documents and evidence referred to in paragraphs (a), (b) and (c) above (as applicable) in form and substance satisfactory to it. The Facility Agent must give this notification as soon as reasonably practicable.
- (e) Delivery of an Accession Agreement executed by the relevant member of the Group or the Permitted Affiliate Parent and the Company to the Facility Agent constitutes confirmation by that member of the Group or the Permitted Affiliate Parent and the Company that the Repeating Representations are then correct.

29.10 Additional Guarantors

- (a) Upon delivery of a duly completed Accession Agreement specifying that the relevant person is to be an Additional Guarantor, executed by the relevant member of the Group or Permitted Affiliate Parent, the relevant person will become an Additional Guarantor.
- (b) The Company shall procure that, at the same time as an Accession Agreement is delivered to the Facility Agent, there is also delivered to the Facility Agent all those other documents listed in Part 2 of Schedule 2 (*Conditions Precedent Documents*), in each case in form and substance satisfactory to the Facility Agent.
- (c) The execution of an Accession Agreement constitutes confirmation by the Additional Guarantor concerned that the representations and warranties set out in Clause 18 (*Representations and Warranties*) to be made by it on the date of the Accession Agreement are correct, as if made with reference to the facts and circumstances then existing.

29.11 Resignation of an Obligor (other than the Company)

- (a) The Company may request that an Obligor (other than the Company) ceases to be an Obligor by giving to the Facility Agent a duly completed Resignation Request.

- (b) The Facility Agent must accept a Resignation Request and notify the Company and the Lenders of its acceptance if:
 - (i) all of the shares in that Obligor are being disposed of and such disposal is permitted under the terms of this Agreement;
 - (ii) it is not aware that a Default is outstanding or would result from the acceptance of the Resignation Request; and
 - (iii) no amount owed by that Obligor under this Agreement is still outstanding.
- (c) The Obligor will cease to be a Borrower and/or a Guarantor, as appropriate, when the Facility Agent gives the notification referred to in paragraph (b) above.

29.12 Reference Banks

- (a) If a Reference Bank ceases to be a Lender, the Facility Agent shall (after consulting with the Company) appoint another Lender which is not a Reference Bank to replace that Reference Bank.
- (b) The Company and the Facility Agent may agree to add one or more additional Reference Bank(s) from among the Lenders.

29.13 Security Over Lenders' Rights

In addition to the other rights provided to Lenders under this Clause 29 (*Changes to Parties*) each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any relevant Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a government authority, department or agency as well as a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

 - (i) release a Lender from any of its obligations under the relevant Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the relevant Finance Documents; or
 - (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the relevant Finance Documents.

30. DISCLOSURE OF INFORMATION

- (a) Each Finance Party must keep confidential any information supplied to it by or on behalf of any member of the Group relating to any member of the Group or its business other than information that:
 - (i) is or becomes publicly available, other than as a result of a breach by that Finance Party of this Clause 30 (*Disclosure of Information*);
 - (ii) in connection with any legal or arbitration proceedings;
 - (iii) if required to do so under any law or regulation;
 - (iv) to a governmental, banking, taxation or other regulatory authority;
 - (v) to its professional advisers;
 - (vi) to the extent allowed under paragraph (b) below; or
 - (vii) with the agreement of the Company.

- (b) A Finance Party may disclose to an Affiliate or any person with whom it may enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement (a participant):
 - (i) a copy of any Finance Document; and
 - (ii) any information which that Finance Party has acquired under or in connection with any Finance Document.

However, before a participant may receive any confidential information, it must agree with the relevant Finance Party to keep that information confidential on the terms of paragraph (a) above and (other than in relation to an Affiliate) enter into a Confidentiality Undertaking with that person.

- (c) Notwithstanding any other provision of this Agreement, any Party to this Agreement (and any of its affiliates, officers, directors, employees, representatives, professional advisers, or other agents) may disclose to any and all persons, without limitation of any kind:
 - (i) the U.S. tax treatment and U.S. tax structure (each as defined below) of the Facilities; and
 - (ii) all material of any kind (including opinions and other tax analyses) that are provided to such party relating to such U.S. tax treatment or U.S. tax structure,

except to the extent reasonably necessary to comply with applicable federal or state securities laws.

For the purposes of this subsection, the U.S. tax treatment of the Facilities is the purported or claimed U.S. federal, state and local income tax treatment of the Facilities, and the U.S. tax structure of the Facilities is any fact that may be relevant to understanding the purported or claimed U.S. federal, state and local income tax treatment of the Facilities. This authorisation is not intended to permit disclosure of any information (other than information relating to the U.S. tax treatment or U.S. tax structure of the Facilities) including (without limitation) (i) any portion of any materials to the extent not related to the U.S. tax treatment or U.S. tax structure of the Facilities, (ii) the identities of participants or potential participants in the Facilities (except to the extent such identities are related to the U.S. tax treatment or the U.S. tax structure of the Facility), (iii) the existence or status of any negotiations, (iv) any pricing or financial information (except to the extent such pricing or financial information is related to the U.S. tax treatment or the U.S. tax structure of the Facilities), or (v) any other term or detail not relevant to the U.S. tax treatment or the U.S. tax structure of the Facilities.

- (d) This Clause 30 (*Disclosure of Information*) supersedes any previous confidentiality given by a Finance Party in connection with this Agreement prior to it becoming a Party.
- (e) The obligations imposed on any Finance Party at paragraph (a) (above) shall survive and continue to bind that Finance Party for a period of 12 months commencing from the earlier of (i) the date on which that Finance Party's Commitments have been repaid or cancelled in full and (ii) the date on which that Finance Party is no longer party to this Agreement.

31. CONFIDENTIALITY OF FUNDING RATES AND REFERENCE BANK QUOTATIONS

31.1 Confidentiality and disclosure

- (a) The Facility Agent, each Borrower and each Obligor agree to keep each Funding Rate (and, in the case of the Facility Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.
- (b) The Facility Agent may disclose:
 - (i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the relevant Borrower pursuant to Clause 11.10 (*Notification*); and
 - (ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a

confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Facility Agent and the relevant Lender or Reference Bank or Alternative Reference Bank, as the case may be.

- (c) The Facility Agent may disclose any Funding Rate or any Reference Bank Quotation, each Borrower and each Obligor may disclose any Funding Rate, to:
 - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and representatives if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this paragraph (c) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the relevant Borrower or Obligor, as the case may be, it is not practicable to do so in the circumstances; and
 - (iii) any person with the consent of the relevant Lender or Reference Bank or Alternative Reference Bank, as the case may be.
- (d) The Facility Agent's obligations in this Clause 31 (*Confidentiality of Funding Rates and Reference Bank Quotations*) relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 11.10 (*Notification*) provided that (other than pursuant to paragraph (b)(i) above) the Facility Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

31.2 Related obligations

- (a) The Facility Agent, each Borrower and each Obligor acknowledge that each Funding Rate (and, in the case of the Facility Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Facility Agent, each Borrower and each Obligor undertake not to use any Funding Rate or, in the case of the Facility Agent, any Reference Bank Quotation for any unlawful purpose.
- (b) The Facility Agent, each Borrower and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank or Alternative Reference Bank, as the case may be:
 - (i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 31.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this Clause 31 (*Confidentiality of Funding Rates and Reference Bank Quotations*).

31.3 No Event of Default

No Event of Default will occur by reason only of an Obligor's failure to comply with this Clause 31 (*Confidentiality of Funding Rates and Reference Bank Quotations*).

32. SET-OFF

- (a) A Finance Party may, at any time when an Event of Default is outstanding, set off any matured obligation owed to it by an Obligor under the Finance Documents (to the extent

beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

- (b) Any credit balances taken into account by an Ancillary Facility Lender when operating a net limit in respect of any overdraft under an Ancillary Facility shall on enforcement of the Finance Documents be applied first in the reduction of the overdraft provided under that Ancillary Facility in accordance with its terms.
- (c) This Clause 32 (*Set-Off*) is a netting arrangement for the purposes of the Belgian Financial Collateral Law.

33. PRO RATA SHARING

33.1 Redistribution

If any amount owing by an Obligor under this Agreement to a Finance Party (the recovering Finance Party) is discharged by payment, set-off or any other manner other than in accordance with this Agreement (a recovery), then:

- (a) the recovering Finance Party must, within three Business Days, supply details of the recovery to the Facility Agent;
- (b) the Facility Agent must calculate whether the recovery is in excess of the amount which the recovering Finance Party would have received if the recovery had been received and distributed by the Facility Agent under this Agreement; and
- (c) the recovering Finance Party must pay to the Facility Agent an amount equal to the excess (the “**redistribution**”).

33.2 Effect of Redistribution

- (a) The Facility Agent must treat a redistribution as if it were a payment by the relevant Obligor under this Agreement and distribute it among the Finance Parties, other than the recovering Finance Party, accordingly.
- (b) When the Facility Agent makes a distribution under paragraph (a) above, the recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in that redistribution.
- (c) If and to the extent that the recovering Finance Party is not able to rely on any rights of subrogation under paragraph (b) above, the relevant Obligor will owe the recovering Finance Party a debt which is equal to the redistribution, immediately payable and of the type originally discharged.
- (d) If:
 - (i) a recovering Finance Party must subsequently return a recovery, or an amount measured by reference to a recovery, to an Obligor; and
 - (ii) the recovering Finance Party has paid a redistribution in relation to that recovery,each Finance Party must reimburse the recovering Finance Party all or the appropriate portion of the redistribution paid to that Finance Party, together with interest for the period while it held the redistribution. In this event, the subrogation in paragraph (b) above will operate in reverse to the extent of the reimbursement.

33.3 Exceptions

Notwithstanding any other term of this Clause 33 (*Pro Rata Sharing*), a recovering Finance Party need not pay a redistribution to the extent that:

- (a) it would not, after the payment, have a valid claim against the relevant Obligor in the amount of the redistribution; or

- (b) it would be sharing with another Finance Party any amount which the recovering Finance Party has received or recovered as a result of legal or arbitration proceedings, where:
 - (i) the recovering Finance Party notified the Facility Agent of those proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those proceedings but did not do so or did not take separate legal or arbitration proceedings as soon as reasonably practicable after receiving notice of them.

33.4 Litigation

- (a) No Lender shall commence any action or proceeding in any court to enforce its rights under any Finance Document without prior consultation with the other Lenders and without the consent of Majority Lenders;
- (b) If in accordance with paragraph (a) above any Lender does take action to enforce its rights under any Finance Document and, as a result thereof or in connection therewith, shall receive a recovery then such Lender shall not be required to share any portion of such recovery with any Lender which has the legal right to, but does not, join in such action or proceeding or commence and diligently prosecute a separate action or proceeding to enforce its rights in another court.

33.5 Ancillary Facility Lenders

- (a) This Clause 33 (*Pro Rata Sharing*) shall not apply to any receipt or recovery by a Lender in its capacity as an Ancillary Facility Lender at any time prior to service of notice under Clause 22.16 (*Acceleration Following Financial Ratio Breach*).
- (b) Following service of notice under Clause 22.16 (*Acceleration Following Financial Ratio Breach*), this Clause 33 (*Pro Rata Sharing*) shall apply to all receipts or recoveries by Ancillary Facility Lenders except to the extent that the receipt or recovery represents a reduction from the Designated Gross Amount for an Ancillary Facility to its Designated Net Amount.

34. SEVERABILITY

If a term of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of the Finance Documents; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of the Finance Documents.

35. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

36. NOTICES

36.1 In Writing

- (a) Any formal communication in connection with a Finance Document must be in writing and, unless otherwise stated, may be given:
 - (i) in person, by post or fax; or
 - (ii) to the extent agreed by the Parties making and receiving communication, by e-mail or other electronic communication.
- (b) For the purpose of the Finance Documents, an electronic communication will be treated as being in writing.
- (c) Unless it is agreed to the contrary, any consent or agreement required under a Finance Document must be given in writing.

36.2 Contact Details

- (a) Except as provided below, the contact details of each Party for all communications in connection with the Finance Documents are those notified by that Party for this purpose to the Facility Agent on or before the date it becomes a Party.
- (b) The contact details of each Obligor for this purpose are:
 - Address: Liersesteenweg 4
2800 Mechelen
 - Fax number: +32 (15) 33 3716
 - Attention: Group Treasurer / Chief Financial Officer
 - Telephone: +32 (15) 33 3564 / +32 (15) 33 3557
 - Email: birgit.conix@staff.telenet.be
- (c) The contact details of the Facility Agent for this purpose are:
 - Address: 201 Bishopsgate
6th Floor
London
EC2M 3NS
 - Fax number: +44 (0)20 7638 8488
 - Attention: Agency Administration
- (d) Any Party may change its contact details by giving five Business Days' notice to the Facility Agent or (in the case of the Facility Agent) to the other Parties.
- (e) Where a Party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

36.3 Effectiveness

- (a) Except as provided below, any communication in connection with a Finance Document will be deemed to be given as follows:
 - (i) if delivered in person, at the time of delivery;
 - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope;
 - (iii) if by fax, when received in legible form; and
 - (iv) if by e-mail or any other electronic communication, when received in legible form.
- (b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- (c) A communication to the Facility Agent will only be effective on actual receipt by it.

36.4 Obligors

- (a) All formal communications under the Finance Documents to or from an Obligor must be sent through the Facility Agent.
- (b) All formal communications under the Finance Documents to or from an Obligor (other than the Company) must be sent through the Company.
- (c) Each Obligor (other than the Company) irrevocably appoints the Company to act as its agent:
 - (i) to give and receive all communications under the Finance Documents;
 - (ii) to supply all information concerning itself to any Finance Party; and
 - (iii) to sign all documents under or in connection with the Finance Documents.
- (d) Any communication given to the Company in connection with a Finance Document will be deemed to have been given also to the other Obligors.

- (e) Each Finance Party may assume that any communication made by the Company is made with the consent of each other Obligor.
- (f) If (notwithstanding the fact that the guarantees granted under this Agreement are and the Security is, intended to guarantee and secure, respectively, all obligations arising under the Finance Documents), any guarantee or Security does not automatically extend from time to time to any (however fundamental and of whatsoever nature and whether or not more onerous) amendment, variation, increase, extension or addition of or to any of the Finance Documents and/or any Facility or amount made available under any of the Finance Documents, each Obligor (other than the Company) expressly confirms that the Obligors' Agent is authorised to confirm such guarantee and/or Security on behalf of such Obligor.

36.5 Communication when Facility Agent is Impaired Agent

If the Facility Agent is an Impaired Agent the Finance Parties may, instead of communicating with each other through the Facility Agent, communicate with each other directly and (while the Facility Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Facility Agent shall be varied so that communications may be made and notices given to or by the Finance Parties to this Agreement directly. This provision shall not operate after a replacement Facility Agent has been appointed.

36.6 Copy of Transfer Certificate or Increase Confirmation to the Company

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or Increase Confirmation, send to the Company a copy of that Transfer Certificate or Increase Confirmation.

37. LANGUAGE

- (a) Any notice given in connection with a Finance Document must be in English.
- (b) Any other document provided in connection with a Finance Document must be:
 - (i) in English; or
 - (ii) (unless the Facility Agent otherwise agrees) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

38. GOVERNING LAW

This Agreement is governed by English law.

39. ENFORCEMENT

39.1 Jurisdiction

- (a) Unless a Finance Document specifically provides otherwise, the English courts have non exclusive jurisdiction to settle any dispute in connection with any Finance Document.
- (b) The English courts are the most appropriate and convenient courts to settle any such dispute. Each Obligor agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with any Finance Document.
- (c) This Clause 39.1 (*Jurisdiction*) is for the benefit of the Finance Parties only. To the extent allowed by law, a Finance Party may take:
 - (i) proceedings in any other court; and
 - (ii) concurrent proceedings in any number of jurisdictions.
- (d) References in this Clause 39.1 (*Jurisdiction*) to a dispute in connection with a Finance Document include any dispute as to the existence, validity or termination of that Finance Document.

39.2 Service of Process

- (a) Each Obligor irrevocably appoints Law Debenture Trustee Company as its agent under the Finance Documents and the mandate letter dated 16 July 2007 (as amended) between, among others, the Original Borrower and the Mandated Lead Arrangers (the “**Mandate Letter**”) for service of process in any proceedings before the English courts in connection with any Finance Document and the Mandate Letter.
- (b) If any person appointed as process agent is unable under this Clause 39.2 (*Service of Process*) for any reason to so act, the Company (on behalf of all the Obligors) must immediately appoint another agent on terms acceptable to the Facility Agent. Failing this, the Facility Agent may appoint another process agent for this purpose.
- (c) Each Obligor agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.
- (d) This Clause 39.2 (*Service of Process*) does not affect any other method of service allowed by law.

39.3 Waiver of Immunity

Each Obligor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by a Finance Party against it in relation to a Finance Document and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

40. WAIVER OF TRIAL BY JURY

EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH ANY FINANCE DOCUMENT OR ANY TRANSACTION CONTEMPLATED BY ANY FINANCE DOCUMENT. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY THE COURT.

SCHEDULE 1

ORIGINAL PARTIES

Part 1: Original Guarantors

<u>Name of Original Guarantors</u>	<u>Registration number (or equivalent, if any)</u>
Telenet BVBA	RLP Antwerp, division Mechelen, Enterprise No. 0473.416.418
Telenet International Finance S.à r.l.	B155066 (Luxembourg Trade and Companies Register)

Part 2: Commitments

<u>Name of Initial Original Lenders</u>	<u>Term Loan A Facility Commitments</u>	<u>Term Loan B1 Facility Commitments</u>	<u>Term Loan B2A Facility Commitment</u>	<u>Term Loan B2B Facility Commitments</u>	<u>Term Loan C Facility Commitments</u>	<u>Revolving Facility Commitments</u>
ABN AMRO BANK						
N.V.	€106,000,000	€61,500,000	€45,000,000	—	€212,500,000	€35,000,000
BNP PARIBAS						
S.A.	€212,000,000	€123,000,000	€90,000,000	—	€425,000,000	€70,000,000
JPMORGAN CHASE						
BANK, N.A.	€212,000,000	€123,000,000	—	€90,000,000	€425,000,000	€70,000,000
Total:	€530,000,000	€307,500,000	€135,000,000	€90,000,000	€1,062,500,000	€175,000,000

SCHEDULE 2

CONDITIONS PRECEDENT DOCUMENTS

Part 1: To be delivered before the First Advance

Original Obligor / Existing Security Providers

1. A copy of the articles of association of each Existing Security Provider.
2. A copy of a resolution of the board of directors of each Existing Security Provider approving the terms of, and the transactions contemplated by, the Finance Documents.
3. A specimen of the signature of each person authorised on behalf of an Existing Security Provider to execute or witness the execution of any Finance Document or to sign or send any document or notice in connection with any Finance Document.
4. A copy of the minutes of the shareholders' meeting of each Obligor:
 - (a) approving for the purposes of article 556 of the Belgian Companies Act, the terms of and transactions contemplated by the Finance Documents, and in particular, the provisions having the effect that an event of default will be triggered and/or that may require an early repayment if there is a change of control; and
 - (b) authorising named persons to fulfil the formalities with the Registry of the Commercial Court of the registered office of such Obligor following the decision taken in accordance with the above.
5. A certificate of an authorised signatory of the Original Borrower:
 - (a) confirming that utilising the Total Telenet Additional Facility Commitments in full would not breach any limit binding on any Original Obligor; and
 - (b) certifying that each copy document specified in Part 1 of this Schedule is correct, complete and in full force and effect as at a date no earlier than the date of the Supplemental Agreement.
6. Evidence required by the Finance Parties for the purpose of any applicable money laundering regulations.
7. Evidence that the agent of the Existing Security Providers under the Finance Documents for service of process in England has accepted its appointment.

Security Document(s)

1. Each Fee Letter.
2. The Intercreditor Agreement.
3. The Company Share Pledge.
4. The Telenet Share Pledge.
5. The UPC Belgium Share Pledge.
6. Pledges of Subordinated Shareholder Loans in respect of all relevant loans in place at the first Utilisation Date.
7. Each duly executed Existing Security Document.

Miscellaneous

1. The Syndication Letter.
2. The most recent audited financial statements of each Obligor.
3. A copy of the Funds Flow Statement detailing the proposed movement of funds on or before the Closing Date.
4. Written confirmation signed by a director of the Company confirming that all fees and expenses then due and payable including all legal fees from the Company under the Finance Documents have been or will be paid within 5 Business Days of the first Utilisation Date.

5. Evidence that the Existing Senior Facility will be prepaid and cancelled in full on or by the first Utilisation Date.
6. An effective discharge of all Existing Share Pledges and all Existing Notes Security, in each case on or before the first Utilisation Date. The Obligors undertake, and shall procure the Restricted Persons to undertake, reasonable endeavours to de-register any registered Existing Notes Security as soon as practical following the first Utilisation Date, at their own or at the Company's cost.
7. Evidence that the Senior Discount Notes and the Senior Notes have been called and will be redeemed and cancelled in full on or before the first Utilisation Date.
8. An initialled copy of the budget for 2007.
9. A letter from the Company in a form to be mutually agreed describing hedging arrangements to be entered into in respect of hedging interest rate liabilities (the "**Hedging Letter**").

Legal opinions

1. A legal opinion of legal advisers to the Mandated Lead Arrangers and each Agent, addressed to the Finance Parties as to English law.
2. A legal opinion of legal advisers to the Mandated Lead Arrangers and each Agent, addressed to the Finance Parties as to Belgian law.

Part 2: To be delivered by an Additional Obligor

Additional Obligors

1. An Accession Agreement duly executed by (amongst others) the Company and the Additional Obligor.
2. A copy of the constitutional documents of the Additional Obligor.
3. A copy of a resolution of the board of directors of the Additional Obligor approving the terms of, and the transactions contemplated by, the relevant Finance Documents.
4. A specimen of the signature of each person authorised on behalf of the Additional Obligor to execute or witness the execution of any Finance Document or to sign or send any document or notice in connection with any Finance Document.
5. A copy of a resolution, signed by all (or any lower percentage agreed by the Facility Agent) of the holders of its issued or allotted shares, approving the terms of, and the transactions contemplated by, the relevant Accession Agreement.
6. If applicable, a copy of a resolution of the board of directors of each corporate shareholder in the Additional Guarantor approving any resolution referred to in paragraph 5 above.
7. A certificate of an authorised signatory of the Additional Obligor:
 - (a) confirming that utilising the Total Telenet Additional Facility Commitments in full would not breach any limit binding on it; and
 - (b) certifying that each copy document specified in Part 2 of this Schedule is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Agreement.
8. If available, a copy of the latest audited accounts of the Additional Obligor.
9. Evidence that the agent of the Additional Obligor under the Finance Documents for service of process in England has accepted its appointment.
10. Evidence required by the Finance Parties for the purpose of any applicable money laundering regulations.

Legal Opinions

1. A legal opinion of Allen & Overy, London, legal advisers to the Facility Agent, addressed to the Finance Parties in scope and substance similar to the legal opinion of Allen & Overy, London, delivered under Part 1 of this Schedule 2.
2. If the Additional Obligor is incorporated in a jurisdiction other than England, a legal opinion from legal advisers in that jurisdiction acceptable to the Facility Agent, addressed to the Finance Parties.

Other Documents and Evidence

1. Evidence that all expenses due and payable from an Obligor under this Agreement in respect of the Accession Agreement have been paid.
2. Subject to the proviso to sub-paragraph (a)(ii) of Clause 21.22 (*Further Assurance*), such duly executed Security Documents that the Facility Agent (acting on the instructions of the Majority Lenders) may require in accordance with the 80% Security Test.
3. A copy of any other authorisation or other document, opinion or assurance which the Facility Agent has notified the Company is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, the Accession Agreement or for the validity and enforceability of any Finance Document.

SCHEDULE 3
FORM OF REQUEST

Part 1: Form of Request (Advances)

To: [*FACILITY AGENT*] as Facility Agent

From: [●]

Date: [●]

**Telenet BVBA (and others) €2,300,000,000 Credit Agreement
dated 1 August 2007 (the “Agreement”)**

1. We refer to the Agreement. This is a Request.
2. We wish to borrow a Telenet Additional Facility on the following terms:
 - (a) Utilisation Date: [●]
 - (b) Amount/currency: [●]
 - (c) Term: [●]
 - (d) Purpose: [●]
3. Our payment instructions are: [●].
4. We confirm that each condition precedent under the Agreement which must be satisfied on the date of this Request is so satisfied.
5. [We hereby inform you that as of the date of this Request, the following Event of Default has occurred and is continuing or would result from the making of this Utilisation [insert details].]¹ [We confirm that, at the date of this Request, the Repeating Representations are true in all material respects and no Default is continuing or would result from the Advance to which this Request relates.]
6. This Request is irrevocable.

By:

[●]

¹ Applicable for Rollover Advances only. Insert details of relevant Event of Default, if any.

Part 2: Form of Request (Documentary Credits)

From: [Name of Borrower] (the “Borrower”)

To: [●] [●]
as Facility Agent; and as a L/C Bank

Date: [●]

Dear Sirs

We refer to the facilities agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “**Facilities Agreement**”) and made between, *inter alia*, [●]. Terms defined in the Facilities Agreement shall have the same meanings in this Request.

We, being authorised signatories of the Borrower named below, give you notice that, pursuant to the Facilities Agreement, we wish [name of L/C Bank] to issue a Documentary Credit on the following terms:

- (a) Name of beneficiary: [●]
- (b) Address of beneficiary: [●]
- (c) Purpose of/Liabilities to be assured by the Documentary Credit: [insert details]
- (d) Euro Amount: €[●]
- (e) Currency: [●]
- (f) Expiry Date: [●] month[s]
- (g) Proposed date of issue of Documentary Credit: [●] (or if that day is not a Business Day, the next Business Day)

[We hereby inform you that as of the date of this Request, the following Event of Default has occurred and is continuing or would result from the making of this Utilisation [insert details].]² [We confirm that, at the date of this Utilisation Request, the Repeating Representations are true in all material respects and no Default is continuing or would result from the Advance to which this Request relates.]³

Upon issuance of the Documentary Credit requested hereunder, please send the Documentary Credit to the Documentary Credit Beneficiary at the address shown above, with a copy to [insert details of relevant contact at the Borrower].

This Request is made by the authorised signatories of the Borrower named below and is given without personal liability.

Yours faithfully

Authorised Signatory
for and on behalf of
[Name of Borrower]

Authorised Signatory
for and on behalf of
[Name of Borrower]

² Applicable for Renewal Requests only. Insert details of the relevant Event of Default, if any.

³ Applicable to all Utilisation Requests in respect of a Documentary Credit (other than a Renewal Request).

SCHEDULE 4
FORM OF TRANSFER CERTIFICATE

To: [*FACILITY AGENT*] as Facility Agent

From: [*THE EXISTING LENDER*] (the **Existing Lender**) and [*THE NEW LENDER*] (the **New Lender**)

Date: [●]

Telenet BVBA (and others) €2,300,000,000 Credit Agreement
dated 1 August 2007 (the “Agreement”)

We refer to the Agreement. This is a Transfer Certificate.

1. The Existing Lender transfers by novation to the New Lender the Existing Lender's rights and obligations referred to in the Schedule below in accordance with the terms of the Agreement.
2. The proposed Transfer Date is [●].
3. The administrative details of the New Lender for the purposes of the Agreement are set out in the Schedule.
4. The New Lender confirms that it [is]/[is not] a Defaulting Lender.
5. This Transfer Certificate is governed by English law.
6. For the purposes of Article 1278 of the Belgium Civil Code, the Existing Lender, the Facility Agent and the New Lender agree that the Security Documents will be for the benefit of the New Lender in accordance with Clause 29.4 (*Procedure for Transfer by Way of Novations*) of the Agreement.
7. The New Lender represents on the date of this Transfer Certificate that it is a Qualifying Lender.

THE SCHEDULE

Rights and obligations to be transferred by novation
[insert relevant details, including applicable Commitment (or part)]

Administrative details of the New Lender
[insert details of Facility Office, address for notices and payment details etc.]

[EXISTING LENDER]

By:

[NEW LENDER]

By:

The Transfer Date is confirmed by the Facility Agent as [●]

[FACILITY AGENT]

By:

SCHEDULE 5
EXISTING SECURITY

[Note: List of Security Documents not updated as part of restatement]

<u>Member of the Group creating Security</u>	<u>Details of Security</u>	<u>Maximum principal amount secured</u>
Telenet Group Holding NV	Pledge with respect to the shares of Telenet Vlaanderen NV (16,100 shares), pursuant to accession agreement dated February 24, 2006	Senior Secured Liabilities
	First rank pledge over receivables, pursuant to receivables and securities pledge agreement dated August 9, 2002	Senior Secured Liabilities
Telenet BidCo NV (now Telenet BVBA) ⁴	Mortgage mandate, dated August 9, 2002	€650,000,000
	Floating charge, pursuant to partial exercise of floating charge mandate dated August 9, 2002	€250,000,000
	Pledge with respect to the shares of Telenet Vlaanderen NV (4,605,979 shares), pursuant to share pledge agreement dated December 22, 2003 and supplemental agreement dated February 24, 2006	Senior Secured Liabilities
	First rank pledge over receivables, pursuant to a receivables and securities pledge agreement dated August 9, 2002	Senior Secured Liabilities
Telenet BVBA (merged into Telenet Bidco NV on 30 June 2010 and Telenet Bidco NV was on the same date renamed Telenet BVBA)	Mortgage (former Telenet Operaties NV), pursuant to a mortgage deed dated March 27, 2002, a mortgage deed dated August 9, 2002 and a mortgage deed dated September 30, 2002	€800,000,000
	Mortgage (former MixtICS NV), pursuant to a mortgage deed dated September 30, 2002 and a mortgage deed dated August 9, 2002	€625,000,000
	Mortgage (former Telenet Solutions NV), pursuant to a mortgage deed dated May 14, 2004	€50,000,000
	Mortgage mandate (former Telenet Operaties NV), dated August 9, 2002 (minus exercise of €200,000,000)	€450,000,000
	Mortgage mandate (former MixtICS NV), dated August 9, 2002 (minus exercise of €200,000,000)	€450,000,000
	Floating charge, dated June 9, 2006, effective May 12, 2006	€135,000,000
	Floating charge mandate, dated May 12, 2006	€865,000,000
	Floating charge (former Telenet Operaties NV), pursuant to a floating charge agreement dated March 29, 2001, two floating charge agreements dated August 9, 2002 and a partial exercise of a floating charge mandated dated March 29, 2001	€1,250,000,000
	Floating charge (former MixtICS NV), pursuant to two floating charge agreements dated August 9, 2002	€865,000,000

⁴ Formerly known as Telenet NV. Telenet BidCo NV changed its corporate name to Telenet NV on 30 June 2010. Telenet NV changed its corporate form and became Telenet BVBA on 27 April 2016.

<u>Member of the Group creating Security</u>	<u>Details of Security</u>	<u>Maximum principal amount secured</u>
Telenet Vlaanderen NV	Floating charge (former PayTVCo NV), pursuant to a floating charge agreement dated February 27, 2004	€75,000,000
	Floating charge (former Telenet Solutions NV), pursuant to a floating charge agreement dated February 27, 2004	€75,000,000
	First rank pledge over receivables, pursuant to a receivables and securities pledge agreement dated August 9, 2002	Senior Secured Liabilities
	Mortgage, pursuant to a mortgage deed dated August 9, 2002 and a mortgage deed dated September 30, 2002	€625,000,000
	Mortgage mandate, dated August 9, 2002 (minus exercise of €200,000,000)	€450,000,000
	Floating charge, pursuant to a floating charge agreement dated August 9, 2002 and exercise of the floating charge mandate dated August 9, 2002	€865,000,000
UPC Belgium NV (now Telenet BVBA ⁵)	Pledge over receivables, pursuant to a receivables and securities pledge agreement dated August 9, 2002	Senior Secured Liabilities
	Pledge over receivables and securities, dated April 17, 2007	Senior Secured Liabilities

⁵ UPC Belgium NV merged into Telenet NV (0439.840.857) on February 1, 2008. Telenet NV (0439.840.857) subsequently merged into Telenet BidCo NV on June 30, 2010 and Telenet BidCo NV changed its corporate name to Telenet NV on the same date. Telenet NV changed its corporate form and became Telenet BVBA on 27 April 2016.

SCHEDULE 6
FORM OF COMPLIANCE CERTIFICATE

To: [FACILITY AGENT] as Facility Agent

From: TELENET BVBA

Date: [●]

TELENET BVBA—€2,300,000,000 Credit Agreement
dated 1 August 2007 (the “Agreement”)

1. We refer to the Agreement. This is a Compliance Certificate.
2. We confirm that as at the relevant testing date Net Total Debt is [●] and Consolidated Annualised EBITDA is [●], therefore the ratio of Net Total Debt to Consolidated Annualised EBITDA is [●] to 1.
3. We set out below calculations establishing the figures in paragraph 2 above: [●].
4. [We confirm that no Default is outstanding as at *[relevant testing date]*.⁶

TELENET BVBA

By:

[insert applicable certification language]

for

[auditors of the Company]⁷

⁶ If this statement cannot be made, the certificate should identify any Default that is outstanding and the steps, if any, being taken to remedy it.

⁷ If tested annually, only include in certificate with annual accounts.

SCHEDULE 7
FORM OF ACCESSION AGREEMENT

To: *[FACILITY AGENT]* as Facility Agent

From: TELENET BVBA and *[Proposed Borrower/Proposed Guarantor]*

Date: [●]

Telenet BVBA—€2,300,000,000 Credit Agreement
dated 1 August 2007 (the “Agreement”)

We refer to the Agreement. This is an Accession Agreement.

[Name of company] of *[address/registered office]* agrees to become an Additional Borrower/Guarantor and to be bound by the terms of the Agreement as an Additional Borrower/Guarantor.

This Accession Agreement is governed by English law.

TELENET BVBA

By:

*[PROPOSED BORROWER/GUARANTOR]*¹

By:

SCHEDULE 8

FORM OF TELENET ADDITIONAL FACILITY ACCESSION AGREEMENT

To: [FACILITY AGENT] as Facility Agent

[SECURITY AGENT] as Security Agent

From: [Proposed Telenet Additional Facility Lender(s)]

Date: [●]

TELENET BVBA—€2,300,000,000 Credit Agreement dated 1 August 2007 (the “Credit Agreement”)

1. Terms defined in the Credit Agreement shall have the same meaning in this Telenet Additional Facility Accession Agreement.
2. We refer to Clause 2.2 (*Telenet Additional Facility*) of the Credit Agreement.
3. We, [Name of Lender(s)] agree to become party to and to be bound by the terms of the Credit Agreement as [a] Lender(s) in accordance with Clause 2.2 (*Telenet Additional Facility*).
4. Our Telenet Additional Facility Commitment is €/US\$ [●].
5. The final maturity date in respect of our Telenet Additional Facility Commitment is [●].
6. The Availability Period in relation to this Telenet Additional Facility is [●].
7. The Margin in relation to this Telenet Additional Facility is [●] per annum. [If applicable set out how the Margin will be adjusted].
8. Advances under this Telenet Additional Facility will be applied [●].
9. We confirm to each Finance Party that:
 - (a) we have made our own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Credit Agreement and have not relied on any information provided to us by a Finance Party in connection with any Finance Document; and
 - (b) we will continue to make our own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Credit Agreement or any Telenet Additional Facility Commitment is in force.
10. The Facility Office and address for notices of the Lender is: [●].
11. This Agreement is governed by English law.

[LENDER(S)]

By:

[FACILITY AGENT] as Facility Agent

By:

TELENET BVBA

By:

SCHEDULE 9
FORM OF RESIGNATION REQUEST

To: [FACILITY AGENT] as Facility Agent

From: TELENET BVBA

Date: [●]

TELENET BVBA—€2,300,000,000 Credit Agreement
dated 1 August 2007 (the “Agreement”)

1. We refer to the Agreement. This is a Resignation Request.
2. We request that [*resigning Obligor*] be released from its obligations as [a/an]⁸ [Obligor/Borrower/Guarantor]⁹ under the Agreement.
3. We confirm that no Default is outstanding or would result from the acceptance of this Resignation Request.
4. We confirm that as at the date of this Resignation Request no amount owed by [resigning Obligor] under the Agreement is outstanding.
5. This Resignation Request is governed by English law.

TELENET BVBA

By:

[RELEVANT OBLIGOR]

By:

The Facility Agent confirms that this resignation takes effect on [●].

[FACILITY AGENT]

By:

⁸ Delete as applicable.

⁹ Delete as applicable.

SCHEDULE 10
FORM OF DOCUMENTARY CREDIT
[L/C Bank's Letterhead]

To: *[Documentary Credit Beneficiary]*

(the “**Documentary Credit Beneficiary**”)

Non-transferable Irrevocable Documentary Credit No. [●]

At the request of *[insert name of Borrower]*, *[L/C Bank]* (the “**L/C Bank**”) issues this irrevocable non-transferable documentary credit (“**Documentary Credit**”) in your favour on the following terms and conditions:

1. Definitions

In this Documentary Credit:

“**Business Day**” means a day (other than a Saturday or a Sunday) on which banks are open for general business in *[London]*.¹⁰

“**Demand**” means a demand for payment under this Documentary Credit in the form of the schedule to this Documentary Credit.

“**Expiry Date**” means [●].

“**Total L/C Amount**” means [●].

2. L/C Bank's Agreement

- (a) The Documentary Credit Beneficiary may request a drawing or drawings under this Documentary Credit by giving to the L/C Bank a duly completed Demand. A Demand must be received by the L/C Bank on or before [●] pm (*[London]* time) on the Expiry Date.
- (b) Subject to the terms of this Documentary Credit, the L/C Bank unconditionally and irrevocably undertakes to the Documentary Credit Beneficiary that, within [10] Business Days of receipt by it of a Demand, it will pay to the Documentary Credit Beneficiary the amount demanded in that Demand.
- (c) The L/C Bank will not be obliged to make a payment under this Documentary Credit if as a result the aggregate of all payments made by it under this Documentary Credit would exceed the Total L/C Amount.

3. Expiry

- (a) The L/C Bank will be released from its obligations under this Documentary Credit on the date (if any) notified by the Documentary Credit Beneficiary to the L/C Bank as the date upon which the obligations of the L/C Bank under this Documentary Credit are released.
- (b) Unless previously released under paragraph (a) above, at [●] pm (*[London]* time) on the Expiry Date the obligations of the L/C Bank under this Documentary Credit will cease with no further liability on the part of the L/C Bank except for any Demand validly presented under the Documentary Credit before that time that remains unpaid.
- (c) When the L/C Bank is no longer under any further Obligations under this Documentary Credit, the Documentary Credit Beneficiary must promptly return the original of this Documentary Credit to the L/C Bank.

4. Payments

All payments under this Documentary Credit shall be made in [●] and for value on the due date to the account of the Documentary Credit Beneficiary specified in the Demand.

¹⁰ This may need to be amended depending on the currency of payment under the Documentary Credit.

5. **Delivery of Demand**

Each Demand shall be in writing, and, unless otherwise stated, may be made by letter, fax or telex and must be received in legible form by the L/C Bank at its address and by the particular department or officer (if any) as follows:

[●]

6. **Assignment**

The Documentary Credit Beneficiary's rights under this Documentary Credit may not be assigned or transferred.

7. **UCP**

Except to the extent it is inconsistent with the express terms of this Documentary Credit, this Documentary Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500.

8. **Governing Law**

This Documentary Credit, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law.

9. **Jurisdiction**

The courts of England have exclusive jurisdiction to settle any disputes, including those that are non-contractual, arising out of or in connection with this Documentary Credit.

Yours faithfully,

[L/C Bank]

By:

FORM OF DEMAND

To: [L/C Bank]

Dear Sirs,

**Non-transferable Irrevocable Documentary Credit No. [●]
issued in favour of [name of beneficiary] (the “Documentary Credit”)**

We refer to the Documentary Credit. Terms defined in the Documentary Credit have the same meaning when used in this Demand.

We certify that the sum of [●] is due [and has remained unpaid for at least [●] Business Days] [under [set out underlying contract or agreement]]. We therefore demand payment of the sum of [●].

Payment should be made to the following account:

Name: [●]

A/c Number: [●]

Bank: [●]

The date of this Demand is not later than the Expiry Date.

Yours faithfully,

(Authorised Signatory)

(Authorised Signatory)

For

[Documentary Credit Beneficiary]

SCHEDULE 11
FORM OF L/C BANK ACCESSION CERTIFICATE

To: [●]

cc: [●]

From: [L/C Bank]

Date: [●]

Dear Sirs

We refer to the facilities agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “**Facilities Agreement**”) and made between, *inter alia*, [●]. Terms defined in the Facilities Agreement shall have the same meanings in this L/C Bank Accession Certificate.

This L/C Bank Accession Certificate is delivered pursuant to Clause 6.11 (*Appointment and Change of L/C Bank*) of the Facilities Agreement.

[Name of L/C Bank] undertakes, upon its becoming an L/C Bank, to perform all the obligations expressed to be undertaken under the Facilities Agreement and the Finance Documents by an L/C Bank and agrees that it shall be bound by the Facilities Agreement and the other Finance Documents in all respects as if it had been an original party to it as an L/C Bank.

[Name of L/C Bank]’s administrative details are as follows:

Address: [●]

Fax No: [●]

Contact: [●]

[and the address of the office having the beneficial ownership of our participation in the Facilities Agreement (if different from the above) is:

Address: [●]

Fax No: [●]

Contact: [●]]

This L/C Bank Accession Certificate, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law.

For and on behalf of

[Name of L/C Bank]

SCHEDULE 12

TIMETABLE

	Advance or Documentary Credit in Euro or U.S. Dollars	Advance or Documentary Credit in other currencies
Delivery of a duly completed Request under Clause 5.1 (<i>Delivery of Requests</i>)	A-2 9 a.m.	A-3 9 a.m.
Agent determines (in relation to an Advance) the Euro Amount of the Advance, if required under Clause 5.5(d) (Participations in Advances) and notifies the Lenders of the Advance in accordance with Clause 5.5(d) (<i>Participations in Advances</i>)	A-2 noon	A-3 noon
Agent receives a notification from a Lender under Clause 8.2 (<i>Unavailability of Optional Currency</i>)	—	Quotation Date 9.30 a.m.
Agent gives notice in accordance with Clause 8.2 (<i>Unavailability of Optional Currency</i>)	—	Quotation Date 5.30 p.m.
LIBOR or EURIBOR is fixed	Quotation Date 11:00 a.m. London time in respect of LIBOR and 11.00 a.m. Brussels time in respect of EURIBOR	Quotation Date 11:00 a.m. London time
Reference Bank Rate calculated by reference to available quotations in accordance with Clause 13.2 (<i>Calculation of Reference Bank and Alternative Reference Bank Rate</i>)	Noon on the Quotation Date	Noon on the Quotation Date
Alternative Reference Bank Rate calculated by reference to available quotations in accordance with Clause 13.2 (<i>Calculation of Reference Bank and Alternative Reference Bank Rate</i>)	Close of business in London on the date falling one Business Day after the Quotation Date	Close of business in London on the date falling one Business Day after the Quotation Date
“A” = date of advance		
“A – X” = X Business Days prior to date of advance		

SCHEDULE 13
FORM OF DESIGNATED ENTITY ACCESSION AGREEMENT

To: [FACILITY AGENT] as Facility Agent

From: [DESIGNATED ENTITY] and [RELATED LENDER]

Date: []

TELENET BVBA—€2,300,000,000 Credit Agreement
dated 1 August 2007 (the “Agreement”)

1. Words and expressions defined in the Agreement have the same meaning in this accession agreement.
2. We refer to the Clause 29.5 (*Designated Entities*) of the Agreement. This is an accession agreement.
3. The Related Lender designates the Designated Entity as its Facility Office for the purpose of participating in Advances to Borrowers in [JURISDICTION].
4. [Name of Designated Entity] agrees to become a party to and to be bound by the terms of the Agreement as a Designated Entity.
5. For the purposes of Clause 36 (*Notices*) of the Agreement, the Designated Entity’s address for notices is:
[]
6. This Accession Agreement and any non-contractual obligations arising in connection with it are governed by English law.

[DESIGNATED ENTITY]

By:

[RELATED LENDER]

By:

[FACILITY AGENT]

By:

SCHEDULE 14
FORM OF INCREASE CONFIRMATION

To: [●] as Facility Agent, [●] as Security Agent [●] as L/C Bank and Telenet BVBA (the “**Company**”),
for and on behalf of each Obligor

From: [the *Increase Lender*] (the “**Increase Lender**”)

Dated:

TELENET BVBA—€2,300,000,000 Credit Agreement
dated 1 August 2007 (the “Facilities Agreement”)

We refer to the Facilities Agreement and the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the “**Agreement**”) shall take effect as an Increase Confirmation for the purpose of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

We refer to Clause 2.1 (*Increase*) of the Facilities Agreement.

The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the “**Relevant Commitment**”) as if it was an Original Lender under the Facilities Agreement.

The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the “**Increase Date**”) is [●].

On the Increase Date, the Increase Lender becomes party to the relevant Finance Documents.

The Increase Lender represents on the date of this Increase Confirmation that it is a Qualifying Lender.

The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 36 (*Notices*) are set out in the Schedule.

The Increase Lender expressly acknowledges the limitations on the Lenders’ obligations referred to in Clause 2.1 (*Increase*).

The Increase Lender hereby agrees with each other person who is or becomes party to the Intercreditor Agreement in accordance with the terms thereof that with effect on and from the date hereof, it will be bound by the Intercreditor Agreement as a Senior Lender as if it had been an original party thereto in such capacity.

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

This Agreement, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

THE SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[Increase Lender]

By:

This Agreement is accepted as an Increase Confirmation for the purposes of the Facilities Agreement by the Facility Agent [and each L/C Bank]*, and the Increase Date is confirmed as [●].

Facility Agent

[L/C Bank

By:

By:]*

Security Agent

By:

NOTE:

* Only if increase in the Total Telenet Additional Facility Commitments drawn under Revolving Facilities.

SIGNATURES

[Original signature pages not restated]

ANNEX B—THE FINCO ACCESSION AGREEMENT AJ

TELENET ADDITIONAL FACILITY AJ ACCESSION AGREEMENT

TERM LOAN AJ FACILITY

To: The Bank of Nova Scotia as Facility Agent and KBC Bank NV as Security Agent

From: The Telenet Additional Facility AJ Lender

Date: [●] 2017

TELENET BVBA—Credit Agreement dated 1 August 2007, as amended from time to time (the Credit Agreement)

1. In this Agreement:

Borrower in relation to the Term Loan AJ Facility means Telenet International Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 2, rue Peternelchen, L-2370 Howald, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B.155.066.

Existing Security Provider means each of Telenet BVBA (the “**Company**”), the Borrower, Telenet Financing USD LLC, Telenet Group Holding NV, having its registered office at Neerveldstraat 105, B-1200 Sint-Lambrechts-Woluwe, Belgium and registered with the Crossroads Bank for Enterprises under number 0477.702.333 (RPR/RPM Brussels), Telenet Group BVBA, having its registered office at Neerveldstraat 105, B-1200 Sint-Lambrechts-Woluwe, Belgium and registered with the Crossroads Bank for Enterprises under number 0462.925.669 (RPR/RPM Brussels) and Telenet Vlaanderen NV, having its registered office at Liersesteenweg 4, 2800 Mechelen, Belgium and registered with the Crossroads Bank for Enterprises under number 0458.840.088 (RPR/RPM Mechelen).

Indenture means the indenture, dated on or about the date of this Agreement, among, *inter alia*, the Telenet Additional Facility AJ Lender as issuer, and The Bank of New York Mellon, London Branch, as trustee, as may be amended from time to time.

Liberty Global Reference Agreement means any or all of (i) the credit agreement dated 19 April 2017 between, among others, Virgin Media Investment Holdings Limited as company and The Bank of Nova Scotia as facility agent; (ii) the credit agreement dated 24 July 2014 between (among others) Unitymedia Hessen GmbH & Co. KG as borrower and The Bank of Nova Scotia as facility agent; (iii) the credit agreement dated 27 January 2014 between (among others) Ziggo B.V. as borrower and The Bank of Nova Scotia as facility agent; (iv) the credit agreement dated 28 September 2006 between (among others) All3Media Finance Limited as borrower and The Royal Bank of Scotland PLC as facility agent; (v) the credit agreement dated 5 March 2015 between (among others) Ziggo Secured Finance B.V. as SPV borrower and The Bank of Nova Scotia as facility agent; (vi) the indenture dated 23 December 2015 in respect of the €420,000,000 4.625% senior secured notes due 2026 issued by Unitymedia Hessen GMBH & Co KG and Unitymedia NRW GmbH; (vii) Annex I (Additional Definitions) and Annex II (Covenants) of the credit agreement dated 16 May 2016 entered into between, among others, LGE Coral Holdco Limited as finco, Sable International Finance Limited and Coral-US Co-Borrower LLC as initial borrowers and The Bank of Nova Scotia as administrative agent and (to the extent not covered in the Annexes) the specific provisions relating to that credit agreement set out in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*), Schedule 5 (*Further Amendments, Waivers, Consents and Other Modifications*), Schedule 6 (*Additional Amendments, Waivers, Consents and Other Modifications*), Schedule 7 (*Fourth Amendments, Waivers, Consents and Other Modifications*), Schedule 8 (*Fifth Amendments, Waivers, Consents and Other Modifications*), Schedule 9 (*Sixth Amendments, Waivers, Consents and Other Modifications*) and Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; (viii) the facilities agreement dated 6 October 2016 in respect of the advance of certain proceeds of the £350,000,000 5.5% receivables financing notes due 2024 issued by Virgin Media Receivables Financing Notes I Designated Activity Company; (ix) the

indenture dated 23 September 2016 in respect of the \$2,000,000,000 5.5% senior secured notes due 2027 and the €775,000,000 4.25% senior secured notes due 2027 issued by Ziggo Secured Finance B.V.; (x) the indenture dated 1 February 2017 in respect of the £675,000,000 5% senior secured notes due 2027 issued by Virgin Media Secured Finance PLC; (xi) the indenture dated 21 June 2017 in respect of the €635,000,000 3⅞% senior notes due 2029 issued by UPC Holding B.V.; (xii) the credit agreement dated 16 December 2016 between (among others) UPC Broadband Holding B.V. as borrower and The Bank of Nova Scotia as facility agent, (xiii) the indenture dated 16 August 2017 in respect of the \$700,000,000 6.875% senior notes due in 2027 issued by C&W Senior Financing Designated Activity Company and (xiv) the indenture dated 18 October 2017 in respect of the \$550,000,000 million 5.500% senior notes due 2028 issued by UPC Holding B.V. (in each case as amended from time to time up to the date of this Agreement).

Notes means the \$1,000,000,000 aggregate principal amount of 5.500% fixed rate notes due 2028 and issued on or about the date of this agreement by the Telenet Additional Facility AJ Lender pursuant to the Indenture.

Proposed Amendments means the amendments, waivers, consents and other modifications contemplated by Clauses 27 and 28 of this Agreement.

Refinancing means the repayment of outstanding amounts under Telenet Additional Facilities AH, AI, AI2 and V of the Credit Agreement (including the payment of any related prepayment premium).

Related Agreements means (i) the fee letter agreement, dated on or about the date of this Agreement, by and among the Telenet Additional Facility AJ Lender, the Borrower and Telenet Group BVBA relating to the payment of certain fees to the Telenet Additional Facility AJ Lender by the Borrower and (ii) the service agreement, dated on or about the date of this Agreement, by and among the Telenet Additional Facility AJ Lender, the Borrower and Telenet Group BVBA in respect of, among other things, the reimbursement by the Borrower of certain ongoing obligations of the Telenet Additional Facility AJ Lender.

Telenet Additional Facility AJ Lender means Telenet Finance Luxembourg Notes S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 2, rue Peternelchen, L-2370 Howald, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B219682.

Telenet Additional Facility AJ-B Accession Agreement means a Telenet Additional Facility Accession Agreement in substantially the form set out in Schedule 11 entered into by the parties thereto in accordance with Clause 20 below.

Telenet Additional Facility AJ-B Borrower means the borrower under the Term Loan AJ-B Facility.

Telenet Additional Facility AJ-B Lender means a financing company or designated notes issuer incorporated under the laws of Belgium and established for the purpose, among others, of assuming the Telenet Additional Facility AJ Lender's obligations under the Notes.

Term Loan AJ Facility means the \$1,000,000,000 term loan facility made available by the Telenet Additional Facility AJ Lender under this Agreement.

Term Loan AJ Facility Commitment means, in relation to the Telenet Additional Facility AJ Lender, the amount in U.S. Dollars set opposite its name under the heading "Term Loan AJ Facility Commitment" in Schedule 1 of this Agreement, and any such Term Loan AJ Commitment transferred to or assumed by it under the Credit Agreement, in each case, to the extent not cancelled, transferred, or reduced under the Credit Agreement.

Term Loan AJ Facility Loan means a U.S. Dollars denominated loan made to the Borrower by the Telenet Additional Facility AJ Lender under the Term Loan AJ Facility.

Term Loan AJ-B Facility means the \$1,000,000,000 term loan facility made available by the Telenet Additional Facility AJ-B Lender under the Telenet Additional Facility AJ-B Accession Agreement.

Term Loan AJ-B Facility Loan means a U.S. Dollars denominated loan made to the Telenet Additional Facility AJ-B Borrower by the Telenet Additional Facility AJ-B Lender under the Term Loan AJ-B Facility.

2. Unless otherwise defined in this Agreement, terms defined in the Credit Agreement shall have the same meaning in this Agreement and a reference to a Clause is a reference to a Clause of the Credit Agreement. The principles of construction set out in Clause 1.2 (*Construction*) of the Credit Agreement apply to this Agreement as though they were set out in full in this Agreement.
3. We refer to Clause 2.2 (*Telenet Additional Facility*) of the Credit Agreement. This is a Finance Document.
4. This Agreement will take effect on the date on which the Facility Agent notifies the Borrower and the Telenet Additional Facility AJ Lender that it has received the documents and evidence set out in Schedule 2 to this Agreement, in each case in form and substance satisfactory to it (acting reasonably) or, as the case may be, the requirement to provide any of such documents or evidence has been waived by the Facility Agent (acting on the instructions of the Term Loan AJ Facility Lender) (the “**Effective Date**”).
5. The Telenet Additional Facility AJ Lender agrees:
 - (a) to become party to and to be bound by the terms of the Credit Agreement as a Lender in accordance with Clause 2.2 (*Telenet Additional Facility*) of the Credit Agreement; and
 - (b) to become party to the Intercreditor Agreement as a Senior Lender for the purposes of the Intercreditor Agreement and confirm that, as from the date of this Agreement, it intends to be party to the Intercreditor Agreement as a Senior Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
6. The Telenet Additional Facility Commitment in relation to the Telenet Additional Facility AJ Lender (for the purpose of the definition of Telenet Additional Facility Commitment in Clause 1.1 (*Definitions*) of the Credit Agreement) is its Term Loan AJ Facility Commitment.
7. The Facility Agent will, for the purposes of any determination to be made under the Credit Agreement or this Agreement (other than in respect of the Proposed Amendments in respect of which consent has been given in accordance with Clause 27 and 28 hereof), apply the votes of the Telenet Additional Facility AJ Lender in accordance with a written direction to be provided by the Telenet Additional Facility AJ Lender. The Telenet Additional Facility AJ Lender agrees that it will give any such direction in accordance with the provisions of Section [9.01] of the Indenture. For the avoidance of doubt, the Facility Agent may rely on any such directions received and shall have no duty to enquire or monitor as to whether such direction complies with Section [9.01] of the Indenture.
8. The Term Loan AJ Facility may be drawn by one Advance (subject to the provisions of Clause 9 below) on the Effective Date and such date will constitute the Availability Period for the Term Loan AJ Facility. No more than one Request may be made in respect of the Term Loan AJ Facility under the Credit Agreement, and such Request may only be in a principal amount of the Telenet Additional Facility Commitment in relation to the Term Loan AJ Facility as set out in Clause 6 above.
9.
 - (a) Provided that any upsizing of the Term Loan AJ Facility permitted under this Clause 9 will not breach any term of the Credit Agreement, the Term Loan AJ Facility may be upsized by any amount, by the signing of one or more further Telenet Additional Facility AJ Accession Agreements, that specify (along with the other terms specified therein) Telenet International Finance S.à r.l as sole Borrower and which specify Telenet Additional Facility Commitments denominated in U.S. Dollars, to be drawn in U.S. Dollars, with the same Final Maturity Date and Margin as specified in this Agreement.
 - (b) For the purposes of this Clause 9 (unless otherwise specified), references to the Term Loan AJ Facility shall include Advances made under any such further Telenet Additional Facility AJ Accession Agreement.
 - (c) Where any Term Loan AJ Facility Loan has not already been consolidated with any other Term Loan AJ Facility Loan, on the last day of any Term for such Term Loan AJ Facility Loan, that Term Loan AJ Facility Loan shall be consolidated with any other Term Loan AJ Facility Loan which has a Term ending on the same day as that Term Loan AJ Facility Loan and all such Term Loan AJ Facility Loans will then be treated as one Advance.

10. The Final Maturity Date in respect of the Term Loan AJ Facility is March 1, 2028. Any outstanding Advance under the Term Loan AJ Facility shall be repaid in full on the Final Maturity Date.
11. The interest rate in relation to the Term Loan AJ Facility will be a fixed rate of 5.500 per cent. per annum. Such interest rate will be calculated in accordance with Clause 11.1 (*Calculation of Interest*) of the Credit Agreement as being the sum of LIBOR and the applicable Margin, where in order to achieve the fixed rate referred to above, the applicable Margin will be:

(a) 5.500 per cent. per annum, calculated on the basis of a 360 day year comprised of twelve 30 day months;

minus

(b) LIBOR.

For the avoidance of doubt, for the purpose of this calculation, the applicable Margin may be a negative number. Further, the interest rate for this Term Loan AJ Facility will never exceed 5.500 per cent. per annum (save to the extent that Clause 11.3 (*Interest on Overdue Amounts*) of the Credit Agreement may apply).

12. The first Term to apply to the Term Loan AJ Facility Loan will be a period equal to the period running from the Effective Date up to and including January 15, 2018. The Borrower agrees that each subsequent Term under the Term Loan AJ Facility will be 6 months.
13. Upon the occurrence of a mandatory prepayment of the Term Loan AJ Facility following a Change of Control, as defined under Clause 10.2 (*Mandatory Prepayment—Change of Control*) of the Credit Agreement, the Borrower under the Term Loan AJ Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AJ Lender) an amount equal to 1 per cent. of the principal amount of the Term Loan AJ Facility, plus accrued and unpaid interest to the due date of mandatory prepayment. Such payment shall be due and payable by the Borrower to the Facility Agent (for the account of the Telenet Additional Facility AJ Lender) under the Term Loan AJ Facility on the actual date of such mandatory prepayment.
14. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of any of the Term Loan AJ Facility by the Borrower under Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement (other than a voluntary prepayment complying with Clauses 17, 18 or 20 below) in an amount not to exceed 10% of the original principal amount of the Term Loan AJ Facility during each twelve-month period commencing on the date of this Agreement, the Borrower under the Term Loan AJ Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AJ Lender) an amount equal to 3.0% of the principal amount of the Term Loan AJ Facility being prepaid, plus accrued and unpaid interest then due on the amount of the Term Loan AJ Facility Loan prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower under the Term Loan AJ Facility to the Facility Agent (for the account of the Telenet Additional Facility AJ Lender) on the actual date of such prepayment. Prior to December 1, 2022, to the extent that during any twelve-month period commencing on the date of this Agreement, the principal amount of the Term Loan AJ Facility prepaid in any one or more voluntary prepayments is greater than an amount equal to 10% of the original principal amount of the Term Loan AJ Facility (any such amount, the “**Excess Early Redemption Proceeds**”), the Borrower will apply the Excess Early Redemption Proceeds to a voluntary prepayment of the Term Loan AJ Facility as described in Clause 15 below.
15. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of any or all of the Term Loan AJ Facility by the Borrower under the Term Loan AJ Facility under Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement with any Excess Early Redemption Proceeds (other than a voluntary prepayment complying with Clauses 17, 18 or 20 below), the Borrower under the Term Loan AJ Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AJ Lender) an amount equal to the Additional Amount (as defined below) (calculated as of a date no more than three Business Days prior to the date of the relevant prepayment notice), plus accrued and unpaid interest on the amount of the Term Loan AJ Facility Loan prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower under the Term Loan AJ Facility to the Facility Agent (for the account of the Telenet Additional Facility AJ Lender) on the actual date of such prepayment.

For the purposes of this Clause 15:

Additional Amount means, with respect to the Term Loan AJ Facility on any prepayment date applicable to the voluntary prepayment of any or all of the Term Loan AJ Facility, the excess of:

- (i) the present value at such prepayment date of (i) the amount that would be payable in accordance with Clause 16 below in respect of the principal amount of the Term Loan AJ Facility being prepaid if such amount were prepaid on December 1, 2022 pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement, plus (ii) the principal amount of the Term Loan AJ Facility being prepaid plus (iii) all required interest payments due on the principal amount of the Term Loan AJ Facility being prepaid through December 1, 2022 (excluding accrued but unpaid interest to the prepayment date and assuming such interest payments are calculated at the rate of interest on the Term Loan AJ Facility in effect on such prepayment date), computed using a discount rate equal to the Treasury Rate plus 50 basis points; over
- (ii) the principal amount of the Term Loan AJ Facility being prepaid.

Treasury Rate means, as of any prepayment date, the yield to maturity at the time of computation of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the date of the relevant cancellation notice (or, if such statistical release is not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the prepayment date to December 1, 2022; provided, however, that if the period from the prepayment date to December 1, 2022 is not equal to the constant maturity of a U.S. Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by a linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of U.S. Treasury securities for which such yields are given, except that if the period from the prepayment date to December 1, 2022 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used.

16. On or after December 1, 2022 upon the occurrence of a voluntary prepayment of any or all of the Term Loan AJ Facility by the Borrower under the Term Loan AJ Facility under Clause 10.5 (*Voluntary prepayment*) of the Credit Agreement (other than a voluntary prepayment complying with Clause 17, 18, 19 and 21 below), the Borrower under the Term Loan AJ Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AJ Lender) an amount equal to the relevant percentages of the principal amount of the Term Loan AJ Facility being prepaid as set forth in the table below on, plus accrued and unpaid interest then due on the amount of the Term Loan AJ Facility prepaid to, the due date of prepayment, if prepaid during the twelve-month period beginning on December 1 of the years indicated below:

<u>Year</u>	<u>Prepayment Price expressed as a percentage of the principal amount of the Term Loan AJ Facility</u>
2022	2.750%
2023	1.375%
2024	0.688%
2025 and thereafter	0.000%

Such payment shall be due and payable by the Borrower under the Term Loan AJ Facility to the Facility Agent (for the account of the Telenet Additional Facility AJ Lender) on the actual date of such prepayment.

17. Notwithstanding Clauses 14, 15 and 16:

- (a) if the Telenet Additional Facility AJ Lender purchases any Notes in connection with any tender offer or other offer to purchase for the Notes (a “**Tender Offer**”), the Borrower will prepay an aggregate principal amount of the Term Loan AJ Facility, pro rata based on the aggregate principal amount of Notes tendered in such Tender Offer and at a prepayment price of par plus any premium paid or less any discount received by the Telenet Additional Facility AJ Lender in connection with the purchase of the Notes in such Tender Offer, plus any accrued and unpaid interest to the due date of such prepayment; and

- (b) if following any Tender Offer, the Telenet Additional Facility AJ Lender is entitled to, and elects to, redeem any remaining Notes at a price equal to the price paid to each other holder in such Tender Offer, then the Borrower will prepay the remaining principal amount of the Term Loan AJ Facility at a prepayment price of par plus any premium paid or less any discount received by the Telenet Additional Facility AJ Lender in connection with the purchase of the Notes in such Tender Offer, plus any accrued and unpaid interest to the date that any interest accrues under the Notes in connection with such redemption.
18. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of the Term Loan AJ Facility by the Borrower pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement with the Net Cash Proceeds of one of more Equity Offerings (the **“Equity Offering Early Redemption Proceeds”**) in an amount of up to 40% of the Term Loan AJ Facility Loan, the Borrower shall upon not less than 10 days nor more than 60 days’ notice make a payment to the Facility Agent (for the Account of the Telenet Additional Facility AJ Lender in an amount (the **“Equity Claw Prepayment Premium”**) equal to 5.500 per cent. of the principal amount of the Term Loan AJ Facility prepaid, together with any amounts due to the Telenet Additional Facility AJ Lender in respect of a Tax Deduction plus accrued interest then due on the amount of the Term Loan AJ Facility prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower to the Facility Agent (for the account of the Telenet Additional Facility AJ Lender) under the Term Loan AJ Facility on the actual date of such prepayment provided that:
- (a) at least 50% of the principal amount of the Term Loan AJ Facility remains outstanding immediately after any such prepayment; and
 - (b) such prepayment is made not more than 180 days after the consummation of any Equity Offering.

For the purpose of this Clause 18:

“Capital Stock” of any person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of interests in (however designated) equity of such person, including any preferred stock, but excluding any debt securities convertible into such equity.

“Disqualified Stock” means, with respect to any person, any Capital Stock of such person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (b) is convertible or exchangeable for Financial Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of Telenet Group BVBA, the Borrower or a Subsidiary of Telenet Group BVBA); or
- (c) is redeemable at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of the date (a) of the stated maturity of the Term Loan AK Facility or (b) on which there are no amounts under the Term Loan AK Facility outstanding, *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further* that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Telenet Group BVBA to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in the Credit Agreement) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that Telenet Group BVBA may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by Telenet Group BVBA with any provisions of the Credit Agreement.

“Equity Offering” means (1) the distribution of Capital Stock of the Spin Holdco in connection with any Spin-Off or (2) a sale of (a) Capital Stock of Telenet Group BVBA or the Borrower (other than Disqualified Stock), (b) Capital Stock the proceeds of which are contributed as equity share capital to Telenet Group BVBA or the Borrower or as Subordinated Shareholder Loans or (3) Subordinated Shareholder Loans.

“**Net Cash Proceeds**” means, with respect to any issuance or sale of Capital Stock, Subordinated Shareholder Loans and other capital contributions, the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

19. In consideration for the Telenet Additional Facility AJ-B Lender assuming the Telenet Additional Facility AJ Lender’s obligations under the Indenture and provided that any corresponding conditions to such assumption set out in the Indenture have been satisfied substantially concurrently, the Telenet Additional Facility AJ Lender agrees that upon receipt of not less than 8 Business Days’ written notice from the Borrower in relation to the Term Loan AJ Facility and subject to satisfaction, substantially concurrently, of the other requirements of the Finance Documents it shall promptly on the transfer date (as agreed by the Facility Agent, the Telenet Additional Facility AJ-B Lender and the Borrower) transfer its rights, title and obligations under the Term Loan AJ Facility by executing a Transfer Certificate substantially in the form of Schedule 3 of this Telenet Additional Facility AJ Accession Agreement in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement (and the Company shall procure the execution by the Telenet Additional Facility AJ-B Lender of such Transfer Certificate) and deliver such Transfer Certificate to the Facility Agent (the “**Facility AJ Loan Transfer**”). The Borrower shall have the right, but not the obligation, to deliver any such notice and to effect the Facility AJ Loan Transfer. A copy of the written notice from the Borrower to the Telenet Additional Facility AJ Lender shall also be provided to the Facility Agent on or around the date on which it is delivered to the Telenet Additional Facility AJ Lender in accordance with this Clause 19. For the purpose of Clause 29.3(f) (*Transfers by Lenders*) of the Credit Agreement, the Facility Agent agrees to waive its right to receive a fee in connection with the Facility AJ Loan Transfer.

Following the completion of the Facility AJ Loan Transfer, the Company agrees that if requested by written notice from the Borrower, within 60 Business Days of the Transfer Date (as defined in the Transfer Certificate delivered pursuant to this Clause 19), it shall execute and deliver (or shall procure that such other Telenet Additional Facility AJ-B Borrower shall execute and deliver), and, provided that any corresponding conditions to such transaction set out in the Finance Documents and the Indenture have been satisfied substantially concurrently, shall procure that the Telenet Additional Facility AJ-B Lender shall execute and deliver the Telenet Additional Facility AJ-B Accession Agreement, to the Facility Agent and the Security Agent. The Borrower shall have the right, but not the obligation, to deliver such request and to effect the Belgian Issuer Rollover (as defined below). A copy of the written notice from the Borrower to the Company in respect of such request shall also be provided to the Facility Agent on or around the date on which it is delivered to the Company in accordance with this Clause 19.

20. In accordance with the Telenet Additional Facility AJ-B Accession Agreement, on the Effective Date (as defined therein) the Telenet Additional Facility AJ-B Lender will make or be deemed to have made, as applicable to the Telenet Additional Facility AJ-B Borrower a Term Loan AJ Facility Loan in an amount equal to its commitment under the Term Loan AJ-B Facility (which shall be an amount equal to the then outstanding principal amount of the Term Loan AJ-B Facility Loan) by, at the election of the Company, one or more of the following (the “**Belgian Issuer Rollover**”):
- (a) transferring all of its rights, title and obligations under the Term Loan AJ-B Facility to the Telenet Additional Facility AJ-B Borrower pursuant to a transfer certificate to be executed by each of the Telenet Additional Facility AJ-B Lender, the Telenet Additional Facility AJ-B Borrower and the Facility Agent in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement;
 - (b) cash settling with (or netting against) proceeds received (or payable) in respect of the voluntary prepayment and cancellation of the Term Loan AJ Facility Loan; and/or
 - (c) any other means that may be permitted under the Finance Documents and applicable law provided that the Telenet Additional Facility AJ Lender shall cease to have any rights or obligations under the Telenet Additional Facility AJ Accession Agreement following the entry into the Telenet Additional Facility AJ-B Accession Agreement.

The notice provisions of Clause 10.5(a) (*Voluntary Prepayment*) and Clause 10.7(a) (*Voluntary Cancellation*) of the Credit Agreement shall not apply to any cancellation or prepayment effected

pursuant to paragraphs (b) or (c) of this Clause 20, and the Company hereby irrevocably consents to any transfer pursuant to paragraph (a) of this Clause 20 and for the purpose of Clause 29.3(c) (*Transfers by Lenders*) of the Credit Agreement.

21. On the Effective Date (as defined in the Telenet Additional Facility AJ-B Accession Agreement), accrued and unpaid interest in respect of the Term Loan AJ Facility Loan shall be rolled over and deemed to be interest accrued in respect of the Term Loan AJ-B Facility Loan. Such interest shall be due and payable, together with any additional accrued and unpaid interest on the Term Loan AJ-B Facility Loan, on the first interest period payment date under the Term Loan AJ-B Facility which shall correspond with the end of the Term selected in the relevant Request for the Term Loan AJ Facility Loan under the Credit Agreement.
22. The Borrower agrees that it will not request or require the transfer of all of the rights and obligations of the Telenet Additional Facility AJ Lender (or cancel or reduce any of such Lender's Commitments or repay or prepay the Term Loan Facility AJ Loan) pursuant to Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*), Clause 10.9 (*Right of Cancellation in relation to a Defaulting Lender*) or Clause 28.3 (*Non-Consenting Lenders*) of the Credit Agreement.
23. On the first Utilisation Date in respect of the Term Loan AJ Facility, the Borrower confirms, on behalf of itself and the Company confirms on behalf of itself and each other Obligor, that the representations and warranties set out in Clause 18 (*Representations and Warranties*) of the Credit Agreement (except for Clauses 18.5 (*Non—conflict*), 18.6 (*No Event of Default*), 18.7 (*Authorisations*), 18.9 (*No Material Adverse Change*), 18.10 (*Litigation and Insolvency Proceedings*), 18.11 (*Tax Liabilities*), 18.12 (*Security Interests*), 18.13 (*Intellectual Property Rights*), 18.14 (*Environmental Laws*), 18.15 (*Ownership of Assets*), 18.16 (*ERISA*), 18.17 (*United States Regulations*) and 18.18 (*Anti-Terrorism Laws*)) are true and correct in all material respects as if made at the first Utilisation Date in respect of the Term Loan AJ Facility with reference to the facts and circumstances then existing, and as if each reference to the Finance Documents includes a reference to this Agreement.
24. Each of the Guarantors confirms that its obligations under Clause 17 (*Guarantee and Indemnity*) of the Credit Agreement, and each of the Existing Security Providers confirms that the Security Interests created pursuant to the Security Documents and its obligations under the Finance Documents, shall continue unaffected and that such obligations extend to the Total Commitments as increased by the addition of the Term Loan AJ Facility and that such obligations shall be owed to each Finance Party including the Telenet Additional Facility AJ Lender.
25. The Telenet Additional Facility AJ Lender confirms to each Finance Party (unless such Finance Party is also an Obligor) that:
 - (a) it has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Credit Agreement and has not relied on any information provided to it by a Finance Party in connection with any Finance Document; and
 - (b) it will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Credit Agreement or any Telenet Additional Facility Commitment is in force.
26. The Term Loan AJ Facility will be used for (i) the Refinancing, (ii) to service certain payments to the Telenet Additional Facility AJ Lender under the Related Agreements and/or (iii) for general corporate purposes of the Group, which may include loans, distributions or other payments to the Company and its direct and indirect shareholders, share buybacks or a refinancing of outstanding debt.
27. Subject to Clause 28 below and the provisions of the Indenture, for the purposes of any amendment or waiver, consent or other modification (including, with respect to any existing Default or Event of Default) that may be sought by the Company under the Credit Agreement or any other Finance Document on or after the date of this Agreement, the Telenet Additional Facility AJ Lender hereby consents to:
 - (a) any and all of the items set out in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; and

- (b) any consequential amendment, waiver, consent or other modification, whether effected by one instrument or through a series of amendments, to the Credit Agreement or any other Finance Document to be made either to implement the changes envisaged in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement or to conform any Finance Document to Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; and/or
- (c) any other amendment, waiver, consent or modification, whether effected by one instrument or through a series of amendments, to the Credit Agreement or any other Finance Document to be made to conform any Finance Document to any Liberty Global Reference Agreement (provided that any amendment, waiver, consent or modification to conform the Credit Agreement or any other Finance Document to any Liberty Global Reference Agreement referred to at paragraphs (vi) to (xi), (xiii) and (xiv) and in respect of the schedules in relation to covenants, events of default or definitions in the Liberty Global Reference Agreements referred to at paragraphs (ii), (iii) and (v) of that definition, shall be limited to those that are mechanical in nature unless specifically referenced in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement and, in each case, any consequential amendments, waivers, consents or modifications),

and this Agreement shall constitute the Telenet Additional Facility AJ Lender's irrevocable and unconditional written consent in respect of such amendments, waivers, consents or other modifications to the Finance Documents for the purposes of Clause 28 (*Amendments and Waivers*) of the Credit Agreement and Clause 28 (*Consents, Amendments and Override*) of the Intercreditor Agreement (as applicable), and any clause in any other Finance Document relating to amendments of that Finance Document, without any further action required on the part of any party thereto.

- 28. Following receipt of an amendment request from the Company and/or the Facility Agent in connection with all or any of the proposed amendments set out under Clause 27 above (the "**Requested Amendments**") the Telenet Additional Facility AJ Lender shall confirm whether, having regard to the relevant provisions of the Indenture, it is required to consent to the Requested Amendments. If the Telenet Additional Facility AJ Lender is required to give such consent, it hereby acknowledges and agrees that the Facility Agent and/or the Security Agent may, but shall not be required to, send to the Telenet Additional Facility AJ Lender any further formal amendment request in connection with all, or any of the Requested Amendments and the Facility Agent and/or the Security Agent shall be authorised to consent on behalf of the Telenet Additional Facility AJ Lender, as a Lender under one or more Telenet Additional Facilities, to any such Requested Amendments (and the Facility Agent and/or the Security Agent shall be authorised to enter into any necessary documentation in connection with the same) and such consent shall be taken into account in calculating whether the Majority Lenders, or the relevant requisite Lenders, have consented to the relevant amendment, waiver or other modification to the Finance Documents in accordance with Clause 28 (*Amendments and Waivers*) of the Credit Agreement and Clause 28 (*Consents, Amendments and Override*) of the Intercreditor Agreement (as applicable), and any clause relating to amendments in any other Finance Document.
- 29. The Telenet Additional Facility AJ Lender hereby waives receipt of any fee in connection with the consent in Clause 28 above, notwithstanding that other consenting Lenders under the Credit Agreement may be paid a fee in consideration of such Lenders' consent to any or all of the foregoing amendments, waivers or other modifications.
- 30. The Telenet Additional Facility AJ Lender and the Facility Agent agree to waive the notice period in respect of drawdown requests under Clause 5.1 (*Delivery of Requests*) of the Credit Agreement in respect of this Term Loan AJ Facility.
- 31. The Borrower and the Company agree that, notwithstanding the provisions of Clause 12 (*Taxes*) of the Credit Agreement, in connection with any payment required to be made by an Obligor to the Telenet Additional Facility AJ Lender:
 - (a) Clause 12.2 (*Tax gross-up*) of the Credit Agreement shall continue to apply as if a Tax Deduction includes a FATCA Deduction; and

- (b) Clause 12.4(a) (*Tax Indemnity*) of the Credit Agreement shall continue to apply to any Tax that relates to a FATCA Deduction required to be made by a Party,

in each case, other than to the extent that such FATCA Deduction arises from any non-compliance with any law or regulation by a holder of the Notes.

In this paragraph 32:

“**FATCA**” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“**FATCA Deduction**” means a deduction or withholding from a payment under a Finance Document required by FATCA.

32. The Telenet Additional Facility AJ Lender, the Borrower and the Facility Agent acknowledge and agree that (a) the Term Loan AJ Facility Loan shall be made by the Telenet Additional Facility AJ Lender directly to the Borrower to an account notified by the Borrower to the Additional Facility AJ Lender, rather than through the Facility Agent, and (b) in respect of any other payments of principal, interest or other amounts due under the Term Loan AJ Facility, (i) the Borrower shall make payments payable by it to the Additional Facility AJ Lender directly to the Additional Facility AJ Lender (or to such account as the Additional Facility AJ Lender may specify), and (ii) the Additional Facility AJ Lender shall make payments payable by it to the Borrower directly to the Borrower (or to such account as the Borrower may specify). The Additional Facility AJ Lender agrees that it shall promptly notify the Facility Agent if the Borrower fails to make any payment under subclause (b)(i) of this Clause 32 when due, and the Borrower agrees that it shall promptly notify the Facility Agent if the Additional Facility AJ Lender fails to make any payment under subclause (b)(ii) of this Clause 32 when due.
33. The Telenet Additional Facility AJ Lender agrees that without prejudice to Clause 29.4 (*Procedure for Transfer by way of Novation*) of the Credit Agreement, each New Lender (as defined in the Transfer Certificate referred to below) shall become, by the execution by the Facility Agent of a Transfer Certificate substantially in the form of Schedule 3 (*Transfer Certificate (Cash)*) to this Agreement, bound by the terms of this Agreement as if it were an original party hereto as a Telenet Additional Facility AJ Lender and shall acquire the same rights, grant the same consents and assume the same obligations towards the other parties to this Agreement as would have been acquired, granted and assumed had the New Lender been an original party to this Agreement as a Telenet Additional Facility AJ Lender.
34. The Facility Office and address for notices of the Telenet Additional Facility AJ Lender for the purposes of Clause 36.2 (*Contact details*) of the Credit Agreement will be that notified by the Telenet Additional Facility AJ Lender to the Facility Agent.
35. For the purposes of the Term Loan AJ Facility and any Term Loan AJ Facility Loan, and notwithstanding any provision of a Finance Document to the contrary:
- (a) The following defined terms shall have the following meanings in the Finance Documents:
 - Luxembourg** means the Grand Duchy of Luxembourg;
 - Luxembourg Guarantor** means a Guarantor incorporated in Luxembourg; and
 - Luxembourg Obligor** means an Obligor incorporated in Luxembourg.
 - (b) Where they relate to a Luxembourg company, references in the Finance Documents to:
 - (i) a **winding-up, administration** or **dissolution** includes, without limitation, bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from

payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors, reorganisation or similar laws affecting the rights of creditors generally;

- (ii) a **receiver, administrative receiver, administrator** or the like includes, without limitation, a *juge délégué, commissaire, juge-commissaire, liquidateur or curateur*;
 - (iii) a **security interest** includes any *hypothèque, nantissement, gage, privilege, sûreté réelle, droit de rétention* and any type of real security or agreement or arrangement having a similar effect and any transfer of title by way of security; and
 - (iv) a person being **unable to pay its debts** includes that person being in a state of cessation of payments (*cessation de paiements*).
- (c) Any guarantee given by any Luxembourg Guarantor does not constitute a suretyship (*cautionnement*) in the sense of articles 2011 and subsequent of the Luxembourg civil code.
- (d) The maximum liability of any Luxembourg Guarantor under the Finance Documents shall be limited so that the maximum amount payable by the relevant Luxembourg Guarantor for the obligations of any Obligor, which is not a direct or indirect Subsidiary of such Luxembourg Guarantor, hereunder shall at no time exceed the Maximum Amount.

Maximum Amount of any Luxembourg Guarantor means the sum of an amount equal to the aggregate (without duplication) of:

- (i) all moneys received by that Luxembourg Guarantor or direct or indirect Subsidiaries of that Luxembourg Guarantor (which are direct or indirect Subsidiaries of that Luxembourg Guarantor on the date hereof or which will be direct or indirect Subsidiaries of that Luxembourg Guarantor hereafter) as borrower under or pursuant to the Finance Documents; and
- (ii) the aggregate amount of the outstanding intercompany loans made to the Luxembourg Guarantor or direct or indirect Subsidiaries of that Luxembourg Guarantor (which are direct or indirect Subsidiaries of that Luxembourg Guarantor on the date hereof or which will be direct or indirect Subsidiaries of that Luxembourg Guarantor hereafter) by other members of the Group which have been funded with moneys received by the Borrowers under the Finance Documents (the **Loan Amount**); and
- (iii) an amount equal to 95% of the greater of:
 - (A) the market value of the assets of the Luxembourg Guarantor at the time the guarantee is called less the Liabilities, other than the Loan Amount, at the time the guarantee is called; and
 - (B) the market value of the assets of the Luxembourg Guarantor at the date of this Agreement less the Liabilities, other than the Loan Amount, at the time the guarantee is called.

Liabilities means all existing liabilities (other than any liabilities owed to the direct or indirect shareholders of the Luxembourg Guarantor) incurred, from time to time, by the Luxembourg Guarantor and as reflected, from time to time, in the books of the Luxembourg Guarantor.

If the Parties fail to reach an agreement as to the market value of the assets as referred to under paragraph (iii) above, such market value shall be determined, at the sole costs of the Luxembourg Guarantor (provided such costs are properly and reasonably incurred), by (1) an independent investment bank appointed for this purpose by the Finance Parties or (2) a Luxembourg *réviseur d'entreprises agréé* appointed upon the request of any of the Finance Parties.

- (e) Telenet International Finance S.à r.l. hereby expressly accepts and confirms, for the purposes of Articles 1278 and 1281 of the Luxembourg Civil Code, that notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the provisions of this Agreement or the Finance Documents, the guarantee given by it guarantees all obligations of each Luxembourg Obligor (including without limitation, all obligations with respect to all rights and/or obligations so assigned, transferred or novated) and any security

created under this Agreement or the Finance Documents shall be preserved for the benefit of any New Lender and each Luxembourg Obligor hereby accepts and confirms the aforementioned.

- (f) **Qualifying Lender** means, in the case of a Luxembourg Borrower, a Lender which is entitled to receive interest payments free of withholding tax levied pursuant to the Luxembourg law of 23 December 2005, as amended, introducing a withholding tax of 20% on payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg or, in the case of a Belgian Borrower, has the meaning given to that term in the Credit Agreement.

36. Each Existing Security Provider (other than the Company) irrevocably appoints the Company to act as its agent:

- (a) to give and receive all communications under the Finance Documents;
- (b) to supply all information concerning itself to any Finance Party; and
- (c) to sign all documents under or in connection with the Finance Documents.

Any communication given to the Company in connection with a Finance Document will also be deemed to have been given to the other Existing Security Providers and each Finance Party may assume that any communication made by the Company is made with the consent of the other Existing Security Providers.

37. If a term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.

38. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

39. Clause 39.1 (*Jurisdiction*) of the Credit Agreement is incorporated into this Agreement as if set out in full and as if references in that clause to “the Finance Documents” is to this Agreement.

40. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Agreement by e-mail (PDF) or telecopy shall be as effective as delivery of a manually executed counterpart of this Agreement.

41. This Agreement is a Creditor Accession Undertaking as defined in the Intercreditor Agreement.

42. The Borrower under the Term Loan AJ Facility hereby agrees that the Telenet Additional Facility AJ Lender may disclose confidential information supplied to it by or on behalf of any Obligor in connection with the Finance Documents to the extent such disclosure is required by the terms of the Notes.

43. For the purposes of any assignment, transfer or novation of rights and/or obligations (in whole or in part) by the Telenet Additional Facility AJ Lender under Clause 29.3 (*Transfers by Lenders*) of the Credit Agreement, each of the Borrower and the Company hereby irrevocably consents to any assignment, transfer or novation made by the Telenet Additional Facility AJ Lender (i) by way of security in favour of The Bank of New York Mellon, London Branch (as security trustee under the Indenture) and (ii) following an Event of Default under and as defined in the Indenture. The Telenet Additional Facility AJ Lender may only deliver to the Facility Agent a completed Transfer Certificate if at that time it confirms to the Facility Agent in writing that an assignment, transfer or novation of the interest in the Term Loan AJ Facility to be assigned, transferred or novated is not prohibited under the terms of any agreement that is binding on it or any of its assets.

44. The parties acknowledge that this Agreement is a Finance Document.

[Signature Pages Follow]

SCHEDULE 1

**TELENET ADDITIONAL FACILITY AJ LENDER AND TERM LOAN AJ FACILITY
COMMITMENTS**

<u>Telenet Additional Facility AJ Lender</u>	<u>Term Loan AJ Facility Commitment</u>
	(\$)
Telenet Finance Luxembourg Notes S.à r.l.	1,000,000,000
Total	<u>1,000,000,000</u>

SCHEDULE 2

CONDITIONS PRECEDENT DOCUMENTS

1. Obligors

- (a) A copy of the articles of association or equivalent constitutional documents of each Obligor and each Existing Security Provider.
- (b) A copy of a resolution of the board of directors or equivalent of each Obligor and each Existing Security Provider approving the terms of, and the transactions contemplated by, this Agreement and any other Finance Documents to which it is, or will become, a party.
- (c) A specimen of the signature of each person authorised on behalf of each Obligor and each Existing Security Provider to execute or witness the execution of this Agreement and any other Finance Document or to sign or send any document or notice in connection with this Agreement and any other Finance Document.
- (d) An up-to-date extract from the Luxembourg Trade and Companies Register in respect of each Obligor and each Existing Security Provider incorporated in Luxembourg or, to the extent such Obligor or Existing Security Provider is not registered with the Luxembourg Trade and Companies Register, a certificate from a notary residing in Luxembourg.
- (e) An up-to-date negative certificate (*certificat de non-inscription d'une decision judiciaire*) issued by the Luxembourg Trade and Companies register in respect of each Obligor and each Existing Security Provider incorporated in Luxembourg or, to the extent such Obligor or Existing Security Provider is not registered with the Luxembourg Trade and Companies Register, a certificate on solvency of an authorised signatory of the relevant Obligor or Existing Security Provider (as applicable).
- (f) A copy of the minutes of the shareholders' meeting of each Belgian Obligor and each Belgian Existing Security Provider in the form of a limited liability company (*naamloze vennootschap*) (except for Telenet Group Holding NV):
 - (i) approving for the purposes of article 556 of the Belgian Companies Act, the terms of and transactions contemplated by this Agreement; and
 - (ii) authorising named persons to fulfil the formalities with the Registry of the Commercial Court of the registered office of such Obligor or Existing Security Provider following the decision taken in accordance with the above.
- (g) A certificate of an authorised signatory of the Company:
 - (i) confirming that utilising the Total Commitments (including the Term Loan AJ Facility Commitments) in full would not breach any limit binding on any Obligor or Existing Security Provider; and
 - (ii) certifying that each copy document specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. Legal opinions

- (a) A legal opinion of Allen & Overy LLP, English legal advisers to the Facility Agent, addressed to the Finance Parties and the initial purchasers under the Purchase Agreement executed in respect of the Notes.
- (b) A legal opinion of Allen & Overy (Belgium) LLP, Belgian legal advisers to the Facility Agent, addressed to the Finance Parties and the initial purchasers under the Purchase Agreement executed in respect of the Notes.
- (c) A legal opinion of Allen & Overy, *société en commandite simple* (Luxembourg), Luxembourg legal advisers to the Facility Agent, addressed to the Finance Parties and the initial purchasers under the Purchase Agreement executed in respect of the Notes.
- (d) A legal opinion of Ropes & Gray LLP, Delaware legal advisers to the Obligors and Existing Security Providers, addressed to the Finance Parties.

3. Other Documents

- (a) Evidence that the agent of the Borrower under the Finance Documents for service of process in England has accepted its appointment.
- (b) A duly executed copy of the Fee Letter.

SCHEDULE 3
TRANSFER CERTIFICATE (CASH)

To: The Bank of Nova Scotia as Facility Agent and Telenet International Finance S.à r.l. as Borrower

From: [THE EXISTING LENDER] and [THE NEW LENDER]

Date: 2017

Telenet BVBA¹—credit facilities agreement originally dated August 1, 2007 (as amended and restated from time to time), by and among Telenet BVBA and The Bank of Nova Scotia (originally BNP Paribas and then Toronto Dominion (Texas) LLC) as facility agent and KBC Bank NV as security agent (the Credit Agreement)

Terms defined in the Credit Agreement have the same meanings when used in this Transfer Certificate, or, if not defined in the Credit Agreement, the Telenet Additional Facility AJ Accession Agreement (as defined below), have the same meaning in this Transfer Certificate.

We refer to:

- (a) Clause 29.4 (*Procedure for Transfer by Way of Novations*) of the Credit Agreement;
 - (b) Clause 22.3 (*Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders*) of the Intercreditor Agreement; and
 - (c) the Telenet Additional Facility Accession Agreement dated [●] 2017, pursuant to which a \$1,000,000,000 term loan facility is made available to the Borrower as a Telenet Additional Facility (**Term Loan AJ Facility**) under the Credit Agreement (the **Telenet Additional Facility AJ Accession Agreement**).
1. We, [] (the **Existing Lender**) agree to novate and we, [] (the **New Lender**) agree to accept novation of all the Existing Lender's rights and obligations referred to in the Schedule on and from the Effective Date in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement and Clause 22.3 (*Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders*) of the Intercreditor Agreement.
 2. The New Lender confirms that it is bound by the terms of the Telenet Additional Facility AJ Accession Agreement from the Effective Date as if it were an original party thereto as a Telenet Additional Facility AJ Lender and shall acquire the same rights, grant the same consents and assume the same obligations towards the other parties to the Telenet Additional Facility AJ Accession Agreement as would have been acquired, granted and assumed had the New Lender been an original party to the Telenet Additional Facility AJ Accession Agreement as a Telenet Additional Facility AJ Lender.
 3. For the purposes of Articles 1278 and 1281 of the Luxembourg Civil Code and Article 1278 of the Belgian Civil Code, each of the Existing Lender, the Facility Agent and the New Lender agree and each of the Existing Security Providers and Guarantors acknowledge and accept that the Security Documents will be preserved for the benefit of the New Lender in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement.
 4. The New Lender represents on the date of this Transfer Certificate that:
 - (a) it is a Qualifying Lender; and
 - (b) it is not a Lender that has met the conditions described in any of paragraphs (a) to (c) of Clause 12.6 (*U.S. Taxes*) of the Credit Agreement.
 5. This Transfer Certificate shall take effect on the date of this Transfer Certificate.
 6. For the purposes of this Transfer Certificate, "**Effective Date**" means the date specified under the Facility Agent's name in the relevant signature page to this Transfer Certificate.
 7. Each party to this document agrees, the Facility Agent agrees on behalf of each Finance Party, and Telenet BVBA agrees on behalf of each Obligor, that this document is a Transfer Certificate notwithstanding that its form is different to that required by the Credit Agreement.

¹ Formerly known as Telenet Bidco NV and subsequently Telenet NV following the merger of Telenet NV into Telenet Bidco and subsequently Telenet BVBA following the conversion into a BVBA.

8. The New Lender, agrees to become party to the Intercreditor Agreement as a Senior Lender for the purposes of the Intercreditor Agreement and confirm that, as from the date of this Transfer Certificate, it intends to be party to the Intercreditor Agreement as a Senior Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
9. This Transfer Certificate is a Finance Document.
10. *This Transfer Certificate may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Transfer Certificate by e-mail (PDF) or telecopy shall be as effective as delivery of a manually executed counterpart of this Transfer Certificate.*
11. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

THE SCHEDULE

Rights and obligations to be novated:

EXISTING LENDER

Existing Lender's Term Loan AJ Facility Commitment: \$[●]

Assignee: New Lender

NEW LENDER

Facility Office []

Address for notices for administrative purposes []

Address for notices for credit purposes []

[*The Existing Lender*], as the Existing Lender

By: _____
Name:
Title

EXECUTED AS A DEED

[*The New Lender*], as the New Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

TELENET BVBA, as Obligors agent

By: _____
Name:
Title:

TELENET BVBA, as Existing Security Providers agent

By: _____
Name:
Title:

THE BANK OF NOVA SCOTIA, as Facility Agent

By: _____
Name:
Title:
Date:

The Facility Agent confirms that the Effective Date is the date on which it and the Security Agent countersigns this Transfer Certificate.

KBC BANK NV, as Security Agent

By: _____
Name:
Title:
Date:

SCHEDULE 4

AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

All references to Clauses, Paragraphs, Schedules and definitions contained in this Schedule 4 are to Clauses, Paragraphs, Schedules and definitions of the Credit Agreement and the Intercreditor Agreement (as applicable). All capitalised terms used in this Schedule but not defined shall have the meanings given to such terms in the Credit Agreement and the Intercreditor Agreement (as applicable).

In this Schedule, references to “recent Liberty precedent” shall be construed to mean any Liberty Global Reference Agreement.

1. **Majority Lenders:** amend Clause 1.1 (*Definitions*) of the Credit Agreement to reduce the fractions specified in the definitions of Majority Lenders, from two thirds or more (for any or all purposes under the Credit Agreement or any other Finance Document (including for the purposes of any Telenet Additional Facility)) to more than 50.00% and to exclude the available commitments of defaulting lenders for the purposes of amendments or waivers.
2. **Super Majority Lenders:** amend Credit Agreement to provide for a definition of Super Majority Lenders so that amendments and waivers in respect of the release of any guarantee or security only requires the consent of Lenders representing 90.00% of Commitments.
3. **Tax:** amend Clause 12 (*Taxes*) to include any provisions (which are not materially adverse to the interests of the Lenders) required to accommodate an acceding Additional Borrower incorporated in a jurisdiction other than Belgium, the Netherlands, Luxembourg and the United States.
4. **Market Disruption:** amend the Credit Agreement to include market disruption provisions and the provision of alternative interest rates in accordance with recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan market.
5. **Geographic restrictions:** amend Clause 29.9 (*Additional Borrowers*) to provide that, in addition to the existing ability for an Additional Borrower incorporated in Benelux and the US to accede (without requiring any Lender consent), to provide an ability to accede Additional Borrowers incorporated in any other jurisdictions with the consent of the Majority Lenders.
6. **Holding Companies:** amend Clause 21.9(b)(iii) to expressly permit a merger of Telenet Group Holding NV, Telenet BVBA or Telenet Vlaanderen NV or any of their intermediate holding companies subject to compliance with the merger regime in recent Liberty precedents.
7. **Changes to Thresholds:** in the definition of Permitted Security Interest, permit the Company to secure Financial Indebtedness on a *pari passu* or junior ranking basis provided that (other than in the case of a refinancing of other secured Financial Indebtedness in the same or a lesser principal amount) the Net Total Debt to Consolidated Annualised EBITDA ratio on a pro forma basis would not be greater than 5.50:1.00 and provided that such Financial Indebtedness is subject to an intercreditor agreement on terms which are satisfactory to the Security Agent (acting on the instructions of the Majority Lenders) and where (in the case of such Financial Indebtedness being secured on a junior ranking basis) the rights of the holders of such Financial Indebtedness in respect of any payment will be contractually subordinated to the rights of the Lenders on terms comparable to the Loan Market Association’s form of intercreditor agreement at such time for mezzanine debt, as referred to in recent Liberty precedent.
8. **Security and Guarantee Release:** amend the relevant provisions of the Credit Agreement (in particular Clauses 21.17 (*Share Security*) and 29.11 (*Resignation of an Obligor (other than the Company)*)) to provide that, subject to certain thresholds being met no Obligor nor any other member of the Group is required to provide any Security or guarantee other than Security over the shares that it holds in any Obligor, Security required under the terms of the Credit Agreement in respect of Subordinated Shareholder Loans and a guarantee from the Obligors under the terms of the Credit Agreement and include a provision to authorise the Security Agent to release any other Security or guarantees other than the aforementioned and to release Security in respect of Permitted Disposals and to permit relevant Security to be released if a Guarantor resigns in accordance with Clause 29.11 (*Resignation of an Obligor (other than the Company)*) provided that the guarantor coverage test would still be met notwithstanding such release.
9. **Defaulting Lender:** include standard defaulting lender provisions used in recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan

market so as the commitments of a defaulting lender may be cancelled and it will have no rights to vote in respect of such cancelled commitments. Clarify that no commitment fee will be payable to a defaulting lender.

10. **Assignments/Transfers of Lenders:** clarify that the Company should have the right to withhold consent in respect of an assignment/transfer of the Revolving Facility to an entity which is not a lender under a revolving facility to the wider Liberty group (subject to no consent being required in the case of transfers to other Lenders or affiliates of Lenders or following an event of default which is continuing). There should be no unreasonableness qualifier on this right (in respect of the Revolving Facility only). Remove requirement of deemed consent within 10 Business Days in respect of each Revolving Facility.
11. **Assignments/Transfers of Obligors:** amend Clause 29.2 (*Assignment or Transfer by Obligors*) so that any Benelux Borrower may assign or transfer any of its rights and obligations under the Revolving Facility or the Term Loans to another Benelux Borrower and so that any US Borrower may do the same to another US Borrower, in each case, without the prior consent of the Lenders provided that a solvency opinion and legal opinion are provided, if requested, in accordance with recent Liberty precedents in respect of an equivalent provision.
12. **Amendments:**
 - (a) amend Clause 28 (*Amendments and waivers*) to introduce a class exception, whereby any amendment or waiver that relates only to the rights or obligations of a particular Utilisation or Facility and does not materially and adversely affect the rights or interests of Lenders in respect of other Utilisations or Facilities only requires the consent of the relevant proportion of Lenders participating in such Utilisation or Facility;
 - (b) amend Clause 28.2 (*Exceptions*) to require the consent of affected Lenders only and not all Lenders (and make any consequential changes by amending for example, all references to matters requiring all Lender consent to only requiring affected Lender consent); and
 - (c) include a new paragraph (d) to Clause 28.2 (*Exceptions*), to permit the Facility Agent to make technical, minor, operational and OID amendments without consent from any Lenders, on terms consistent with recent Liberty precedent as at the date of implementation of the amendments.
13. **Joint Ventures and solvent reorganisations:** amend the Credit Agreement to permit Telenet BVBA to contribute freely pledged loan and guarantee receivables to the Permitted Joint Venture's share capital without requiring a release from the Security Agent (subject to confirmation or re-taking of security over such pledged loan and guarantee receivables).
14. **Accession Agreements:** amend each Accession Agreement to remove the restriction which prevents:
 - (a) Telenet BVBA from arranging an Additional Facility if after giving effect to a utilisation thereunder, the ratio of Net Total Senior Debt to Consolidated Annualised EBITDA would be greater than 4.50:1; and
 - (b) the Company from requesting the transfer of an Additional Facility pursuant to Clause 28.3 (*Non-Consenting Lenders*).
15. **Non-Consenting Lenders:** remove the timing window of 90 days during which the Company may effect the provisions set out in Clause 28.3 (*Non-Consenting Lenders*).

SCHEDULE 5

FURTHER AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Super Majority Lenders:** delete paragraph (a)(vii) of Clause 28.2 (*Exceptions*).
2. **Market Disruption:** amend the Credit Agreement to include provisions for the protection of reference banks and their officers in accordance with recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan market.
3. **Amendments:**
 - (a) include a new clause such that where a request for a waiver of, or an amendment to, any provision of any Finance Document has been sent by the Facility Agent to the Lenders at the request of an Obligor, each Lender that does not respond to such request for waiver or amendment within 10 Business Days after receipt by it of such request (or within such other period as the Facility Agent and the Company shall specify), shall be excluded from the calculation in determining whether the requisite level of consent to such waiver or amendment was granted, and delete the proviso to the definition of Majority Lenders; and
 - (b) delete paragraph (a)(vi) of Clause 28.2 (*Exceptions*) and provide that guarantees and security can be released with the consent of the Lenders representing 90% of Commitments.
4. **Additional Borrowers:** Additional Borrowers may be incorporated in the Kingdom of Belgium, Netherlands, Luxembourg or, in relation to any new Additional Facilities, in the United Kingdom.
5. **Mandatory Costs:** delete all references in each Additional Facility Accession Agreement to Mandatory Costs and any related provisions.
6. **Permitted Disposals:**
 - (a) amend the definition of Permitted Disposal to include in addition to the existing “Permitted Disposals”:
 - (i) disposals by one member of the Group to another member of the Group provided that, if such assets subject to the disposal are subject to existing security, the Borrower within 15 Business Days of such disposal ensures that the assets remain subject to security; and
 - (ii) disposals of shares or other interests in project companies, entities excluded from the Group which are subsidiaries of the Company or joint venture companies (each as defined in recent Liberty precedent) or the assignment of any Financial Indebtedness owed to a member of the Group by any project companies, entities excluded from the Group which are subsidiaries of the Company or a joint venture company.

SCHEDULE 6

ADDITIONAL AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Ancillary Facilities:** amend the Credit Agreement to provide that (i) a date specified in a conversion notice as the effective date for an ancillary facility commitment may be a date not less than 3 Business Days after the date such conversion notice is received by the Facility Agent, (ii) any proposed increase or reduction or extension of the ancillary facility commitment shall only take effect from a date not less than 3 Business Days after the date the Facility Agent has received notice of the relevant modification or variation or extension and (iii) an ancillary facility lender may demand repayment or prepayment of any amounts under its ancillary facility if the ancillary facility outstandings under that ancillary facility can be repaid by a revolving facility advance (and not less than 7 Business Days notice (or such shorter period as agreed to by the Company) is given to the relevant Borrower before payment becomes due).
2. **Defaulting Lender:** amend the Credit Agreement to include the right to replace a Lender (in whole and at par) if that Lender becomes a Defaulting Lender.

SCHEDULE 7

FOURTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Transfers:** amend clause 29.3 (*Transfers by Lenders*) of the Credit Agreement to provide that the consent of the Company is not required for any assignment or transfer by a Lender if an Event of Default is outstanding pursuant to any of clauses 22.2 (*Non-payment*), 22.6 (*Insolvency*), 22.7 (*Insolvency Proceedings*), 22.8 (*Creditors' Process*) or 22.9 (*Similar Proceedings*) only (rather than if any Event of Default is outstanding).
2. **New RCF Maintenance Covenant:** amend the Credit Agreement to provide that amendments and waivers of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) to 20.4 (*Cure provisions*) and the new acceleration clause at (d) above shall only be made with the consent of the Company and the Composite Revolving Facility Instructing Group and shall not require the consent of any other Finance Party.

SCHEDULE 8

FIFTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Lender Assignments:** amend Clause 29 (*Changes to Parties*) of the Credit Agreement to provide that Lenders may transfer their rights and obligations under the Credit Agreement by way of assignment (subject to equivalent conditionality (including as set out in Clause 29.3 (*Transfers by Lenders of the Credit Agreement*))) as applies to the regime for transfers by Lenders of their rights and obligations by way of novation under the Credit Agreement and otherwise in accordance with recent Liberty precedent).

SCHEDULE 9

SIXTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Solvent Liquidation:** Amend the Credit Agreement to provide for releases of Security as a result of, and in connection with, any solvent liquidation or dissolution that complies with Clause 21.24 (*Internal Reorganisations*) of the Credit Agreement.
2. **Non-Consenting Lenders:** Remove the timing window of 90 days during which the Company may exercise its rights as set out in Clause 28.3 (*Non Consenting Lenders*) such that the Company may exercise such rights at any time.
3. **Waivers:** Add a new limb to Clause 28.1 (*Procedure*) as follows:

“Notwithstanding anything to the contrary in the Finance Documents, a Finance Party may unilaterally waive, relinquish or otherwise irrevocably give up all or any of its rights under any Finance Document with the consent of the Company.”
4. **Transfers:** Delete paragraph (b) of Clause 29.3 (*Transfers by Lenders*) in its entirety and replace it with the following:

“Any transfer under paragraph (a) above shall be for an amount of not less than €2,000,000 or \$2,000,000 (in the case of participations in Advances denominated in euro or Dollars, respectively) (or if less, the aggregate of the Commitments of that Existing Lender).”

SCHEDULE 10

SEVENTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

All references to Clauses, Paragraphs, Schedules and definitions contained in this Schedule 10 are to Clauses, Paragraphs, Schedules and definitions of the Credit Agreement. All capitalised terms used in this Schedule but not defined shall have the meanings given to such terms in the Credit Agreement.

References in this Schedule 10 to “recent Liberty precedents” shall be construed to mean any Liberty Global Reference Agreement.

1. **Agent’s Spot Rate of Exchange:** delete the definition of Agent’s Spot Rate of Exchange and replace it with the following:

“**Agent’s Spot Rate of Exchange**” means, in relation to two currencies, the Facility Agent’s spot rate of exchange for the purchase of the first-mentioned currency in the London foreign exchange market at or about 11.00 am on a particular day.”

2. **Ancillary Facility Lender:** delete the definition of Ancillary Facility Lender and replace it with the following:

“**Ancillary Facility Lender**” means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 7 (*Ancillary Facilities*).

3. **Consolidated EBITDA:** amend the definition of Consolidated EBITDA to:

- (a) amend limb (l) to move the words “any Holding Company Expenses paid to the extent that they were permitted to be paid under this Agreement for such Measurement Period” to a new paragraph (m) and to delete the word “and” before “any Holding Company Expenses”; and
- (b) amend limb (n) to include the words “or transfer of assets” after the words “sale of assets”.

4. **Distribution Business:** include the following new definition:

“**Distribution Business**” means:

- (a) the business of upgrading, constructing, creating, developing, acquiring, operating, owning, leasing and maintaining cable television networks (including for the avoidance of doubt master antenna television, satellite master antenna television, single and multi-channel microwave single or multi-point distribution systems and direct-to-home satellite systems) for the transmission, reception and/or delivery of multi-channel television and radio programming, telephony and internet and/or data services to the residential markets; or
- (b) any business which is incidental to or related to and, in either case, material to such business.”

5. **Excess Capacity Network Service:** include the following new definition:

“**Excess Capacity Network Service**” means the provision of network services, or agreement to provide network services, by a member of the Group in favour of one or more other members of the Wider Group where such network services are only provided in respect of the capacity available to such member of the Group in excess of that network capacity it requires to continue to provide current services to its existing and projected future customers and to allow it to provide further services to both its existing and projected future customers.”

6. **Financial Indebtedness:** amend the definition of Financial Indebtedness to:

- (a) delete limb (e); and
- (b) delete limb (d) and replace it with the following:

“(for the purposes of Clause 22.5 (*Cross-default and Cross-acceleration*) only) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark-to-market value (or, if any actual amount is due as a result of the termination or close-out of all or part of that derivative transaction, that amount together with the mark-to-market value of any part of that derivative transaction in respect of which no amount is due as a result of a termination or close-out) shall be taken into account);”

7. **Guarantor:** delete the definition of Guarantor and replace it with the following:
 ““**Guarantor**” means an Original Guarantor and each Additional Guarantor and “**Guarantor**” means any one of them as the context requires, provided that in either case, such person has not been released from its rights and obligations as a Guarantor hereunder pursuant to Clause 29.11 (*Resignation of an Obligor (other than the Company)*).”
8. **Impaired Agent:** amend limb (c) of the definition of Impaired Agent to include the words “or (c)” before the words “of the definition of “**Defaulting Lender**”” and to replace the word “or” between the words “paragraph (a)” and “(b)” with a comma.
9. **Majority Lenders:** delete the final proviso paragraph of the definition of Majority Lenders and provide that it is subject to the snooze and lose provision to be included pursuant to paragraph 21 of Schedule 5 and Clause 10.7(d).
10. **Permitted Acquisition:** amend the definition of Permitted Acquisition to:
 - (a) include an additional limb as follows:
 “any acquisition by a member of the Group for the purposes of a solvent reorganization of the Group where the Acquisition is of share capital or equivalent of a person which:
 - (i) has not traded and does not own any assets; or
 - (ii) is a dormant subsidiary of the Ultimate Parent,
 and, in each case, which has no liabilities;”
 - (b) amend limb (m) to include the words “, within 60 days of the date of such conversion,” after the words “ensure that the Security Agent is”;
 - (c) delete the proviso at the end of the definition after paragraph (u); and
 - (d) include an additional limb as follows:
 “any acquisition by any member of the Group of any Senior Unsecured Notes provided that an amount equal to the purchase price paid for the acquisition of any such Senior Unsecured Notes could have been used by such member of the Group to fund a Permitted Payment and provided further that to the extent any such acquisition is made in reliance on any basket amount provided for under the definition of “**Permitted Payments**”, such amount shall be reduced by an amount equal to the consideration paid for such acquisition;”
11. **Permitted Disposal:** amend the definition of Permitted Disposal to:
 - (a) amend limb (t) to delete “€50,000,000” and replace it with “€150,000,000” and to delete “1%” and replace it with “three per cent.”;
 - (b) amend limb (t) to add the following to the end of limb (t) of the definition of Permitted Disposal:
 “(with unused amounts in any financial year being carried over to the next succeeding financial year subject to a maximum of the greater of €150,000,000 and three per cent. of Total Assets of carried over amounts for any financial year and with any such carried over amounts being used first in the next succeeding financial year)”;
 - (c) amend limb (hh) to delete each reference to “€50,000,000” and replace it with “€150,000,000”;
 - (d) amend limb (ii) to:
 - (i) include, at the end of the limb, the words “and any disposal of assets pursuant to sale and leaseback transactions constituting Financial Indebtedness to the extent such Financial Indebtedness is permitted under this Agreement” after “in any financial year”;
 - (ii) delete “2%” and replace it with “3%”; and
 - (iii) delete “€100,000,000” and replace it with “€150,000,000”;
 - (e) include an additional limb as follows:
 “disposals of undertakings, assets, rights or revenues comprising interests in the share capital of persons not holding or engaged in the Distribution Business of the Group or other

undertakings, assets, rights or revenues not constituting part of the Distribution Business of the Group (“**Non-Distribution Business Assets**”);

For the avoidance of doubt and without limiting the generality of paragraph [] above, Non-Distribution Business Assets shall include:

- (A) undertakings, assets, rights and revenues comprising interests in the share capital of any person engaged solely in the competitive local exchange carrier (CLEC) business, including without limitation, the business of providing traditional voice and data services and services based on Transmission Control Protocol/Internet Protocol (RCP/IP) technology and other undertakings, assets, rights or revenues constituting a part of such businesses; and
 - (B) undertakings, assets, rights and revenues comprising interests in the share capital of any person engaged solely in the business of television and radio programming, including without limitation, the business of creating and distributing special interest television channels, radio programmes, pay per view programmes and near video on demand services and other undertakings, assets, rights or revenues constituting a part of such businesses;” and
- (f) delete limb (ww)(iii).

12. **Permitted Financial Indebtedness:** amend the definition of Permitted Financial Indebtedness to:

- (a) include an additional limb as follows:

“any Financial Indebtedness incurred in connection with the Hedging Agreements and any other hedging arrangements permitted by this Agreement;”
- (b) include an additional limb as follows:

“any Financial Indebtedness of any member of the Group, in respect of which the person or persons to whom such Financial Indebtedness is or may be owed has or have no recourse whatever to any member of the Group for any payment or repayment in respect thereof other than recourse to such member of the Group for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness in an enforcement of any Security Interest given by any member of the Group over Non-Distribution Business Assets, provided that:

 - (A) the extent of such recourse to such member of the Group is limited solely to the amount of any recoveries made on any such enforcement;
 - (B) such person or persons are not entitled, pursuant to the terms of any agreement evidencing any right or claim arising out of or in connection with such Financial Indebtedness, to commence proceedings for the winding up, dissolution or administration of any member of the Group (or proceedings having an equivalent effect) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of any member of the Group or any of its assets (save only for the Non-Distribution Business Assets the subject of that Security Interest) until after the Commitments have been reduced to zero and all amounts outstanding under the Finance Documents have been repaid or paid in full; and
 - (C) the aggregate outstanding amount of all such Financial Indebtedness of all members of the Group does not exceed €100,000,000 (or its equivalent in other currencies);”
- (c) amend limb (i) to delete the words “under paragraph (jj), (kk) and (ll) of that definition”; and
- (d) amend limb (r) to delete the words “no Default or”.

13. **Permitted Joint Venture:** delete the words “provided that no Event of Default has occurred and is continuing at the time of such proposed acquisition”.

14. **Construction:**

- (a) Add a new limb to Clause 1.2 (*Construction*) as follows:

“Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Advances in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this

Agreement, pursuant to a cashless settlement mechanism approved by the Company, the Facility Agent and such Lender, and any such exchange, continuation or rollover shall be deemed to comply with any requirement hereunder or under any other Finance Document that any payment be made “in Euros” (or any other relevant currency), “in immediately available funds”, “in cash” or any other similar requirements.”

15. **Permitted Payments:**

- (a) Amend Clause 21.11 (*Restricted Payments*) to include an additional limb (c) as follows:
 - “(c) The restriction contained in paragraph (a) on the payment by any member of the Group of Management Fees shall cease to apply during such period as the applicable ratio for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) is 3.50:1 (or less), provided that no Management Fees may be paid by any member of the Group at any time after a Relevant Event has occurred or if a Relevant Event would result from such payment.”
- (b) Include the following new definition:
 - ““**Relevant Event**” means a Default in relation to:
 - (a) Clause 22.2 (*Non-payment*); or
 - (b) Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*).”
- (c) Include the following additional limb to the definition of Permitted Payment:
 - “by way of transfer to any Restricted Person of any Non-Distribution Business Assets (as defined in paragraph [] of the definition of Permitted Disposal) permitted in accordance with paragraph [] of the definition of Permitted Disposal.”
- (d) Amend limb (j) of the definition of Permitted Payment to delete the words “paragraph (s)” and replace them with “paragraph (jj)”.
- (e) Amend limb (cc) of the definition of Permitted Payment to delete “€10,000,000” and replace it with “€50,000,000”.
- (f) Delete limb (ll) of the definition of Permitted Payment and replace it with the following:
 - “any other distribution, dividend, transfer of assets, loan, other payment or transfer of tax losses not falling within the other paragraphs of this definition and not exceeding at any time, in an aggregate amount, the amount equal to the greater of:
 - (A) €150,000,000 in aggregate (or its equivalent); and
 - (B) three per cent. of Total Assets,
 in any financial year, with any unused amounts in any financial year being carried over to the next succeeding financial year subject to a maximum of the aggregate amount of the greater of €150,000,000 and three per cent. of Total Assets of carried over amounts for any financial year and with any such carried over amounts being used first in the next succeeding financial year.”
- (g) Delete “2%” and replace it with “3%” at limb (kk) of the definition of Permitted Payment.
- (h) Amend limb (r)(i) of the definition of Permitted Payment to replace the words “three days” with the words “three Business Days”.

16. **Signing Date:** amend all references to “the date of this Agreement” to “the Signing Date”.

17. **Wider Group:** amend paragraph (b) of the definition of Wider Group to add the words “(other than a member of the Group)” at the end.

18. **Spin-Off:** delete the existing definition of Spin-Off at Clause 10.2(c)(xi) (*Mandatory Prepayment—Change of Control*) and replace it with the following:

“**Spin Off**” means a transaction by which all outstanding ordinary and or equity shares of the Common Holding Company or any Holding Company of the Common Holding Company directly or indirectly owned by the Ultimate Parent are distributed to (i) all of the Ultimate Parent’s shareholders or (ii) all of the shareholders comprising one or more groups of the Ultimate Parent’s

shareholders as provided by the Ultimate Parent's articles of association, in each case, either directly or indirectly through the distribution of the Common Holding Company's shares or any such Holding Company's shares.

19. **Borrower:** delete the existing definition of Borrower and replace it with the following:

"Borrower" means the Original Borrower and any Additional Borrower, in each case, unless it has ceased to be a Borrower in accordance with Clause 29.11 (*Resignation of an Obligor (other than the Company)*) and, in respect of an Ancillary Facility only, any Affiliate of a Borrower that becomes a borrower of that Ancillary Facility with the approval of the relevant Ancillary Facility Lender pursuant to Clause 7.7 (*Affiliates of Borrowers*).

20. **Sub-participations:**

- (a) Include a new definition of Sub-participation as follows:

"Sub-participation" means any sub-participation or sub-contract (whether written or oral) or any other agreement or arrangement having an economically substantially similar effect, including any credit default or total return swap or derivative (whether disclosed or undisclosed, risk or funded) by a Lender of or in relation to any of its rights or obligations under, or its legal, beneficial or economic interest in relation to, the Facilities and/or Finance Documents to a counterparty and **"sub-participate"** shall be construed accordingly.

- (b) Amend Clause 29.3 (*Transfers by Lenders*) in order that this clause includes a restriction on Sub-participations of rights and obligations and is subject to the same consent regime as for assignments and transfers in accordance with recent Liberty precedent.

- (c) Add a new clause as follows:

"[29.14] Sub-participation

Notwithstanding anything to the contrary in Clause 29.3 (*Transfers by Lenders*) there shall be no restrictions on Sub-participations by a Lender provided that:

- (a) such Lender remains a Lender under this Agreement with all rights and obligations pertaining thereto and remains liable under the Finance Documents for any such obligation;
- (b) such Lender retains exclusive control over all rights and obligations in relation to the participations and Commitments that are the subject of the relevant agreement or arrangement, including all voting rights (for the avoidance of doubt, free of any agreement or understanding pursuant to which it is required to or will consult with any other person in relation to the exercise of any such rights and/or obligations), unless:
 - (i) the proposed sub-participant is a person to whom the relevant rights and obligations could have been assigned or transferred in accordance with the terms of this Clause 29; and
 - (ii) prior to entering into the relevant agreement or arrangement, the relevant Lender provides the Company with full details of that proposed sub-participant and any voting, consultation or other rights to be granted to the sub-participant;
- (c) the relationship between the Lender and the proposed sub-participant is that of a contractual debtor and creditor (including in the bankruptcy or similar event of the Lender or an Obligor);
- (d) the proposed sub-participant will have no proprietary interest in the benefit of this Agreement or any of the Finance Documents or in any monies received by the relevant Lender under or in relation to this Agreement or any of the Finance Documents (in its capacity as sub-participant under that arrangement); and
- (e) the proposed sub-participant will under no circumstances: (i) be subrogated to, or be substituted in respect of, the relevant Lender's claims under this Agreement or any of the Finance Documents; or (ii) otherwise have any contractual relationship with, or rights against, the Obligors under or in relation to this Agreement or any of the Finance Documents (in its capacity as sub-participant under that arrangement)."

- (d) Include the additional provision as follows:

“Clause [29.15] Sub-participant Register

- “(a) In the case of a Sub-participation (in each case, other than any non-voting derivatives (which are not participations) which would otherwise be caught by the definition of “Sub-participation”), the person granting the Sub-participation (or similar right) shall, acting solely for these purposes as non-fiduciary agent for the Company, maintain a register (a “**Sub-Participant Register**”) on which it enters the name and address of each sub-participant (or person holding the similar right) and the Commitment and obligations (including principal and stated interest) in which each sub-participant (or other person) has an interest or obligation.
- (b) Notwithstanding anything to the contrary hereunder, including without limitation Clause 24 (*Evidence and Calculations*), the entries in the Sub- Participant Register shall be conclusive absent manifest error, and such person maintaining the Sub-Participant Register shall treat each person whose name is recorded in the Sub-Participant Register as the owner of such Sub-participation (or similar right) for all purposes of a Finance Document notwithstanding any notice to the contrary.
- (c) Without prejudice to the other provisions of this Clause 29, no Lender shall have any obligation to disclose all or any portion of the Sub-Participant Register to any person (including the identity of any sub-participant or any information relating to a sub-participant’s interest in any Advance, Commitments or other obligations under any Finance Documents) except to the extent that such disclosure is to a tax authority and is necessary to establish that such Advance, Commitment or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or is otherwise required thereunder.”
- (e) Amend Clause [23.14 (*Relationship with Lenders*)] to include an additional sub-paragraph as follows:
- “Without limitation of any other provision of this Agreement, no transfer of an interest in an Advance or Commitment hereunder shall be effective unless and until recorded in the register referred to in this Clause 23.14.”

21. Additional Facilities:

- (a) Add a new paragraph (i) to Clause 2.2 (*Telenet Additional Facility*) as follows:
- “Each Telenet Additional Facility Lender shall become a party to this Agreement and be entitled to share in the Security in accordance with the terms of the Intercreditor Agreement and the Security Documents *pari passu* with the Lenders under the other Facilities provided that the Company and the relevant Telenet Additional Facility Lenders may agree that a Telenet Additional Facility shares in the Security on a junior basis to the other Facilities or shall not be entitled to share in the Security either in accordance with the terms of the Intercreditor Agreement or pursuant to ancillary intercreditor arrangements.”
- (b) Amend the Additional Facilities Cap as defined in Clause 2.2(g) (*Telenet Additional Facility*) such that:
- (i) it includes an additional limb for the aggregate amount of any voluntary prepayments of (A) Term Facility Advances that are secured on a *pari passu* basis with the other Facilities or (B) Advances under Revolving Facilities (to the extent accompanied by a corresponding permanent cancellation of the relevant Revolving Facility Commitments), in each case, to the extent the relevant prepayment or cancellation is not funded or effected with any long-term Financial Indebtedness (including Financial Indebtedness in the form of a bridge or other interim credit facility intended to be refinanced with long-term Financial Indebtedness); and
- (ii) the Company shall have the ability to classify such amounts of Financial Indebtedness on the date of their incurrence and shall only be required to include the amount and type of such Financial Indebtedness in one of such sub-paragraphs and will be permitted on the date of such incurrence to divide and classify an item of such Financial Indebtedness in more than one of the types of Financial Indebtedness

described in such paragraphs, and, from time to time, may reclassify all or a portion of such Financial Indebtedness, in any manner.

22. **Consolidated EBITDA:** amend the definition of Consolidated EBITDA under the Credit Agreement to provide that any adjustments to reduce the impact of the cumulative effect of a change in accounting principles or policies and changes as a result of the adoption or modification of accounting principles or policies can be added (at the Company's option) to the operating income of the Group for that Measurement Period.
23. **Additional Obligors:** Amend the Credit Agreement to provide that any Affiliate of the Company may accede to the Credit Agreement as a Guarantor in accordance with Clause 29.10 (*Additional Guarantors*) (provided that Security has been granted in form and substance satisfactory to the Facility Agent (acting reasonably) in favour of the Security Agent over 100% of its shares and all rights in relations to loans from members of the Wider Group to it) and that such Affiliate shall be a member of the Group and an Additional Guarantor. Add a new definition of "Affiliate Subsidiary" to Clause 1.1 (*Definitions*) such that it means any Affiliate of the Company that accedes to the Credit Agreement as a Guarantor pursuant to the amendments described in this paragraph and provided that it has not resigned as a Guarantor in accordance with the terms of the Credit Agreement.
24. **Right of Repayment and Cancellation in Relation to a Single Lender:** delete Clause 10.8(c)(i) and replace it with the following:

"in the case of paragraphs (a)(i) and (a)(ii) above, if the circumstances giving rise to the requirement for indemnification continues; and"
25. **Alternative Benchmarks:**
 - (a) Add the following new definitions to Clause 1.1 (*Definitions*) as follows:

"**Alternative Benchmark Commencement Date**" means any Business Day on which the Facility Agent and the Company agree upon an Alternative Benchmark Rate.

"**Alternative Benchmark Rate**" means any alternative benchmark rate agreed in writing between the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company (in each case, acting reasonably) from time to time, provided that the Facility Agent and the Company shall consider the benchmark rates being used at that time in the then prevailing market for syndicated debt financings of a similar size to, and in the same currencies as, the Facilities.
 - (b) Replace the definition of "Screen Rate" in Clause 1.1 (*Definitions*) with the following:

"**Screen Rate**" means:

 - (a) in relation to LIBOR:
 - (i) at any time prior to an Alternative Benchmark Commencement Date in relation to LIBOR, the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); or
 - (ii) at any time on or following an Alternative Benchmark Commencement Date in relation to LIBOR, the Alternative Benchmark Rate for the relevant currency and period displayed on any page of any screen of an information service as the Facility Agent may specify after consultation with the Company on or about the relevant Alternative Benchmark Commencement Date; and
 - (b) in relation to EURIBOR:
 - (i) at any time prior to an Alternative Benchmark Commencement Date in relation to EURIBOR, the Euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); or

- (ii) at any time on or following an Alternative Benchmark Commencement Date in relation to EURIBOR, the Alternative Benchmark Rate for Euro for the relevant period displayed on any page of any screen of an information service as the Facility Agent may specify after consultation with the Company on or about the relevant Alternative Benchmark Commencement Date,

provided that, in each case, if such page is replaced or service ceases to be available, the Facility Agent may specify another page or service displaying the relevant rate after consultation with the Company.

26. **ERISA:**

- (a) Replace the definition of “ERISA Affiliate” in Clause 1.1 (*Definitions*) with the following:
“ERISA Affiliate” means any person treated as a single employer with any Obligor under section 414 of the Code.
- (b) Replace the definition of “Plan” in Clause 1.1 (*Definitions*) with the following:
“Plan” means an “employee benefit plan” as defined in section 3(3) of ERISA, which is subject to Title IV of ERISA:
 - (a) maintained by any Obligor or any ERISA Affiliate; or
 - (b) to which any Obligor or any ERISA Affiliate is required to make any payment or contribution.
- (c) Replace the definition of “Reportable Event” in Clause 1.1 (*Definitions*) with the following:
“Reportable Event” means:
 - (a) an event specified as such in section 4043 of ERISA or any regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation; or
 - (b) a failure to meet the minimum funding standard under section 412 or 430 of the Code or section 302 of ERISA, whether or not waived.
- (d) Amend Clause 18.16 (*ERISA*) to delete the words “member of the Group or”.
- (e) Delete paragraph (c) of Clause 19.6 (*Notification of Default*).
- (f) Delete Clause 21.19 (*ERISA*) and replace it with the following:

“21.19 ERISA

- (a) Each Obligor must as soon as reasonably practicable upon becoming aware of it notify the Facility Agent of:
 - (i) any Reportable Event;
 - (ii) the termination of or withdrawal from, or any circumstances reasonably likely to result in the termination of or withdrawal from, any Plan; and
 - (iii) any material non-compliance with any law or regulation relating to any Plan which is or is reasonably likely to have a Material Adverse Effect.
- (b) Each Obligor and its ERISA Affiliates must be, and remain, in compliance in all material respects with all laws and regulations relating to each of its Plans.
- (c) Each of the Obligors and its ERISA Affiliates must ensure that no event or condition exists at any time in relation to a Plan which is reasonably likely to result in the imposition of a lien or other encumbrance on any of its assets or which is reasonably likely to have a Material Adverse Effect.”
- (g) Delete Clause 22.15 (*ERISA*).

27. **Limited Condition Transaction:** amend the definition of “Limited Condition Transaction” in Clause 1.1 (*Definitions*) to include a third sub-paragraph as follows:

“any Restricted Payment”

28. **Rollover:** Add a new definition of “Rollover Loan” in Clause 1.1 (*Definitions*) as follows:

- (a) **“Rollover Loan”** means:
 - (a) a Rollover Advance that is for an amount which is equal to or less than the Maturing Advance in respect of which that Rollover Advance is being drawn to refinance; and
 - (b) an Advance in relation to a Revolving Facility:
 - (i) made or to be made on the same day that a demand by the Facility Agent pursuant to a drawing in respect of a Documentary Credit is due to be met;
 - (ii) the aggregate amount of which is equal to or less than the amount of the relevant claim in respect of that Documentary Credit;
 - (iii) in the same currency as the relevant claim in respect of that Documentary Credit; and
 - (iii) made or to be made for the purpose of satisfying the relevant claim in respect of that Documentary Credit.
- (b) Amend paragraph (a) of Clause 4.2 (*Further Conditions Precedent*) to delete the reference to “Rollover Advance” and replace it with a reference to “Rollover Loan”.
- (c) Amend paragraph (c) of Clause 4.2 (*Further Conditions Precedent*), to delete the following words “Rollover Advance provided that the amount of the Maturing Advance is equal to or greater than the amount of that Rollover Advance” and to replace them with the words “Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)”.
- (d) Amend Clause 8.2(a) (*Unavailability of Optional Currency*) to delete the reference to “Rollover Advance” and replace it with a reference to “Rollover Loan”.
- (e) Amend the title to Clause 9.2 (*Rollover Advances*) (and all other references in the Credit Agreement to that title) to refer to “(*Rollover*)” and further amend it so that the words “and in an amount which is equal to or less than” on the 6th line are deleted.

29. **Cost of Funds:**

- (a) Amend paragraph (b) of Clause 13.4 (*Cost of Funds*) such that it also applies if LIBOR or EURIBOR is to be determined by reference to a Reference Bank Rate or an Alternative Reference Bank Rate and to provide that, in entering into negotiations with the Company with a view to agreeing a substitute basis for determining the rate of interest, the Facility Agent may act in its sole discretion and will not be required to consult with or seek any consent or instruction from the Lenders or any other Finance Party.
- (b) Delete paragraph (c) of Clause 13.4 (*Cost of Funds*) and replace it with the following:

“Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company, be binding on all Parties.”
- (c) Amend paragraph (e) of Clause 13.4 (*Cost of Funds*) to provide that if a Lender does not supply a quotation by the given time period in paragraph (a)(ii), the rate of interest for that Lender will be the weighted average of the quotations notified to the Facility Agent by the other Lenders.

30. **US Regulations:**

- (a) Add a new definition of Regulation U in Clause 1.1 (*Definitions*) as follows:

“**“Regulation U”** means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or any portion thereof.”
- (b) Replace Clause 18.17 (*United States Regulation*) with the following:

“No Obligor is required to be registered as an “investment company” under the United States Investment Company Act of 1940.”

- (c) Delete Clause 18.19 (*Margin stock*) and replace it with the following:

“No Obligor is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System of the United States), or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any borrowings will be used for any purpose that violates Regulation U.”

31. **Amendments and Waivers:**

Add a new Clause 28.8 (*Screen Rate*) as follows:

“28.8 Screen Rate

If any Screen Rate is not available for a currency which can be selected for an Advance, any amendment or waiver which relates to providing for another benchmark rate to apply in relation to that currency in place of that Screen Rate (or which relates to aligning any provision of a Finance Document to the use of that other benchmark rate) may be made with the consent of the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company (in each case, acting reasonably) from time to time, provided that the Facility Agent and the Company shall consider the benchmark rates being used at that time in the then prevailing market for syndicated debt financings of a similar size to, and in the same currencies as, the Facilities.”

32. **Guarantees:** amend Clause 21.13 (*Loans and Guarantees*) to:

- (a) add the words “in respect of Financial Indebtedness only” after the words “no member of the Group will make any loans, grant any credit or give any guarantee”;

- (b) add a new paragraph as a carve out as follows:

“any guarantee of any Financial Indebtedness of any Parent that is given by an Affiliate Subsidiary provided that (i) on the date of incurrence of such guarantee the ratio of Net Total Debt (including any Holdco Debt) to Consolidated Annualised EBITDA on a pro forma basis would not exceed 6.00:1 (provided that outstanding Net Total Debt (including Holdco Debt) for the purpose of calculating such ratio under this paragraph shall include any Financial Indebtedness represented by guarantees by any member of the Group of Financial Indebtedness of any Parent), (ii) such guarantee is expressed to be subordinated to the liabilities of such Affiliate Subsidiary under the Finance Documents and (iii) no Event of Default is continuing or occurs as a result of such Financial Indebtedness of that Parent being raised or issued;”;

- (c) delete “€100,000,000” and replace it with “€150,000,000” and delete “2%” and replace it with “3%” at Clause 21.13(bb) (*Loans and Guarantees*);

- (d) amend paragraph (g) to include an additional limb (v) as follows:

“(v) by an Obligor in respect of the liabilities of any other member of the Group which is not an Obligor provided that that other member of the Group must become an Additional Guarantor in accordance with Clause 29.10 (*Additional Guarantors*) within 30 days of the granting of the guarantee made pursuant to this paragraph (v);”

- (e) amend paragraph (z) to delete “€10,000,000” and replace it with “€25,000,000”; and

- (f) to include additional limbs as follows:

(i) “any loans or guarantees relating to Excess Capacity Network Services provided that the price payable to any member of the Group in relation to such Excess Capacity Network Services is no less than the Cost incurred by the relevant member of the Group in providing such Excess Capacity Network Services;”;

(ii) “any guarantees or similar undertakings granted by any member of the Group in favour of any tax authority in respect of any obligations of a member of the Group in respect of tax in order to facilitate the winding up of any member of the Group provided that the Facility Agent shall have first received confirmation from the Company that based on discussions with such tax authority and the Company’s

reasonable assumptions, the Company does not believe that the liability under such guarantee will exceed €15,000,000 (such confirmation to be supported by a letter from the Company's auditors for the time being, confirming that based on the Company's calculations of such tax liability the Company's confirmation is a reasonable assessment of such tax liability);"

33. **Spin Parent:** delete the following sentence in paragraph (b) of Clause 10.2 (*Mandatory Prepayment – Change of Control*):

"Notwithstanding the foregoing, upon consummation of (i) the Post-Closing Reorganisation, "Controlling Company" will mean New Intermediate Holdco and its successors or (ii) a Spin-Off, "Controlling Company" will mean the Spin Holdco and its successors."

and replace it with the following:

"Notwithstanding the other provisions of this Clause, upon consummation of (i) the Post-Closing Reorganisation, the "Controlling Company" (as defined below) will mean the relevant New Intermediate Holdco and its successors or (ii) a Spin-Off in which the Common Holding Company and its successors is no longer a Parent of the Company and any Permitted Affiliate Parent, the "Controlling Company" will mean a common Parent of the Company and any Permitted Affiliate Parent designated by the Company and any successors of such Parent."

34. **Reporting:**

- (a) Delete the definition of GAAP in Clause 1.1 (*Definitions*) and replace it with the following:

"GAAP" means generally accepted accounting principles in the United States as in effect as of the date on which the Original Financial Statements were prepared (the "OFS Date"); *provided* that at any date after the OFS Date, the Company may make an election to establish that "GAAP" shall mean GAAP as in effect on a date that is on or prior to the date of such election; *provided further* that for purposes of Clause 19.1 (*Financial Statements*) GAAP means generally accepted accounting principles in the United States as in effect from time to time.

- (b) Delete the definition of IFRS in Clause 1.1 (*Definitions*) and replace it with the following:

"IFRS" means the accounting standards issued by the International Accounting Standards Board and its predecessors as in effect as of the OFS Date; *provided* that at any date after the OFS Date, the Company may make an election to establish that "IFRS" shall mean IFRS as in effect on a date that is on or prior to the date of such election; *provided further* that for purposes of Clause 19.1 (*Financial Statements*) IFRS means the accounting standards issued by the International Accounting Standards Board and its predecessors as in effect from time to time.

- (c) Delete Clause 19.5 (*Change in Accounting Principles*) in its entirety and replace it with the following:

"(a) Except as otherwise expressly provided below or in this Agreement, all ratios and calculations based on IFRS contained in this Agreement shall be computed in conformity with IFRS.

(b) At any time after the OFS Date, the Company may elect to apply for all purposes of this Agreement, in lieu of IFRS, GAAP and, upon such election, references to IFRS herein will be construed to mean GAAP; *provided* that:

(i) all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of GAAP as in effect from time to time (including that, upon first reporting its financial year results under GAAP, the financial statements of the Reporting Entity shall be restated on the basis of GAAP for the year ending immediately prior to the first financial year for which financial statements have been prepared on the basis of GAAP); and

(ii) from and after such election, all ratios, computations and other determinations based on GAAP contained in this Agreement shall, at the Company's option:

(A) continue to be computed in conformity with GAAP (*provided* that, following such election, the annual and quarterly information required

by paragraphs (a)(i) and (a)(ii) of Clause 19.1 (*Financial Statements*) shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such GAAP presentation to the corresponding GAAP presentation of such financial information); or

- (B) be computed in conformity with GAAP with retroactive effect being given thereto assuming that such election had been made on the OFS Date, subject to any further election in accordance with the definition of GAAP.

Thereafter, the Company may, at its option, elect to apply IFRS or GAAP and compute all ratios, computations and other determinations based on IFRS or GAAP, as applicable, all on the basis of the foregoing provisions of this clause.”

- (d) Amend paragraphs (a)(i) and (a)(ii) of Clause 19.1 (*Financial Statements*) to provide that the relevant financial statements or accounts (as applicable) shall be prepared in accordance with IFRS.

35. **Business Division Transactions and Joint Ventures:**

- (a) In Clause 1.1 (*Definitions*):
 - (i) amend the definition of “Business Division Transaction” to delete the words “, in each case, where such transaction has the prior approval of the Majority Lenders”; and
 - (ii) add the following new definitions:

“**Permitted Business Division Transaction**” means a Business Division Transaction provided that after giving pro forma effect thereto, an Obligor could incur at least €1.00 of additional Financial Indebtedness pursuant to paragraph (v) of the definition of Permitted Financial Indebtedness.

“**Acceptable Joint Venture**” means a joint venture, partnership or similar arrangement formed by a member of the Group (a) by the contribution of some or all of the assets of the Group pursuant to a Business Division Transaction to such joint venture, partnership or similar arrangement with one or more persons and/or (b) for the purposes of network and/or infrastructure sharing with one or more Joint Ventures.
- (b) Amend the definition of Permitted Payments and Clause 21.13 (*Loans and Guarantees*) to include the following additional carve outs in each such clause:
 - (i) “in relation to any Permitted Business Division Transaction; and
 - (ii) in relation to any Acceptable Joint Venture.”
- (c) Amend paragraph (m) of the definition of Permitted Disposal and paragraph (s)(iv) of the definition of Permitted Payment such that the word “Permitted” is added before the words “Business Division Transaction”.

36. **Permitted Security Interest:** amend the definition of “Permitted Security Interest” in Clause 1.1 (*Definitions*):

- (a) to include in addition to the existing “Permitted Security Interests”:

“any Security Interests attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business;”
- (b) include the following additional limb:

“any Security Interest over Non-Distribution Business Assets referred to in paragraph [] of the definition of Permitted Financial Indebtedness, securing Financial Indebtedness described therein or any other obligation in respect of such Non-Distribution Business Assets;”

37. **Permitted Acquisitions and Permitted Joint Ventures:** delete sub-paragraph (e)(iii) of the definition of Permitted Acquisition in Clause 1.1 (*Definitions*) and delete sub-paragraph (b)(ii) of the definition of Permitted Joint Venture in Clause 1.1 (*Definitions*).

38. **Auditors:** delete the definition of “Auditors” in Clause 1.1 (*Definitions*) and replace it with the following:

“**Auditors**” means KPMG LLP or any other firm appointed by the Company to act as its auditors.

39. **Additional Facilities:** amend paragraph (g) and sub-paragraph (g)(i) of Clause 2.2 (*Telenet Additional Facility*) to read as follows:

- “(g) Subject to paragraph (h) below, the aggregate principal amount of any proposed Telenet Additional Facility shall not, at the election of the Company acting in its sole discretion (x) on the date that the Telenet Additional Facility becomes effective (giving pro forma effect to the intended use of proceeds of such Telenet Additional Facility and assuming that the entire amount of that Telenet Additional Facility is drawn on such date, and provided that an election that this sub-paragraph (x) shall apply may not be made in relation to that Telenet Additional Facility if an election that sub-paragraph (y) shall apply has previously been made in relation to that Telenet Additional Facility) or (y) on the date of each Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)) of that Telenet Additional Facility (giving pro forma effect to the use of proceeds of such Utilisation but not assuming that the entire amount of that Telenet Additional Facility is drawn) exceed the aggregate of the sum of:
- (i) an unlimited amount provided that on a pro forma basis Net Senior Debt to Consolidated Annualised EBITDA is equal to or less than 4.50:1;
- ...”

40. **Construction:**

- (a) Amend Clause 1.2(a) (*Construction*) to add the following additional limbs:
- (i) “**fair market value**” unless otherwise specified, wherever such term is used in this Agreement, may be conclusively established by means of an officer’s certificate or a resolution of the board of directors of the Company, any Permitted Affiliate Parent or any Affiliate Subsidiary setting out such fair market value as determined by such officer or such board of directors in good faith;
- (ii) any matter being “**permitted**” under this Agreement or any other Finance Document shall include references to such matters not being prohibited or otherwise being approved under this Agreement or any other such Finance Document; and
- (iii) “**consolidated**” in connection with the financial position of, financial statements of or accounts of or financial definitions in relation to, the Group shall be construed to mean that the accounts of any Affiliate Subsidiary shall be combined for the purpose of determining such financial position, financial statements, accounts or financial definitions.
- (b) Amend Clause 1.2 (*Construction*) to add the following additional paragraphs:
- “(x) No personal liability shall attach to any director, officer or employee of any member of the Wider Group or Group for any representation or statement made by that member of the Wider Group or Group (as applicable) in a certificate signed by such director, officer or employee; and
- (y) No Default, Event of Default or breach of any representation and warranty or undertaking under the Finance Documents shall arise merely as a result of a subsequent change in the Euro equivalent of any relevant amount due to fluctuations in exchange rates.”
- (c) Amend Clause 1.2 (*Construction*) to include the following wording at the start of sub-paragraph (a)(xvii)(C) of Clause 1.2 (*Construction*):
- “if requested by the relevant L/C Bank or Ancillary Facility Lender,”
- (d) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
- ““**European interbank market**” means the interbank market for Euro operating in Participating Member States;”
- (e) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
- “a “**guarantee**” includes a reference to an indemnity or other assurance against financial loss including, without limitation, an obligation to purchase assets or services as a consequence of

a default by any other person to pay any indebtedness and “**guaranteed**” and “**guarantor**” shall be construed accordingly;”

- (f) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
““**determines**” or “**determined**” means, save as otherwise provided herein, a determination made in the absolute discretion of the person making the determination;”
- (g) Amend Clause 1.2 (*Construction*) to delete limb (v) of paragraph (a) and replace it with the following:
““**indebtedness**” is a reference to any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;”
- (h) Amend Clause 1.2 (*Construction*) to delete limb (viii) of paragraph (a) and replace it with the following:
“a “**regulation**” includes any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law but, if not having the force of law, only if compliance therewith is in accordance with the general practice of the relevant persons to whom it is intended to apply or, in the case of Clause 14 (*Increased Costs*) only, the relevant Finance Party or its Holding Company) of any agency, authority, central bank or government department or any self-regulatory or other national or supra-national authority;”
- (i) Amend Clause 1.2 (*Construction*) to include an additional limb of Clause 1.2 as follows:
“Where paragraph or clause numbers have changed in this Agreement as a result of the amendments to this Agreement implemented on the 2015 Amendment Effective Date and the 2017 Amendment Effective Date, and such paragraph and clause numbers are referred to in any Finance Document in force on the 2015 Amendment Effective Date or the 2017 Amendment Effective Date (as applicable), such paragraph or clause numbers shall be read and construed in this Agreement, for the purposes of the relevant Finance Document only, so that the relevant equivalent provision in this Agreement is referred to in each such Finance Document.”
- (j) Amend Clause 1.2 (*Construction*) to include an additional limb of Clause 1.2 as follows:
“(a) This Agreement is entered into subject to, and with the benefit of, the terms of the Intercreditor Agreement.
(b) Notwithstanding anything to the contrary in this Agreement, the terms of the Intercreditor Agreement will prevail if there is a conflict between the terms of this Agreement and the terms of the Intercreditor Agreement.”
- (k) Where relevant in the Credit Agreement, amend references to “company” or “entity” to “person” in accordance with paragraph (a)(vii) of Clause 1.2 (*Construction*).

41. **Increase:** amend Clause 2.1 (*Increase*) to:

- (a) delete sub-paragraphs (a)(i) and (a)(ii); and
- (b) delete sub-paragraph (a)(iii) and replace it with the following:
“(iii) at the election of the Company acting in its sole discretion, it shall be a condition:
 - (A) that the aggregate principal amount of any proposed increase in the Commitments shall not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date that such increase in the Commitments becomes effective (giving pro forma effect to the intended use of proceeds of such increased Commitment and assuming that the entire amount of that increased Commitment is drawn on such date, and provided that an election that this paragraph (A) shall apply may not be made in relation to that increased Commitment if an election that paragraph (B) shall apply has previously been made in relation to that increased Commitment); or
 - (B) to any Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)) of that increased Commitment that the aggregate principal amount of that

increased Commitment to be drawn would not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date of that Utilisation (giving pro forma effect to the use of proceeds of such Utilisation but not assuming that the entire amount of that increased Commitment is drawn); and”

42. **Increased Costs:**

- (a) Amend the first paragraph of Clause 14.1 (*Increased Costs*) to add “within ten Business Days of demand by the Facility Agent,” after “the Company must” in the first line.
- (b) Delete paragraph (a) of Clause 14.3 (*Claims*) and replace it with the following:
 - “(a) A Finance Party intending to make a claim pursuant to Clause 14.1 (*Increased Costs*) shall, as soon as is reasonably practicable after that Finance Party becomes aware that circumstances have arisen which entitle it to make such claim, notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Company.”

43. **Springing Financial Covenant:** amend the covenant set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) so that it reads as follows:

- “(a) Subject to Clause 22.5 (*Cross-default and Cross-acceleration*), in the event that on the last day of a Measurement Period the aggregate of the Telenet Additional Facility Outstandings under any Revolving Facility (in each case, other than Documentary Credits that are cash collateralised or undrawn) and the net indebtedness outstanding under each Ancillary Facility less Cash of the Group exceeds an amount equal to 40 per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment (the “**Financial Ratio Test Condition**”), the Company shall procure that the ratio of Net Total Debt to Consolidated Annualised EBITDA on that day (the “**Financial Ratio**”) shall not exceed 6.00:1 unless otherwise agreed in writing by the Composite Revolving Facility Instructing Group and the Company.
- (b) If the financial covenant set out in paragraph (a) has been breached for a Measurement Period but is complied with on the last day of the next Measurement Period (either because the Financial Ratio Test Condition is not met for that next Measurement Period or because the Financial Ratio does not exceed 6.00:1 for that next Measurement Period), then, the prior breach of such financial covenant or any Event of Default arising therefrom shall not (or shall be deemed to not) directly or indirectly constitute, or result in, a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or an Event of Default unless the Facility Agent has taken any action under Clause 22.18 (*Maintenance Covenant Revolving Facility Acceleration*) before the delivery of the certificate referred to at Clause 19.3(a) (*Compliance Certificate*) in respect of that next Measurement Period.”

44. **Financial Information:** amend paragraph (a) of Clause 19.3 (*Compliance Certificate*) so that it reads as follows:

- “(a) The Company must supply to the Facility Agent a Compliance Certificate with each set of its financial statements sent to the Facility Agent under this Agreement if, as at the last day of the Measurement Period ending on the date of such financial statements, the Financial Ratio Test Condition is met.”

45. **Cure Provisions:** delete Clause 20.4 (*Cure Provisions*) and replace it with the following:

“20.4 Cure Provisions

- (a) The Company may cure a breach of the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) by procuring that:
 - (i) additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or greater than the amount which if it had been deducted from Net Total Debt for the Measurement Period in respect of which the breach arose, would have avoided the breach; or
 - (ii) additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or

greater than the amount which if it had been added to Consolidated Annualised EBITDA for the Measurement Period in respect of which the breach arose, would have avoided the breach; or

- (iii) any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility are prepaid (from any source selected by the Company in its sole discretion) in an amount which if such prepayment had occurred immediately prior to the calculation on the last day of the Measurement Period in respect of which the breach arose, the Financial Ratio Test Condition as at the last day of that Measurement Period would not have been met and therefore the financial ratio would not have been required to be tested.
- (b) A cure under this Clause 20.4 will not be effective unless:
- (i) in the case of paragraph (a)(i) or (a)(ii) above, an amount equal to or greater than the required amount of additional equity or the proceeds of any Subordinated Shareholder Loans is received by one or more members of the Group; or
 - (ii) in the case of paragraph (a)(iii) above, the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are required to be prepaid are so prepaid,

in each case, within 30 Business Days of delivery of the financial statements delivered under Clause 19.1 (*Financial Statements*) which show that Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) has been breached (the “**Cure Period**”).

- (c) No cure may be made under this Clause 20.4 (*Cure Provisions*)
- (i) in respect of more than five Measurement Periods during the life of the Telenet Additional Facilities; or
 - (ii) in respect of consecutive Measurement Periods.
- (d) The Company shall make an election (at its sole discretion) by notice to the Facility Agent prior to the end of the Cure Period as to whether a breach of the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) shall be cured pursuant to a recalculation as described in either sub-paragraph (a)(i), (a)(ii) or (a)(iii) above.
- (e) If the Company makes an election for a recalculation as described in sub-paragraphs (a)(i) or (a)(ii) above, it shall be under no obligation to apply the amount of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group in prepayment of the Facilities or for any other specific purpose and such amount will be deemed to be deducted from Net Total Debt or added to Consolidated Annualised EBITDA for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) (as applicable) as at the last day of the relevant Measurement Period.
- (f) If the Company makes an election for a recalculation as described in sub-paragraph (a)(iii) above, the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are prepaid shall be deemed to be deducted in the calculation of the Financial Ratio Test Condition for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) as at the last day of the relevant Measurement Period.
- (g) For the purpose of ascertaining compliance with Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*), the Financial Ratio Test Condition and the ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) will be tested or retested, as applicable, giving effect to the elections and adjustments referred to in paragraph (d), (e) and (f) above. If, after giving effect to such elections and adjustments, the requirements of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) are met, then the requirements under Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) shall be deemed to have been satisfied as at the relevant original date of determination.
- (h) Where a cure is exercised under this Clause 20.4 in respect of a breach of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) for any financial quarter and the Company makes an election for a recalculation as described in sub-paragraph (a)(ii) above, the amount

of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group shall also be added in calculating Consolidated EBITDA for any future Measurement Period that includes such financial quarter. Any adjustments pursuant to this paragraph will not be treated as a separate cure.”

46. **Permitted Disposal:** amend the definition of Permitted Disposal to add a new limb as follows:

“disposals which constitute the concurrent purchase and sale or exchange of related business assets (including, without limitation, securities of any business that is the same as or related, ancillary or complementary to any of the businesses of any member of the Group on *[the amendment and restatement date]*) or a combination of such assets, cash and Cash Equivalent Investments between any member of the Group and another person provided that the relevant member of the Group receives consideration at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such disposal) for the assets subject to that disposal;”.

47. **Permitted Financial Indebtedness:**

- (a) Amend Clause 21.7 (*Financial Indebtedness*) to add a new paragraph (d) as follows:

“In the event that any member of the Group enters into or increases commitments under a revolving credit facility, enters into any commitment to incur or issue Financial Indebtedness or commits to incur any Security Interest pursuant to any leverage based incurrence test in the definition of “Permitted Security Interest,” the incurrence or issuance thereof for all purposes under this Agreement, including without limitation for purposes of calculating any leverage ratio or usage in any of the paragraphs in the definition of Permitted Financial Indebtedness for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers’ acceptances thereunder) will, at the Company’s option, either (i) be determined on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof has been borrowed as of such date) or other Financial Indebtedness, and, if such leverage ratio test or other provision of this Agreement is satisfied with respect thereto at such time, any borrowing or re-borrowing thereunder (and the issuance and creation of letters of credit and bankers’ acceptances thereunder) will be permitted under this covenant irrespective of the leverage ratio or other provision of this Agreement at the time of any borrowing or re-borrowing (or issuance or creation of letters of credit or bankers’ acceptances thereunder) (the committed amount permitted to be borrowed or re-borrowed (and the issuance and creation of letters of credit and bankers’ acceptances) on a date pursuant to the operation of this paragraph (i) shall be the “**Reserved Indebtedness Amount**” and, to the extent of the usage in the paragraphs in the definition of Permitted Financial Indebtedness (if any), shall be deemed to be incurred and outstanding under such paragraphs) or (ii) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment, and in the case of sub-paragraph (i) above, the Company may revoke any such determination at any time and from time to time.”

- (b) Amend the definitions of “Senior Debt” and “Total Debt” in Clause 1.1 (*Definitions*) to include an additional limb as follows:

“the Reserved Indebtedness Amount;”

48. **Related Fund:** amend:

- (a) Clause 1.1 (*Definitions*) to include a new definition of “Related Fund” as follows:

“**Related Fund**” in relation to a fund or account that, in each case, invests in commercial loans (the “**first fund**”), means any other fund or account that, in each case, invests in commercial loans which is managed or administered directly or indirectly by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund or account that, in each case, invests in commercial loans whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.”

- (b) Clause 29.3 (*Transfers by Lenders*) at paragraph (c), to add the words “or, if applicable, a Related Fund” after the words “an Affiliate”.

49. **Share Capital:**

- (a) Amend Clause 21.16 (*Share Capital*) to add a new sub-paragraph (i) at the end as follows: “relates to the cancellation of the share capital of any member of the Group or any Obligor”.
- (b) Amend Clause 21.16 (*Share Capital*) to add the words “or a solvent liquidation under Clause 21.23 (*Internal Reorganisation*)” after the words “Clause 21.9(b)(iii) (*Acquisitions and Mergers*)”.

50. **Stamp Taxes:** delete Clause 12.7 (*Stamp Taxes*) in its entirety and replace it with the following:

“The Company shall pay and, within 10 Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Tax liabilities payable in respect of any Finance Document except for:

- (a) any such Tax liabilities payable in connection with any Transfer Certificate or other document relating to the assignment or transfer by any Lender of any of its rights and/or obligations under any Finance Document; or
- (b) any registration duties and any Tax liability payable due to a registration, submission or filing by a Finance Party of any Finance Document where such registration, submission or filing is or was not required to maintain or preserve the rights of that Finance Party under the applicable Finance Documents.”

51. **Increased Costs:** Amend Clause 14.2 (*Exceptions*) to include the following additional limbs:

- “(i) attributable to a change (whether of basis, timing or otherwise) in the Tax liability on the overall net income of the Finance Party (or any Affiliate of it) or of the branch or office through which it lends any Advance;
- (j) attributable to any penalty having been imposed by the relevant central bank or monetary or fiscal authority upon the Finance Party (or any Affiliate of it) by virtue of its having exceeded any country or sector borrowing limits or breached any directives imposed upon it;
- (k) attributable to a breach of a Finance Document by the Finance Party claiming such Increased Cost.”

52. **Representations:**

- (a) Delete Clause 18.12 (*Security Interests*) in its entirety.
- (b) Delete paragraph (b) of Clause 18.6 (*No Event of Default*).
- (c) Amend paragraph (a) of Clause 18.7 (*Authorisations*) to include the words “(other than the Licences)” after the word “licenses”.
- (d) Amend paragraph (b) of Clause 18.10 (*Litigation and Insolvency Proceedings*) to replace the words “member of the Group” with the words “Obligor or Material Subsidiary”.
- (e) Amend Clause 18.18 (*Anti-Terrorism Laws*) to delete the words “It and each of its Affiliates have taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws” and to replace them with “It has taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws.”

53. **Defaulting Lender Disenfranchisement:** in addition to paragraph 10 of Schedule 4, provide in the Credit Agreement as follows:

“In ascertaining the Majority Lenders, affected Lenders, all Lenders or any other class of Lenders (as applicable) or whether any given percentage (including, for the avoidance of doubt, unanimity) of any of the Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, a Defaulting Lender’s Commitments and participations will be deemed to be zero.”

54. **Consolidated EBITDA:**
- (a) Amend paragraph (y) of the definition of Consolidated EBITDA in order that the following words are deleted:
“to the extent that such fees or other amounts:
 - (i) are not included in the Company’s externally reported operating cash flow or equivalent measure; or
 - (ii) are deemed to be exception of unusual items”.
 - (b) Amend paragraph (g) of the definition of Consolidated EBITDA to add the words “or other equity based” after the words “any stock based”.
55. **80% Security Test:** add the following words at the end of the definition of 80% Security Test in Clause 1.1 (*Definitions*):
“and provided that to the extent any Guarantor generates negative earnings before interest, tax, depreciation and amortisation, such Guarantor shall be deemed for the purposes of calculating the 80% Security Test numerator to have zero earnings before interest, tax, depreciation and amortisation.”
56. **Insolvency Event:** amend the definition of Insolvency Event in Clause 1.1 (*Definitions*) to replace the words “in relation to a Finance Party means that the Finance Party:” with the words “in relation to a Finance Party means that the Finance Party or a Holding Company of it (as applicable):”.
57. **Notes Refinancing:** amend the definitions of Senior Secured Notes Refinancing and Senior Unsecured Refinancing in Clause 1.1 (*Definitions*) to delete the word “reasonable” before the words “fees, costs and expenses”.
58. **Optional Currency:** amend the definition of “Optional Currency” in Clause 1.1 (*Definitions*) in order that the words “in relation to that Advance” are included after the words “acting on the instructions of all the Lenders”.
59. **Permitted Acquisition:** amend the definition of Permitted Acquisition in Clause 1.1 (*Definitions*):
- (a) at paragraph (d) to replace the words “less than a 50 per cent. interest” with the words “an interest of 50 per cent. or less”; and
 - (b) at paragraph (j) to replace the words “10 Business Days” with the words “60 days”.
60. **Finance Document:**
- (a) Amend the definition of “Finance Document” in Clause 1.1 (*Definitions*) to delete the words “a Transfer Certificate;” and include the words “any Increase Confirmation;”.
 - (b) Amend the definition of “Finance Document” in Clause 1.1 (*Definitions*) to include the following wording at the end of the definition:
“**provided that** where the term “Finance Document” is used in, and construed for the purposes of, this Agreement or the Intercreditor Agreement, a Hedging Agreement shall be a Finance Document only for the purposes of Clause 17 (*Guarantee and Indemnity*).”
61. **Finance Party:** amend the definition of “Finance Party” in Clause 1.1 (*Definitions*) to include the following wording at the end of the definition:
“**provided that** where the term “Finance Party” is used in, and construed for the purposes of, this Agreement or the Intercreditor Agreement, a Hedge Counterparty shall be a Finance Party only for the purposes of Clause 17 (*Guarantee and Indemnity*).”
62. **Term of Advance:** add a new clause 1.4 as follows:
“1.4 Term of Advance
The determination of the extent to which a rate is “**for a period equal in length**” to a Term shall disregard any inconsistency arising from the last day of that Term being determined pursuant to the terms of this Agreement.”

63. **Exchange Rates:** add a new clause 1.5 as follows:
- “1.5 Exchange Rates**
- When applying any monetary limits, thresholds and other exceptions to the representations and warranties, undertakings and Events of Default under the Finance Documents, the equivalent to an amount in Euro shall be calculated at a rate for the conversion of the relevant non-Euro currency into Euro which is, at the election of the Company (a) a rate selected by the Company (acting reasonably and in good faith) or (b) the Agent’s Spot Rate of Exchange, in each case, as at the time of any relevant action.”
64. **Increase:** amend paragraph (b) of Clause 2.1 (*Increase*) to add a new limb (iii) as follows:
- “the Commitments of a Lender in accordance with Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*),”
65. **Additional Facility:** amend paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) to:
- (a) delete sub-paragraphs (h)(ii)(A), (h)(ii)(B) and (h)(ii)(C); and
 - (b) delete sub-paragraphs (h)(iii)(B), (h)(iii)(C) and (h)(iii)(D).
66. **Prepayments:** amend Clause 10.10 (*Miscellaneous Provisions*) to delete paragraph (g) and replace it with the following:
- “Other than in relation to any prepayment under Clause 10.1 (*Mandatory Prepayment—Illegality*) or 10.8 (*Right of Repayment and Cancellation of a Single Lender*), any prepayment in part of any Advance shall be applied against the participations of the Lenders in that Advance *pro rata*.”
67. **Tax Indemnity:** amend paragraph (b)(ii) of Clause 12.4 (*Tax Indemnity*) to add an additional limb as follows:
- “has been compensated for by a payment under Clause 12.7 (*Stamp Taxes*) or would have been compensated for by such a payment, but for the application of any exception in such Clause;”
68. **Representations:** amend Clause 18 (*Representations and Warranties*) by inserting the word “substantially” after the word “business” at Clause 18.2(b) (*Status*).
69. **Share Capital:** amend Clause 21.16 (*Share Capital*) to add words “that is a member of the Group” after the words “Each Obligor” and before the words “will not”.
70. **Obligor Accession:** amend Clause 21.22 (*Further Assurances*) in order that the words “10 Business Days” at paragraph (b)(i) are replaced with “60 days”.
71. **Breach of obligations EOD:** amend Clause 22.3(a) (*Breach of Other Obligations*) to add the following language at the end:
- “, unless the non-compliance:
- (i) is capable of remedy; and
 - (ii) is remedied within 30 days of the earlier of the Facility Agent giving notice of the breach to the Company and any Obligor becoming aware of the non-compliance.”
72. **Cross Default EOD:** amend Clause 22.5 (*Cross-default and Cross-acceleration*):
- (a) by deleting the words “is placed on demand;” at paragraph (b)(ii);
 - (b) by deleting limb (c);
 - (c) at paragraph (d)(v), by deleting the words “is not placed on demand, becomes” and replacing them with the words “does not become” and adding the word “not” before the words “otherwise accelerated during that period”; and
 - (d) by adding the following additional limb to paragraph (d):
- “if the relevant Financial Indebtedness is covered by a Documentary Credit or a letter of credit, bank guarantee, indemnity or other documentary credit under an Ancillary Facility”.
73. **Defaulting Lenders:** amend Clause 29.3 (*Transfers by Lenders*) in order that the following is included as a new Clause 29.3(h):
- “(h) Notwithstanding any other provision of this Agreement, no Lender shall be entitled to assign or transfer any of its rights, benefits or obligations under the Finance Documents to a New Lender that is a Defaulting Lender.”

74. **Amendments:** add a new paragraph (d) to Clause 28.2 (*Exceptions*) as follows:
- “No amendment or waiver of a term of any Ancillary Facility Document shall require the consent of any Finance Party other than the relevant Ancillary Facility Lender.”
75. **Measurement Period:** delete the definition of Measurement Period and replace it with the following:
- “‘**Measurement Period**’ means each period of approximately six months covering two quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (**‘L2QA Test Period’**), provided that the Company may make an election to establish that ‘Measurement Period’ means each period of approximately 12 months covering four quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (**‘LTM Test Period’**) (and if such an LTM Test Period election has been made, the Company may not elect to change from LTM Test Period back to the L2QA Test Period).”
76. **Consolidated Annualised EBITDA:** delete the definition of “Consolidated Annualised EBITDA” in Clause 1.1 (*Definitions*) and replace it with the following:
- “‘**Consolidated Annualised EBITDA**’ means if the L2QA Test Period applies in accordance with the definition of ‘Measurement Period’, two times Consolidated EBITDA of the Group for that Measurement Period, and if the Company has made an LTM Test Period election in accordance with the definition of ‘Measurement Period’, Consolidated EBITDA of the Group for that Measurement Period.”
77. **Telenet Additional Facility:**
- (a) Amend paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) and paragraphs (a) and (b) of Clause 2.3 (*Overall Facility Limits*) to amend each reference from “Advances” and “advances” to “Utilisations”.
 - (b) Amend limb (ii)(D) and (iii)(E) of paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) to delete the word “reasonable” before the word “fees”.
 - (c) Add an additional limb to Clause 2.2 (*Telenet Additional Facility*) as follows:

“With the prior written consent of the Company, the Facility Agent is authorised and instructed to enter into such documentation as is reasonably required to amend this Agreement and any other Finance Document (in accordance with terms of this Clause 2.2 (*Telenet Additional Facility*)) to reflect the terms of each Telenet Additional Facility without the consent of any Lender other than the applicable Telenet Additional Facility Lender.”
78. **Amount of Advance:** amend paragraph (b) of Clause 5.3 (*Amount of Advance or Documentary Credit*) to include the words “under that Facility” after the words “on behalf of the Lenders”.
79. **Revaluation of Documentary Credits:**
- (a) Amend paragraph (a) of Clause 6.4 (*Revaluation of Documentary Credits*) to replace the words “at six monthly intervals after the date of the Documentary Credit” with the words “on the last Business Day of each financial year”.
 - (b) Amend paragraph (b) of Clause 6.4 (*Revaluation of Documentary Credits*) to replace the words “three Business Days” with the words “ten Business Days”.
80. **Affiliates of Borrowers:** amend paragraph (c) of Clause 7.7 (*Affiliates of Borrowers*) to include the words “, provided that such Affiliate is not an Affiliate of any other Obligor, ” after the words “its Affiliate”.
81. **Right of Repayment and Cancellation of a Single Lender:** amend paragraph (a)(iii) of Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*) to include the words “or Clause 15 (*Illegality and Mitigation*)” after the words “Clause 10.1 (*Mandatory Prepayment—Illegality*)” and to replace the reference to “or” before the reference to “Clause 10.1” with a comma.
82. **Selection:**
- (a) Amend paragraph (d)(ii) of Clause 11.5 (*Selection—Term Facility*) to replace the word “Facility” with “Term Facility Advance” throughout such paragraph and to replace the words

“Lenders whose commitments under the relevant Facility then aggregate two thirds or more of the aggregate Commitments under that Facility” with “Majority Lenders under the relevant Facility”.

- (b) Amend paragraph (c) of Clause 11.6 (*Selection—Revolving Facility*) to replace the words “under that Revolving Facility” with “under the relevant Advance under that Revolving Facility” throughout such paragraph and to replace the words “Lenders whose Commitments under that Revolving Facility then aggregate two thirds or more of the aggregate Commitments under that Revolving Facility” with “the Majority Lenders under that Revolving Facility”.
83. **Payments:** amend Clause 16.4 (*Currency*) to include the following additional limbs and to re-number limb (c) to limb (e):
- “(c) A repayment or prepayment of an Advance is payable in the currency in which the Advance is denominated.
 - (d) All interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.”
84. **Information:** amend Clause 19.4 (*Information—Miscellaneous*) to delete paragraph (c) in its entirety.
85. **Change of Business:** delete Clause 21.8 (*Change of Business*) and replace it with the following:

“21.8 Change of Business

No Obligor shall (and the Company shall procure that no member of the Group shall), without the prior written consent of the Majority Lenders or save as otherwise permitted by the terms of this Agreement, make any change in the nature of its business as carried on immediately prior to the Signing Date, which would give rise to a substantial change in the business of the Group taken as a whole from that set forth in the definition of Business, provided that this Clause 21.8 (*Change of Business*) shall not be breached by an Obligor or any member of the Group making a Permitted Disposal, Permitted Acquisition or entering into any Permitted Joint Venture.”

86. **Acquisitions:** amend paragraph (b)(iii)(B) of Clause 21.9 (*Acquisitions and Mergers*) to replace the words “for the period commencing on the date of merger and ending on the earlier of the date that falls 3 years from the date of merger and the longest dated Final Maturity Date” with “on a pro forma basis following such merger or consolidation.”
87. **Insurance:** amend Clause 21.12 (*Insurance*) to delete the words “procure that each member of the Group will” and replace them with “procure that each of its Material Subsidiaries which is a member of the Group will”.
88. **Shareholder Loans:** amend paragraph (a) of Clause 21.14 (*Shareholder Loans*) to replace the words “30 days” with “60 days”.
89. **Share Security:**

- (a) delete Clause 21.17 (*Share security*) and replace it with the following:

“21.17 Share Security

Each Obligor will not, and will procure that no member of the Group will, issue any shares of any class provided that:

- (a) notwithstanding paragraph (b) below, an Obligor may issue shares to any person other than a member of the Group and shall not be required to procure that such shares are charged or pledged in favour of the Beneficiaries, provided that such share issue does not result in a Change of Control;
- (b) any member of the Group may issue shares to or otherwise acquire additional rights from any other member of the Group so long as (if any of the existing shares in the relevant member of the Group are charged or pledged in favour of any Beneficiary) such shares are charged or pledged in favour of the Beneficiaries pursuant to the terms of a Security Document and there are delivered at the same time to the Security Agent the relevant share certificates and blank stock transfer forms (or equivalent documents) in respect thereof together with such other documents and evidence and legal opinions as the Security Agent may reasonably require;

- (c) the Company may issue shares to Telenet Group BVBA provided that such shares are charged or pledged in favour of the Beneficiaries pursuant to the terms of a Security Document and there are delivered at the same time to the Security Agent the relevant share certificates and blank stock transfer forms (or equivalent documents) in respect thereof together with such other documents and evidence and legal opinions as the Security Agent may reasonably require;
 - (d) any member of the Group may issue shares pursuant to the exercise of Approved Stock Options;
 - (e) a member of the Group may issue shares as part of an Acquisition or merger or consolidation permitted by Clause 21.9 (*Acquisitions and Mergers*), provided that the issue of such shares does not cause a Change of Control;
 - (f) a member of the Group (other than an Obligor) may issue shares to all the holders of the share capital of such member of the Group *pro rata* to their interests in such share capital provided that, if any existing shares in that member of the Group are charged or pledged in favour of any Beneficiary under any Security Document, upon issue the shares that are issued to any other member of the Group are charged or pledged in favour of the Beneficiaries as provided in paragraph (b) above; and
 - (g) any member of the Group (other than the Company) may issue shares to any person pursuant to any agreement or other legally binding arrangement existing, and disclosed to the Facility Agent in writing, on or before the Signing Date, provided that such share issue does not result in a Change of Control.”
- (b) Add the following additional definition to Clause 1.1 (*Definitions*):
- ““**Beneficiaries**” has the meaning given to the term Senior Secured Creditors in the Intercreditor Agreement.”
90. **Group Redesignation:** delete Clause 21.25 (*Group Redesignation*) and replace it with the following:
- “21.25 Group Redesignation**
- The Company may at any time deliver a notice (a “**Group Redesignation Notice**”) to the Facility Agent designating any Holding Company of the Company and/or any Holding Company of any Permitted Affiliate Parent as a “New Group Topco” for the purposes of this Agreement provided that taking into account any actions to be taken by the Company for the benefit of the Lenders, it would not be materially prejudicial to the interests of the Lenders in the opinion of the Facility Agent (acting reasonably).”
91. **Clean Up Period:**
- (a) Amend the definition of Clean Up Period in Clause 22.3 (*Breach of Other Obligations*) to replace the words “120 days” with the words “180 days”.
 - (b) Delete the words “(other than Clause 22.3(a) (*Breach of Other Obligations*)) to the extent it refers to Clause 20 (*Financial Covenant*)” in paragraph (c) of Clause 22.3 (*Breach of Other Obligations*).
92. **Intercreditor Agreement:** amend paragraph (a) of Clause 22.12 (*Intercreditor Agreement*) to include the word “material” before the word “obligations”.
93. **Acceleration:** amend Clause 22.17 (*Acceleration*) to replace the words “may, and must if so instructed by the Majority Lenders” with the words “the Facility Agent shall, if the Majority Lenders so direct”.
94. **Indemnity:**
- (a) Amend paragraph (a) of Clause 26.1 (*Currency Indemnity*) to include the words “, within 10 Business Days of demand” after the words “Obligor must”.
 - (b) Amend paragraph (a)(i) of Clause 26.2 (*Other Indemnities*) to replace the word “Default” with the words “Event of Default”.
 - (c) Amend paragraph (a) of Clause 26.3 (*Break Costs*) to include the words “, within ten Business Days of demand by a Lender, ” after the words “Each Borrower must”.

- (d) Amend paragraph (b) of Clause 26.3 (*Break Costs*) to include the words “, as soon as reasonably practicable after a demand by the Facility Agent, ” after the words “Each Lender must”.

95. **Amendments and waivers:**

- (a) Amend Clause 28.2 (*Exceptions*) to add an additional limb (d) as follows:

“(d) Notwithstanding any other provision of this Clause 28 (*Amendments and Waivers*), the Facility Agent may at any time without the consent or sanction of the Lenders, concur with the Company in making any modifications to any Finance Document, which in the opinion of the Facility Agent would be proper to make provided that the Facility Agent is of the opinion that such modification:

- (i) would not be materially prejudicial to the position of any Lender and in the opinion of the Facility Agent such modification is of a formal, minor or technical nature or is to correct a manifest error;
- (ii) relates to the increase in the principal amount of a Commitment of a Lender in relation to any Facility and such increased Commitment has been requested by the Company to fund any original issue discount required to be paid to that Lender in relation to that Facility under any Finance Document;
- (iii) is of a minor, operational or technical nature; or
- (iv) which relates to the implementation of any alternative basis for the calculation of interest that is binding on all Parties in accordance with paragraph (c) of Clause 13.4 (*Cost of Funds*).

Any modification made in accordance with this paragraph (d) shall be made on such terms as the Facility Agent may determine, shall be binding upon the Lenders, and shall be notified by the Company to the Lenders as soon as practicable thereafter.”

- (b) Amend Clause 28.2 (*Exceptions*) to include the words “Subject to Clause 28.6 (*Structural Adjustments*) below,” at the beginning of paragraph (a).
- (c) Amend paragraph (a) of Clause 28.3 (*Non Consenting Lenders*) to delete limb (iii) in its entirety.
- (d) Add an additional provision to Clause 28.2 (*Exceptions*) as follows:

“A waiver of issuance or the release of any Guarantor from any of its obligations under Clause 17 (*Guarantee and indemnity*) or a release of any Security under the Security Documents, in each case, other than in accordance with the terms of any Finance Document shall require the prior written consent of affected Lenders whose share in the outstanding Utilisations and whose undrawn Commitments amount in aggregate to more than 75 per cent. of all of the outstanding Utilisations and undrawn Commitments.”

96. **Changes to the Parties:**

- (a) Amend Clause 29.2 (*Assignment or Transfers by Obligors*) to include the words “except to the extent permitted by this Agreement” at the end of the paragraph.
- (b) Amend paragraph (a) of Clause 29.9 (*Additional Borrowers*) to delete the words “(following consultation with the Facility Agent)”.
- (c) Amend paragraph (b) of Clause 29.9 (*Additional Borrowers*) to include the words “under the relevant Facility” after the words “all the Lenders”.
- (d) Amend paragraph (b)(ii) of Clause 29.11 (*Resignation of an Obligor (other than the Company)*) to replace the words “a Default” with the words “an Event of Default”.

97. **Governing law:**

- (a) Delete Clause 38 (*Governing law*) and replace it with the following:

“38. GOVERNING LAW

This Agreement, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with English law.”

- (b) Amend the governing law provisions of the schedules to the Credit Agreement to refer to “non-contractual obligations” in conformity with paragraph (a) above.
98. **Order of Application:** amend Clause 10.4 (*Order of application*) by deleting sub-paragraph (e).
99. **Affiliate:** amend the definition of Affiliate in Clause 1.1 (*Definitions*) such that it reads as follows:
 “**Affiliate**” means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company provided that in relation to any clause, reference or provision that uses such term:
- (a) an Affiliate of the Company that issues any notes, bonds or other securities for the purpose of on-lending the proceeds of such issuances under a Facility and to a Borrower under this Agreement and which acts in accordance with the terms of any indentures or other documents governing such issuances (a “**Designated Notes Issuer**”) shall not be an Affiliate of the Company or any of its Affiliates; and
- (b) a Designated Notes Issuer shall be deemed not to be managed by, or under the control of, the Company or any of its Affiliates.”
100. **Change of L/C Bank:** add the words “in relation to the Facility in respect of which such Documentary Credits are issued” after the words “Majority Lenders” in paragraph (c) of Clause 6.11 (*Appointment and Change of L/C Bank*).
101. **Restricted Person:** amend the definition of Restricted Person in Clause 1.1 (*Definitions*) such that it reads as follows:
 ““**Restricted Person**” means any Affiliate of a Borrower and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of the Joint Venture Parent and any Parent Joint Venture Holders (in each case, other than a member of the Group) provided that any Designated Notes Issuer (as defined in the definition of Affiliate) that is not a member of the Group shall, notwithstanding the proviso to the definition of “Affiliate”, be a “Restricted Person” except for the purposes of:
- (a) the definition of “Pledge of Subordinated Shareholder Loans”;
- (b) the definition of “Subordinated Creditor”; and
- (c) Clause 21.14 (Shareholder Loans).”
102. **Permitted Affiliate Group Designation:** amend limb (iv)(c) of Clause 29.8 (*Permitted Affiliate Group Designation*) to include the words “if available,” at the start of the limb.
103. **Permitted Payment:** add a new limb to the definition of Permitted Payment in Clause 1.1 (*Definitions*) as follows:
 “to any Designated Notes Issuer (as defined in the definition of Affiliate) in connection with any fees, costs, indemnity claims or other expenses payable to it in connection with transactions related to the issuance of any notes, bonds or other securities;”

SCHEDULE 11

TELENET ADDITIONAL FACILITY AJ-B ACCESSION AGREEMENT

TERM LOAN AJ-B FACILITY

To: The Bank of Nova Scotia as Facility Agent and KBC Bank NV as Security Agent

From: The Telenet Additional Facility AJ-B Lender

Date: [●] 2017

TELENET BVBA—Credit Agreement dated 1 August 2007, as amended from time to time (the Credit Agreement)

1. In this Agreement:

Borrower in relation to the Term Loan AJ-B Facility means *[Insert Telenet BVBA or the name of any other entity incorporated under the laws of Belgium that has acceded to the Credit Agreement as a Borrower]*.

Existing Security Provider means each of Telenet BVBA (the “Company”), the Borrower, Telenet International Finance S.à r.l., Telenet Financing USD LLC, Telenet Group Holding NV, having its registered office at Neerveldstraat 105, B-1200 Sint-Lambrechts-Woluwe, Belgium and registered with the Crossroads Bank for Enterprises under number 0477.702.333 (RPR/RPM Brussels), Telenet Group BVBA, having its registered office at Neerveldstraat 105, B-1200 Sint-Lambrechts-Woluwe, Belgium and registered with the Crossroads Bank for Enterprises under number 0462.925.669 (RPR/RPM Brussels) and Telenet Vlaanderen NV, having its registered office at Liersesteenweg 4, 2800 Mechelen, Belgium and registered with the Crossroads Bank for Enterprises under number 0458.840.088 (RPR/RPM Mechelen).

Indenture means the indenture, dated December 13, 2017, among, *inter alia*, Telenet Finance Luxembourg Notes S.à r.l., as issuer, and The Bank of New York Mellon, London Branch as trustee, as amended pursuant to an accession agreement dated [●] whereby the Telenet Additional Facility AJ-B Lender acceded thereto as issuer and assumed all of Telenet Finance Luxembourg Notes S.à r.l.’s rights and obligations thereunder and as may be further amended from time to time.

Liberty Global Reference Agreement means any or all of (i) the credit agreement dated 19 April 2017 between, among others, Virgin Media Investment Holdings Limited as company and The Bank of Nova Scotia as facility agent; (ii) the credit agreement dated 24 July 2014 between (among others) Unitymedia Hessen GmbH & Co. KG as borrower and The Bank of Nova Scotia as facility agent; (iii) the credit agreement dated 27 January 2014 between (among others) Ziggo B.V. as borrower and The Bank of Nova Scotia as facility agent; (iv) the credit agreement dated 28 September 2006 between (among others) All3Media Finance Limited as borrower and The Royal Bank of Scotland PLC as facility agent; (v) the credit agreement dated 5 March 2015 between (among others) Ziggo Secured Finance B.V. as SPV borrower and The Bank of Nova Scotia as facility agent; (vi) the indenture dated 23 December 2015 in respect of the €420,000,000 4.625% senior secured notes due 2026 issued by Unitymedia Hessen GMBH & Co KG and Unitymedia NRW GmbH; (vii) Annex I (Additional Definitions) and Annex II (Covenants) of the credit agreement dated 16 May 2016 entered into between, among others, LGE Coral Holdco Limited as finco, Sable International Finance Limited and Coral-US Co-Borrower LLC as initial borrowers and The Bank of Nova Scotia as administrative agent and (to the extent not covered in the Annexes) the specific provisions relating to that credit agreement set out in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*), Schedule 5 (*Further Amendments, Waivers, Consents and Other Modifications*), Schedule 6 (*Additional Amendments, Waivers, Consents and Other Modifications*), Schedule 7 (*Fourth Amendments, Waivers, Consents and Other Modifications*), Schedule 8 (*Fifth Amendments, Waivers, Consents and Other Modifications*), Schedule 9 (*Sixth Amendments, Waivers, Consents and Other Modifications*) and Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; (viii) the facilities agreement dated 6 October 2016 in respect of the advance of certain proceeds of the £350,000,000 5.5% receivables financing notes due 2024 issued by Virgin Media Receivables Financing Notes I Designated Activity Company; (ix) the

indenture dated 23 September 2016 in respect of the \$2,000,000,000 5.5% senior secured notes due 2027 and the €775,000,000 4.25% senior secured notes due 2027 issued by Ziggo Secured Finance B.V.; (x) the indenture dated 1 February 2017 in respect of the £675,000,000 5% senior secured notes due 2027 issued by Virgin Media Secured Finance PLC; (xi) the indenture dated 21 June 2017 in respect of the €635,000,000 3⅞% senior notes due 2029 issued by UPC Holding B.V.; (xii) the credit agreement dated 16 December 2016 between (among others) UPC Broadband Holding B.V. as borrower and The Bank of Nova Scotia as facility agent, (xiii) the indenture dated 16 August 2017 in respect of the \$700,000,000 6.875% senior notes due in 2027 issued by C&W Senior Financing Designated Activity Company and (xiv) the indenture dated 18 October 2017 in respect of the \$550,000,000 million 5.500% senior notes due 2028 issued by UPC Holding B.V. (in each case as amended from time to time up to the date of this Agreement).

Notes means the \$1,000,000,000 aggregate principal amount of 5.500% fixed rate notes due 2028 and originally issued on December 13, 2017 by Telenet Finance Luxembourg Notes S.à r.l. pursuant to the Indenture as such notes were amended pursuant to an accession agreement dated [●] 2017 whereby the Telenet Additional Facility AJ-B Lender acceded thereto as issuer and assumed all of Telenet Finance Luxembourg Notes S.à r.l.'s rights and obligations thereunder.

Proposed Amendments means the amendments, waivers, consents and other modifications contemplated by Clauses 25 and 26 of this Agreement.

Telenet Additional Facility AJ Accession Agreement means the Telenet Additional Facility AJ-B Accession Agreement dated [●] 2017 between, among others, Telenet International Finance S.à r.l. as borrower and Telenet Finance Luxembourg Notes S.à r.l. as original lender.

Telenet Additional Facility AJ-B Lender means [*Insert name of Belgian incorporated SPV*].

Term Loan AJ Facility means the \$1,000,000,000 term loan facility made available by Telenet Finance Luxembourg Notes S.à r.l. under the Telenet Additional Facility AJ Accession Agreement.

Term Loan AJ Facility Loan means a U.S Dollar denominated loan made to the Borrower by Telenet Finance Luxembourg Notes S.à r.l. under the Term Loan AJ Facility.

Term Loan AJ-B Facility Commitment means, in relation to the Telenet Additional Facility AJ-B Lender, the amount in U.S Dollars set opposite its name under the heading "Term Loan AJ-B Facility Commitment" in Schedule 1 of this Agreement, and any such Term Loan AJ-B Commitment transferred to or assumed by it under the Credit Agreement, in each case, to the extent not cancelled, transferred, or reduced under the Credit Agreement.

Term Loan AJ-B Facility means the \$1,000,000,000 term loan facility made available by the Telenet Additional Facility AJ-B Lender under this Agreement.

Term Loan AJ-B Facility Loan means a U.S Dollar denominated loan made to the Telenet Facility AJ-B Borrower by the Telenet Additional Facility AJ-B Lender under the Term Loan AJ-B Facility.

2. Unless otherwise defined in this Agreement, terms defined in the Credit Agreement shall have the same meaning in this Agreement and a reference to a Clause is a reference to a Clause of the Credit Agreement. The principles of construction set out in Clause 1.2 (*Construction*) of the Credit Agreement apply to this Agreement as though they were set out in full in this Agreement.
3. We refer to Clause 2.2 (*Telenet Additional Facility*) of the Credit Agreement. This is a Finance Document.
4. This Agreement will take effect on the date on which the Facility Agent notifies the Borrower and the Telenet Additional Facility AJ-B Lender that it has received the documents and evidence set out in Schedule 2 to this Agreement, in each case in form and substance satisfactory to it (acting reasonably) or, as the case may be, the requirement to provide any of such documents or evidence has been waived by the Facility Agent (acting on the instructions of the Term Loan AJ-B Facility Lender) (the "**Effective Date**").
5. The Telenet Additional Facility AJ-B Lender agrees:
 - (a) to become party to and to be bound by the terms of the Credit Agreement as a Lender in accordance with Clause 2.2 (*Telenet Additional Facility*) of the Credit Agreement; and
 - (b) to become party to the Intercreditor Agreement as a Senior Lender for the purposes of the Intercreditor Agreement and confirm that, as from the date of this Agreement, it intends to be party to the Intercreditor Agreement as a Senior Lender and undertakes to perform all the

obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

6. The Telenet Additional Facility Commitment in relation to the Telenet Additional Facility AJ-B Lender (for the purpose of the definition of Telenet Additional Facility Commitment in Clause 1.1 (*Definitions*) of the Credit Agreement) is its Term Loan AJ-B Facility Commitment.
7. The Facility Agent will, for the purposes of any determination to be made under the Credit Agreement or this Agreement (other than with respect to the Proposed Amendments in respect of which consent has been given in accordance with Clauses 25 and 26 hereof), apply the votes of the Telenet Additional Facility AJ-B Lender in accordance with a written direction to be provided by the Telenet Additional Facility AJ-B Lender. The Telenet Additional Facility AJ-B Lender agrees that it will give any such direction in accordance with the provisions of Section [9.01] of the Indenture. For the avoidance of doubt, the Facility Agent may rely on any such directions received and shall have no duty to enquire or monitor as to whether such direction complies with Section [9.01] of the Indenture.
8. The Term Loan AJ-B Facility may be drawn by one Advance (subject to the provisions of Clause 9 below) on the Effective Date and such date will constitute the Availability Period for the Term Loan AJ-B Facility. No more than one Request may be made in respect of the Term Loan AJ-B Facility under the Credit Agreement, and such Request may only be in a principal amount of the Telenet Additional Facility Commitment in relation to the Term Loan AJ-B Facility as set out in Clause 6 above.
9. Provided that any upsizing of the Term Loan AJ-B Facility permitted under this Clause 9 will not breach any term of the Credit Agreement, the Term Loan AJ-B Facility may be upsized by any amount, by the signing of one or more further Telenet Additional Facility AJ-B Accession Agreements, that specify (along with the other terms specified therein) *[Insert Telenet BVBA or the name of any other entity incorporated under the laws of Belgium that has acceded to the Credit Agreement as a Borrower]* as sole Borrower and which specify Telenet Additional Facility Commitments denominated in U.S. Dollars, to be drawn in U.S. Dollars, with the same Final Maturity Date and Margin as specified in this Agreement.
 - (a) For the purposes of this Clause 9 (unless otherwise specified), references to the Term Loan AJ-B Facility shall include Advances made under any such further Telenet Additional Facility AJ-B Accession Agreement.
 - (b) Where any Term Loan AJ-B Facility Loan has not already been consolidated with any other Term Loan AJ-B Facility Loan, on the last day of any Term for such Term Loan AJ-B Facility Loan, that Term Loan AJ-B Facility Loan shall be consolidated with any other Term Loan AJ-B Facility Loan which has a Term ending on the same day as that Term Loan AJ-B Facility Loan and all such Term Loan AJ-B Facility Loans will then be treated as one Advance.
10. The Final Maturity Date in respect of the Term Loan AJ-B Facility is March 1, 2028. Any outstanding Advance under the Term Loan AJ-B Facility shall be repaid in full on the Final, Maturity Date.
11. The interest rate in relation to the Term Loan AJ-B Facility will be a fixed rate of 5.500 per cent. per annum. Such interest rate will be calculated in accordance with Clause 11.1 (*Calculation of Interest*) of the Credit Agreement as being the sum of LIBOR and the applicable Margin, where in order to achieve the fixed rate referred to above, the applicable Margin will be:
 - (a) 5.500 per cent. per annum, calculated on the basis of a 360 day year comprised of twelve 30 day months;
minus
 - (b) LIBOR.

For the avoidance of doubt, for the purpose of this calculation, the applicable Margin may be a negative number. Further, the interest rate for this Term Loan AJ-B Facility will never exceed 5.500 per cent. per annum (save to the extent that Clause 11.3 (*Interest on Overdue Amounts*) of the Credit Agreement may apply).

12. The first Term to apply to the Term Loan AJ-B Facility Loan will be a period equal to the period running from the first day following the end of the most recently completed Term with respect to which interest was paid under the Term Loan AJ Facility Loan up to and including *[Insert date that is the last day of the Term for the Term Loan AJ Facility Loan]* in order that the first Term under the Term Loan AJ-B Facility Loan is aligned with the existing Term under the Term Loan AJ Facility Loan. The Borrower agrees that each subsequent Term under the Term Loan AJ-B Facility will be 6 months.
13. Upon the occurrence of a mandatory prepayment of the Term Loan AJ-B Facility following a Change of Control, as defined under Clause 10.2 (*Mandatory Prepayment—Change of Control*) of the Credit Agreement, the Borrower under the Term Loan AJ-B Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AJ-B Lender) an amount equal to 1 per cent. of the principal amount of the Term Loan AJ-B Facility, plus accrued and unpaid interest to the due date of mandatory prepayment. Such payment shall be due and payable by the Borrower to the Facility Agent (for the account of the Telenet Additional Facility AJ-B Lender) under the Term Loan AJ-B Facility on the actual date of such mandatory prepayment.
14. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of any of the Term Loan AJ-B Facility by the Borrower under Clause 10.5 (*Voluntary prepayment*) of the Credit Agreement (other than a voluntary prepayment complying with Clauses 17 or 18 below) in an amount not to exceed 10% of the original principal amount of the Term Loan AJ-B Facility during each twelve-month period commencing on the date of this Agreement, the Borrower under the Term Loan AJ-B Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AJ-B Lender) an amount equal to 3.0% of the principal amount of the Term Loan AJ-B Facility being prepaid, plus accrued and unpaid interest then due on the amount of the Term Loan AJ-B Facility Loan prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower under the Term Loan AJ-B Facility to the Facility Agent (for the account of the Telenet Additional Facility AJ-B Lender) on the actual date of such prepayment. Prior to December 1, 2022, to the extent that during any twelve-month period commencing on the date of this Agreement, the principal amount of the Term Loan AJ-B Facility prepaid in any one or more voluntary prepayments is greater than an amount equal to 10% of the original principal amount of the Term Loan AJ-B Facility (any such amount, the “**Excess Early Redemption Proceeds**”), the Borrower will apply the Excess Early Redemption Proceeds to a voluntary prepayment of the Term Loan AJ-B Facility as described in Clause 15 below.
15. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of any or all of the Term Loan AJ-B Facility by the Borrower under the Term Loan AJ-B Facility under Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement with any Excess Early Redemption Proceeds (other than a voluntary prepayment complying with Clauses 17 or 18 below), the Borrower under the Term Loan AJ-B Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AJ-B Lender) an amount equal to the Additional Amount (as defined below) (calculated as of a date no more than three Business Days prior to the date of the relevant prepayment notice), plus accrued and unpaid interest on the amount of the Term Loan AJ-B Facility Loan prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower under the Term Loan AJ-B Facility to the Facility Agent (for the account of the Telenet Additional Facility AJ-B Lender) on the actual date of such prepayment.

For the purposes of this Clause 15:

Additional Amount means, with respect to the Term Loan AJ-B Facility on any prepayment date applicable to the voluntary prepayment of any or all of the Term Loan AJ-B Facility, the excess of:

- (i) the present value at such prepayment date of (i) the amount that would be payable in accordance with Clause 16 below in respect of the principal amount of the Term Loan AJ-B Facility being prepaid if such amount were prepaid on December 1, 2022 pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement, plus (ii) the principal amount of the Term Loan AJ-B Facility being prepaid plus (iii) all required interest payments due on the principal amount of the Term Loan AJ-B Facility being prepaid through December 1, 2022 (excluding accrued but unpaid interest to the prepayment date and assuming such interest payments are calculated at the rate of interest on the Term Loan AJ-B Facility in effect on such prepayment date), computed using a discount rate equal to the Treasury Rate plus 50 basis points; over
- (ii) the principal amount of the Term Loan AJ-B Facility being prepaid.

Treasury Rate means, as of any prepayment date, the yield to maturity at the time of computation of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the date of the relevant cancellation notice (or, if such statistical release is not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the prepayment date to December 1, 2022; provided, however, that if the period from the prepayment date to December 1, 2022 is not equal to the constant maturity of a U.S. Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by a linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of U.S. Treasury securities for which such yields are given, except that if the period from the prepayment date to December 1, 2022 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used.

16. On or after December 1, 2022 upon the occurrence of a voluntary prepayment of any or all of the Term Loan AJ-B Facility by the Borrower under the Term Loan AJ-B Facility under Clause 10.5 (*Voluntary prepayment*) of the Credit Agreement (other than a voluntary prepayment complying with Clause 17 or 18 below), the Borrower under the Term Loan AJ-B Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AJ-B Lender) an amount equal to the relevant percentages of the principal amount of the Term Loan AJ-B Facility being prepaid as set forth in the table below on, plus accrued and unpaid interest then due on the amount of the Term Loan AJ-B Facility prepaid to, the due date of prepayment, if prepaid during the twelve-month period beginning on December 1, of the years indicated below:

<u>Year</u>	<u>Prepayment Price expressed as a percentage of the principal amount of the Term Loan AJ-B Facility</u>
2022	2.750%
2023	1.375%
2024	0.688%
2025 and thereafter	0.000%

Such payment shall be due and payable by the Borrower under the Term Loan AJ-B Facility to the Facility Agent (for the account of the Telenet Additional Facility AJ-B Lender) on the actual date of such prepayment.

17. Notwithstanding Clauses 14, 15 and 16:
- if the Telenet Additional Facility AJ-B Lender purchases any Notes in connection with any tender offer or other offer to purchase for the Notes (a **“Tender Offer”**), the Borrower will prepay an aggregate principal amount of the Term Loan AJ-B Facility, pro rata based on the aggregate principal amount of Notes tendered in such Tender Offer and at a prepayment price of par plus any premium paid or less any discount received by the Telenet Additional Facility AJ-B Lender in connection with the purchase of the Notes in such Tender Offer, plus any accrued and unpaid interest to the due date of such prepayment; and
 - if following any Tender Offer, the Telenet Additional Facility AJ-B Lender is entitled to, and elects to, redeem any remaining Notes at a price equal to the price paid to each other holder in such Tender Offer, then the Borrower will prepay the remaining principal amount of the Term Loan AJ-B Facility at a prepayment price of par plus any premium paid or less any discount received by the Telenet Additional Facility AJ-B Lender in connection with the purchase of the Notes in such Tender Offer, plus any accrued and unpaid interest to the date that any interest accrues under the Notes in connection with such redemption.
18. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of the Term Loan AJ Facility by the Borrower pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement with the Net Cash Proceeds of one of more Equity Offerings (the **“Equity Offering Early Redemption Proceeds”**) in an amount of up to 40% of the Term Loan AJ-B Facility Loan, the Borrower shall upon not less than 10 days nor more than 60 days’ notice make a payment to the Facility Agent (for the Account of the Telenet Additional Facility AJ-B Lender in an amount (the **“Equity Claw Prepayment Premium”**) equal to 5.500 per cent. of the principal amount of the Term Loan AJ-B Facility prepaid, together with any amounts due to the Telenet Additional Facility AJ-B Lender in respect of a Tax Deduction plus accrued interest then due on the amount of the Term Loan

AJ-B Facility prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower to the Facility Agent (for the account of the Telenet Additional Facility AJ-B Lender) under the Term Loan AJ-B Facility on the actual date of such prepayment provided that:

- (a) at least 50% of the principal amount of the Term Loan AJ-B Facility remains outstanding immediately after any such prepayment; and
- (b) such prepayment is made not more than 180 days after the consummation of any Equity Offering.

For the purpose of this Clause 18:

“Capital Stock” of any person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of interests in (however designated) equity of such person, including any preferred stock, but excluding any debt securities convertible into such equity.

“Disqualified Stock” means, with respect to any person, any Capital Stock of such person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (b) is convertible or exchangeable for Financial Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of Telenet Group BVBA, the Borrower or a Subsidiary of Telenet Group BVBA); or
- (c) is redeemable at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of the date (a) of the stated maturity of the Term Loan AJ Facility or (b) on which there are no amounts under the Term Loan AJ Facility outstanding, *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further* that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Telenet Group BVBA to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in the Credit Agreement) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that the Telenet Group BVBA may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by Telenet Group BVBA with any provisions of the Credit Agreement.

“Equity Offering” means (1) the distribution of Capital Stock of the Spin Holdco in connection with any Spin-Off or (2) a sale of (a) Capital Stock of Telenet Group BVBA or the Borrower (other than Disqualified Stock), (b) Capital Stock the proceeds of which are contributed as equity share capital to Telenet Group BVBA or the Borrower or as Subordinated Shareholder Loans or (3) Subordinated Shareholder Loans.

“Net Cash Proceeds” means, with respect to any issuance or sale of Capital Stock, Subordinated Shareholder Loans and other capital contributions, the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

19. On the Effective Date, the Telenet Additional Facility AJ-B Lender will make to the Borrower a Term Loan AJ-B Facility Loan in an amount equal to the Term Loan AJ-B Facility Commitment by [●]¹.

¹ Clause 19 will reflect the funding mechanics for the Term Loan AD Facility Loan, which will consist of, at the election of the Borrower, one or more of the following:

- (a) transferring all of its rights, title and obligations under the Term Loan AD Facility to the Borrower pursuant to a transfer certificate executed by each of the Telenet Additional Facility AE Lender, the Borrower and the Facility Agent in accordance with Clause 27.4 (Procedure for transfer by way of novations) of the Credit Agreement;
- (b) cash settling with (or netting against) proceeds received (or payable) in respect of prepayment and cancellation of the Term Loan AD Facility Loan; and/or
- (c) any other means that may be permitted under the Finance Documents and applicable law provided that the Telenet Additional Facility AD Lender shall cease to have any rights or obligations under the Telenet Additional Facility AD Accession Agreement following the entry into the Telenet Additional Facility AE Accession Agreement.

20. The Borrower agrees that it will not request or require the transfer of all of the rights and obligations of the Telenet Additional Facility AJ-B Lender (or cancel or reduce any of such Lender's Commitments or repay or prepay the Term Loan AJ-B Facility Loan) pursuant to Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*), Clause 10.9 (*Right of Cancellation in Relation to a Defaulting Lender*) or Clause 28.3 (*Non-Consenting Lenders*) of the Credit Agreement.
21. On the first Utilisation Date in respect of the Term Loan AJ-B Facility, the Borrower confirms, on behalf of itself and the Company confirms on behalf of itself and each other Obligor, that the representations and warranties set out in Clause 18 (*Representations and Warranties*) of the Credit Agreement (except for Clauses 18.5 (*Non-conflict*), 18.6 (*No Event of Default*), 18.7 (*Authorisations*), 18.9 (*No Material Adverse Change*), 18.10 (*Litigation and Insolvency Proceedings*), 18.11 (*Tax Liabilities*), 18.12 (*Security Interests*), 18.13 (*Intellectual Property Rights*), 18.14 (*Environmental Laws*), 18.15 (*Ownership of Assets*), 18.16 (*ERISA*), 18.17 (*United States Regulations*) and 18.18 (*Anti-Terrorism Laws*)) are true and correct in all material respects as if made at the first Utilisation Date in respect of the Term Loan AJ-B Facility with reference to the facts and circumstances then existing, and as if each reference to the Finance Documents includes a reference to this Agreement.
22. Each of the Guarantors confirms that its obligations under Clause 17 (*Guarantee and Indemnity*) of the Credit Agreement, and each of the Existing Security Providers confirms that the Security Interests created pursuant to the Security Documents and its obligations under the Finance Documents, shall continue unaffected and that such obligations extend to the Total Commitments as increased by the addition of the Term Loan AJ-B Facility and that such obligations shall be owed to each Finance Party including the Telenet Additional Facility AJ-B Lender.
23. The Telenet Additional Facility AJ-B Lender confirms to each Finance Party (unless such Finance Party is an Obligor) that:
- (a) it has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Credit Agreement and has not relied on any information provided to it by a Finance Party in connection with any Finance Document; and
 - (b) it will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Credit Agreement or any Telenet Additional Facility Commitment is in force.
24. In the event that the Term Loan AJ-B Facility Loan is made by way of cash settlement, the proceeds shall be used by the Borrower for general corporate purposes.
25. Subject to Clause 26 below and the provisions of the Indenture, for the purposes of any amendment or waiver, consent or other modification (including, with respect to any existing Default or Event of Default) that may be sought by the Company under the Credit Agreement or any other Finance Document on or after the date of this Agreement, the Telenet Additional Facility AJ-B Lender hereby consents to:
- (a) any and all of the items set out in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; and
 - (b) any consequential amendment, waiver, consent or other modification, whether effected by one instrument or through a series of amendments, to the Credit Agreement or any other Finance Document to be made either to implement the changes envisaged in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement or to conform any Finance Document to Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; and/or
 - (c) any other amendment, waiver, consent or modification, whether effected by one instrument or through a series of amendments, to the Credit Agreement or any other Finance Document to be made to conform any Finance Document to any Liberty Global Reference Agreement (provided that any amendment, waiver, consent or modification to conform the Credit Agreement or any other Finance Document to any Liberty Global Reference Agreement

referred to at paragraphs (vi) to (xi), (xiii) and (xiv) and in respect of the schedules in relation to covenants, events of default or definitions in the Liberty Global Reference Agreements referred to at paragraphs (ii), (iii) and (v) of that definition, shall be limited to those that are mechanical in nature unless specifically referenced in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement and, in each case, any consequential amendments, waivers, consents or modifications),

and this Agreement shall constitute the Telenet Additional Facility AJ-B Lender's irrevocable and unconditional written consent in respect of such amendments, waivers, consents or other modifications to the Finance Documents for the purposes of Clause 28 (*Amendments and Waivers*) of the Credit Agreement and Clause 28 (*Consents, Amendments and Override*) of the Intercreditor Agreement (as applicable), and any clause in any other Finance Document relating to amendments of that Finance Document, without any further action required on the part of any party thereto.

26. Following receipt of an amendment request from the Company, and/or the Facility Agent, in connection with all or any of the proposed amendments set out under Clause 25 above (the "**Requested Amendments**") the Telenet Additional Facility AJ-B Lender shall confirm whether, having regard to the relevant provisions of the Indenture, it is required to consent to the Requested Amendments. If the Telenet Additional Facility AJ-B Lender is required to give such consent, it hereby acknowledges and agrees that the Facility Agent and/or the Security Agent may, but shall not be required to, send to the Telenet Additional Facility AJ Lender any further formal amendment request in connection with all, or any of the Requested Amendments and the Facility Agent and/or the Security Agent shall be authorised to consent on behalf of the Telenet Additional Facility AJ Lender, as a Lender under one or more Telenet Additional Facilities, to any such Requested Amendments (and the Facility Agent and/or the Security Agent shall be authorised to enter into any necessary documentation in connection with the same) and such consent shall be taken into account in calculating whether the Majority Lenders, or the relevant requisite Lenders, have consented to the relevant amendment, waiver or other modification to the Finance Documents in accordance with Clause 28 (*Amendments and Waivers*) of the Credit Agreement and Clause 28 (*Consents, Amendments and Override*) of the Intercreditor Agreement (as applicable), and any clause relating to amendments in any other Finance Document.
27. The Telenet Additional Facility AJ-B Lender hereby waives receipt of any fee in connection with the consent in Clause 26 above, notwithstanding that other consenting Lenders under the Credit Agreement may be paid a fee in consideration of such Lenders' consent to any or all of the foregoing amendments, waivers or other modifications.
28. The Telenet Additional Facility AJ-B Lender and the Facility Agent agree to waive the notice period in respect of drawdown requests under Clause 5.1 (*Delivery of Requests*) of the Credit Agreement in respect of this Term Loan AJ-B Facility.
29. The Borrower and the Company agree that, notwithstanding the provisions of Clause 12 (*Taxes*) of the Credit Agreement in connection with any payment required to be made by an Obligor to the Telenet Additional Facility AJ-B Lender:
 - (a) Clause 12.2 (*Tax gross-up*) of the Credit Agreement shall continue to apply as if a Tax Deduction includes a FATCA Deduction; and
 - (b) Clause 12.4(a) (*Tax Indemnity*) of the Credit Agreement shall continue to apply to any Tax that relates to a FATCA Deduction required to be made by a Party,

in each case, other than to the extent that such FATCA Deduction arises from any non-compliance with any law or regulation by a holder of the Notes.

In this paragraph 30:

"**FATCA**" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

30. The parties to this Agreement acknowledge and agree that (a) in the event that the Term Loan AJ-B Facility Loan is made by way of cash settlement pursuant to Clause 24, it shall be made by the Telenet Additional Facility AJ-B Lender directly to the Borrower to an account notified by the Borrower to the Additional Facility AJ-B Lender, rather than through the Facility Agent, (b) in respect of any other payments of principal, interest or other amounts due under Term Loan Facility AJ-B, (i) the Borrower shall make payments payable by it to the Telenet Additional Facility AJ-B Lender directly to the Additional Facility AJ-B Lender (or to such account as the Additional Facility AJ-B Lender may specify), and (ii) the Additional Facility AJ-B Lender shall make payments payable by it to the Borrower directly to the Borrower (or to such account as the Borrower may specify). The Additional Facility AJ-B Lender agrees that it shall promptly notify the Facility Agent if the Borrower fails to make any payment under subclause (b)(i) of this Clause 30 when due, and the Borrower agrees that it shall promptly notify the Facility Agent if the Additional Facility AJ-B Lender fails to make any payment under subclause (b)(ii) of this Clause 30 when due.
31. The Telenet Additional Facility AJ-B Lender agrees that without prejudice to Clause 29.4 (*Procedure for Transfer by Way of Novation*) of the Credit Agreement, each New Lender (as defined in the Transfer Certificate referred to below) shall become, by the execution by the Facility Agent of a Transfer Certificate substantially in the form of Schedule 3 (*Transfer Certificate (Cash)*) to this Agreement, bound by the terms of this Agreement as if it were an original party hereto as a Telenet Additional Facility AJ-B Lender and shall acquire the same rights, grant the same consents and assume the same obligations towards the other parties to this Agreement as would have been acquired, granted and assumed had the New Lender been an original party to this Agreement as a Telenet Additional Facility AJ-B Lender.
32. The Facility Office and address for notices of the Telenet Additional Facility AJ-B Lender for the purposes of Clause 36.2 (*Contact Details*) of the Credit Agreement will be that notified by the Telenet Additional Facility AJ-B Lender to the Facility Agent.
33. For the purposes of the Term Loan AK-B Facility and any Term Loan AK-B Facility Loan, and notwithstanding any provision of a Finance Document to the contrary:
- (a) The following defined terms shall have the following meanings in the Finance Documents:
- Luxembourg** means the Grand Duchy of Luxembourg;
- Luxembourg Guarantor** means a Guarantor incorporated in Luxembourg; and
- Luxembourg Obligor** means an Obligor incorporated in Luxembourg.
- Qualifying Lender** means a Lender which is beneficially entitled to a payment of interest under a Finance Document and which is:
- (i) a Lender which qualifies as a professional investor within the meaning of Article 105, 3° of the Royal Decree implementing the Belgian Income Tax Code;
- (ii) a Lender which is entitled to a payment of interest under a Finance Document without a Tax Deduction, pursuant to a double taxation agreement in force with Belgium (subject to the completion of any necessary procedural formalities);
- (iii) a Lender which is a credit institution established in a country of the European Economic Area or in a country with which the Kingdom of Belgium has concluded a Double Tax Treaty; or
- (iv) a Lender which qualifies as a non-resident saver within the meaning of Article 105, 50 of the Royal Decree implementing the Belgian Income Tax Code 1992 if, upon payment of such interest, the Borrower qualifies as a “listed holding company” or “intragroup bank” within the meaning of Article 105, 1°, b) or c) of the Royal Decree implementing the Belgian Income Tax Code 1992.

- (b) Where they relate to a Luxembourg company, references in the Finance Documents to:
- (i) a **winding-up, administration or dissolution** includes, without limitation, bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors, reorganisation or similar laws affecting the rights of creditors generally;
 - (ii) a **receiver, administrative receiver, administrator** or the like includes, without limitation, a *juge délégué, commissaire, juge-commissaire, liquidateur or curateur*;
 - (iii) a **security interest** includes any *hypothèque, nantissement, gage, privilege, sûreté réelle, droit de rétention* and any type of real security or agreement or arrangement having a similar effect and any transfer of title by way of security; and
 - (iv) a person being **unable to pay its debts** includes that person being in a state of cessation of payments (*cessation de paiements*).
- (c) Any guarantee given by any Luxembourg Guarantor does not constitute a suretyship (*cautionnement*) in the sense of articles 2011 and subsequent of the Luxembourg civil code.
- (d) The maximum liability of any Luxembourg Guarantor under the Finance Documents shall be limited so that the maximum amount payable by the relevant Luxembourg Guarantor for the obligations of any Obligor, which is not a direct or indirect Subsidiary of such Luxembourg Guarantor, hereunder shall at no time exceed the Maximum Amount.

Maximum Amount of any Luxembourg Guarantor means the sum of an amount equal to the aggregate (without duplication) of:

- (i) all moneys received by that Luxembourg Guarantor or direct or indirect Subsidiaries of that Luxembourg Guarantor (which are direct or indirect Subsidiaries of that Luxembourg Guarantor on the date hereof or which will be direct or indirect Subsidiaries of that Luxembourg Guarantor hereafter) as borrower under or pursuant to the Finance Documents; and
- (ii) the aggregate amount of the outstanding intercompany loans made to the Luxembourg Guarantor or direct or indirect Subsidiaries of that Luxembourg Guarantor (which are direct or indirect Subsidiaries of that Luxembourg Guarantor on the date hereof or which will be direct or indirect Subsidiaries of that Luxembourg Guarantor hereafter) by other members of the Group which have been funded with moneys received by the Borrowers under the Finance Documents (the **Loan Amount**); and
- (iii) an amount equal to 95% of the greater of:
 - (A) the market value of the assets of the Luxembourg Guarantor at the time the guarantee is called less the Liabilities, other than the Loan Amount, at the time the guarantee is called; and
 - (B) the market value of the assets of the Luxembourg Guarantor at the date of this Agreement less the Liabilities, other than the Loan Amount, at the time the guarantee is called.

Liabilities means all existing liabilities (other than any liabilities owed to the direct or indirect shareholders of the Luxembourg Guarantor) incurred, from time to time, by the Luxembourg Guarantor and as reflected, from time to time, in the books of the Luxembourg Guarantor.

If the Parties fail to reach an agreement as to the market value of the assets as referred to under paragraph (iii) above, such market value shall be determined, at the sole costs of the Luxembourg Guarantor (provided such costs are properly and reasonably incurred), by (1) an independent investment bank appointed for this purpose by the Finance Parties or (2) a Luxembourg *réviseur d'entreprises agréé* appointed upon the request of any of the Finance Parties.

- (e) Telenet International Finance S.à r.l. hereby expressly accepts and confirms, for the purposes of Articles 1278 and 1281 of the Luxembourg Civil Code, that notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the

provisions of this Agreement or the Finance Documents, the guarantee given by it guarantees all obligations of each Luxembourg Obligor (including without limitation, all obligations with respect to all rights and/or obligations so assigned, transferred or novated) and any security created under this Agreement or the Finance Documents shall be preserved for the benefit of any New Lender and each Luxembourg Obligor hereby accepts and confirms the aforementioned.

- (f) **Qualifying Lender** means, in the case of a Luxembourg Borrower, a Lender which is entitled to receive interest payments free of withholding tax levied pursuant to the Luxembourg law of 23 December 2005, as amended, introducing a withholding tax of 20% on payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg or, in the case of a Belgian Borrower, has the meaning given to that term in the Credit Agreement.
34. Each Existing Security Provider (other than the Company) irrevocably appoints the Company to act as its agent:
- (a) to give and receive all communications under the Finance Documents;
 - (b) to supply all information concerning itself to any Finance Party; and
 - (c) to sign all documents under or in connection with the Finance Documents.
- Any communication given to the Company in connection with a Finance Document will also be deemed to have been given to the other Existing Security Providers and each Finance Party may assume that any communication made by the Company is made with the consent of the other Existing Security Providers.
35. If a term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:
- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement; or
 - (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.
36. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
37. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Agreement by e-mail (PDF) or telecopy shall be as effective as delivery of a manually executed counterpart of this Agreement. In relation to each counterpart, upon confirmation by or on behalf of the signatory that the signatory authorises the attachment of such counterpart signature page to the final text of this Agreement, such counterpart signature page shall take effect together with such final text as a complete authoritative counterpart.
38. Clause 39.1 (*Jurisdiction*) of the Credit Agreement is incorporated into this Agreement as if set out in full and as if references in that clause to “the Finance Documents” is to this Agreement.
39. This Agreement is a “Creditor Accession” Undertaking as defined in the Intercreditor Agreement.
40. The Borrower under the Term Loan AJ-B Facility hereby agrees that the Telenet Additional Facility AJ-B Lender may disclose confidential information supplied to it by or on behalf of any Obligor in connection with the Finance Documents to the extent such disclosure is required by the terms of the Notes.
41. For the purposes of any assignment, transfer or novation of rights and/or obligations (in whole or in part) by the Telenet Additional Facility AJ-B Lender under Clause 29.3 (*Transfers by Lenders*) of the Credit Agreement, each of the Company and the Borrower hereby irrevocably consents to any assignment, transfer or novation made by the Telenet Additional Facility AJ-B Lender (i) by way of security in favour of The Bank of New York Mellon, London Branch (as security trustee under the Indenture) and (ii) following an Event of Default under and as defined in the Indenture. The Telenet Additional Facility AJ-B Lender may only deliver to the Facility Agent a completed Transfer Certificate if at that time it confirms to the Facility Agent in writing that an assignment, transfer or

novation of the interest in the Term Loan AJ-B Facility to be assigned, transferred or novated is not prohibited under the terms of any agreement that is binding on it or any of its assets.

42. The parties acknowledge that this Agreement is a Finance Document.

[Signature Pages Follow]

SCHEDULE 1

**TELENET ADDITIONAL FACILITY AJ-B LENDER AND TERM LOAN AJ-B FACILITY
COMMITMENTS**

<u>Telenet Additional Facility AJ-B Lender</u>	<u>Term Loan AJ-B Facility Commitment</u>
	(\$)
[Insert name of Belgian SPV]	1,000,000,000
Total	1,000,000,000

SCHEDULE 2
CONDITIONS PRECEDENT DOCUMENTS

1. Obligors

- (a) A copy of the articles of association or equivalent constitutional documents of each Obligor and each Existing Security Provider.
- (b) A copy of a resolution of the board of directors or equivalent of each Obligor and each Existing Security Provider approving the terms of, and the transactions contemplated by, this Agreement and any other Finance Documents to which it is, or will become, a party.
- (c) A specimen of the signature of each person authorised on behalf of each Obligor and each Existing Security Provider to execute or witness the execution of this Agreement and any other Finance Document or to sign or send any document or notice in connection with this Agreement and any other Finance Document.
- (d) An up-to-date extract from the Luxembourg Trade and Companies Register in respect of each Obligor and each Existing Security Provider incorporated in Luxembourg or, to the extent such Obligor or Existing Security Provider is not registered with the Luxembourg Trade and Companies Register, a certificate from a notary residing in Luxembourg.
- (e) An up-to-date negative certificate (*certificat de non-inscription d'une decision judiciaire*) issued by the Luxembourg Trade and Companies register in respect of each Obligor and each Existing Security Provider incorporated in Luxembourg or, to the extent such Obligor or Existing Security Provider is not registered with the Luxembourg Trade and Companies Register, a certificate on solvency of an authorised signatory of the relevant Obligor or Existing Security Provider (as applicable).
- (f) A copy of the minutes of the shareholders' meeting of each Belgian Obligor and each Belgian Existing Security Provider in the form of a limited liability company (*naamloze vennootschap*) (except for Telenet Group Holding NV):
 - (i) approving for the purposes of article 556 of the Belgian Companies Act, the terms of and transactions contemplated by this Agreement; and
 - (ii) authorising named persons to fulfil the formalities with the Registry of the Commercial Court of the registered office of such Obligor or Existing Security Provider following the decision taken in accordance with the above.
- (g) A certificate of an authorised signatory of the Company:
 - (i) confirming that utilising the Total Commitments (including the Term Loan AJ-B Facility Commitment) in full would not breach any limit binding on any Obligor; and
 - (ii) certifying that each copy document specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
- (h) A copy of the most recent annual accounts of the Borrower or, in the absence thereof, a copy of the opening balance sheet of the Borrower.
- (i) Evidence required by the Finance Parties for the purpose of any applicable money laundering regulations.

2. Legal opinions

- (a) A legal opinion of Allen & Overy LLP, English legal advisers to the Facility Agent, addressed to the Finance Parties and to the security trustee under the Indenture (in substantially the same form as the opinion delivered in respect of the Telenet AJ Additional Facility).
- (b) A legal opinion of Allen & Overy (Belgium) LLP, Belgian legal advisers to the Facility Agent, addressed to the Finance Parties and to the security trustee under the Indenture (in substantially the same form as the opinion delivered in respect of the Telenet AJ Additional Facility).
- (c) A legal opinion of Allen & Overy, *société en commandite simple*, Luxembourg legal advisers to the Facility Agent, addressed to the Finance Parties and to the security trustee under the Indenture (in substantially the same form as the opinion delivered in respect of the Telenet AJ Additional Facility).

3. Other Documents

- (a) Evidence that the agent of the Borrower under the Finance Documents for service of process in England has accepted its appointment.

SCHEDULE 3

TRANSFER CERTIFICATE (CASH)

To: The Bank of Nova Scotia as Facility Agent and Telenet International Finance S.à r.l. as Borrower

From: [THE EXISTING LENDER] and [THE NEW LENDER]

Date: 2017

Telenet BVBA²—credit facilities agreement originally dated August 1, 2007 (as amended and restated from time to time), by and among Telenet BVBA and The Bank of Nova Scotia (originally BNP Paribas and then Toronto Dominion (Texas) LLC) as facility agent and KBC Bank NV as security agent (the Credit Agreement)

Terms defined in the Credit Agreement have the same meanings when used in this Transfer Certificate, or, if not defined in the Credit Agreement, the Telenet Additional Facility AJ-B Accession Agreement (as defined below), have the same meaning in this Transfer Certificate.

We refer to:

- (a) Clause 29.4 (*Procedure for Transfer by Way of Novations*) of the Credit Agreement;
 - (b) Clause 22.3 (*Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders*) of the Intercreditor Agreement; and
 - (c) the Telenet Additional Facility Accession Agreement dated [●] 2017, pursuant to which a \$1,000,000,000 term loan facility is made available to the Borrower as a Telenet Additional Facility (**Term Loan AJ-B Facility**) under the Credit Agreement (the **Telenet Additional Facility AJ-B Accession Agreement**).
1. We, [] (the **Existing Lender**) agree to novate and we, [] (the **New Lender**) agree to accept novation of all the Existing Lender's rights and obligations referred to in the Schedule on and from the Effective Date in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement and Clause 22.3 (*Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders*) of the Intercreditor Agreement.
 2. The New Lender confirms that it is bound by the terms of the Telenet Additional Facility AJ-B Accession Agreement from the Effective Date as if it were an original party thereto as a Telenet Additional Facility AJ-B Lender and shall acquire the same rights, grant the same consents and assume the same obligations towards the other parties to the Telenet Additional Facility AJ-B Accession Agreement as would have been acquired, granted and assumed had the New Lender been an original party to the Telenet Additional Facility AJ-B Accession Agreement as a Telenet Additional Facility AJ-B Lender.
 3. For the purposes of Articles 1278 and 1281 of the Luxembourg Civil Code and Article 1278 of the Belgian Civil Code, each of the Existing Lender, the Facility Agent and the New Lender agree and each of the Existing Security Providers and Guarantors acknowledge and accept that the Security Documents will be preserved for the benefit of the New Lender in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement.
 4. The New Lender represents on the date of this Transfer Certificate that:
 - (a) it is a Qualifying Lender; and
 - (b) it is not a Lender that has met the conditions described in any of paragraphs (a) to (c) of Clause 12.6 (*U.S. Taxes*) of the Credit Agreement.
 5. This Transfer Certificate shall take effect on the date of this Transfer Certificate.
 6. For the purposes of this Transfer Certificate, "**Effective Date**" means the date specified under the Facility Agent's name in the relevant signature page to this Transfer Certificate.

² Formerly known as Telenet Bidco NV and subsequently Telenet NV following the merger of Telenet NV into Telenet Bidco and subsequently Telenet BVBA following the conversion into a BVBA.

7. Each party to this document agrees, the Facility Agent agrees on behalf of each Finance Party, and Telenet BVBA agrees on behalf of each Obligor, that this document is a Transfer Certificate notwithstanding that its form is different to that required by the Credit Agreement.
8. The New Lender, agrees to become party to the Intercreditor Agreement as a Senior Lender for the purposes of the Intercreditor Agreement and confirm that, as from the date of this Transfer Certificate, it intends to be party to the Intercreditor Agreement as a Senior Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
9. This Transfer Certificate is a Finance Document.
10. *This Transfer Certificate may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Transfer Certificate by e-mail (PDF) or telecopy shall be as effective as delivery of a manually executed counterpart of this Transfer Certificate.*
11. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

THE SCHEDULE

Rights and obligations to be novated:

EXISTING LENDER

Existing Lender's Term Loan AJ-B Facility Commitment: \$[●]

Assignee: New Lender

NEW LENDER

Facility Office []

Address for notices for administrative purposes []

Address for notices for credit purposes []

[*The Existing Lender*], as the Existing Lender

By: _____
Name:
Title

EXECUTED AS A DEED

[*The New Lender*], as the New Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

TELENET BVBA, as Obligors agent

By: _____
Name:
Title:

**TELENET BVBA, as Existing Security
Providers agent**

By: _____
Name:
Title:

**THE BANK OF NOVA SCOTIA, as Facility
Agent**

By: _____
Name:
Title:
Date:

The Facility Agent confirms that the Effective Date is the date on which it and the Security Agent countersigns this Transfer Certificate.

KBC BANK NV, as Security Agent

By: _____
Name:
Title:
Date:

SCHEDULE 4

AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

All references to Clauses, Paragraphs, Schedules and definitions contained in this Schedule 4 are to Clauses, Paragraphs, Schedules and definitions of the Credit Agreement and the Intercreditor Agreement (as applicable). All capitalised terms used in this Schedule but not defined shall have the meanings given to such terms in the Credit Agreement and the Intercreditor Agreement (as applicable).

In this Schedule, references to “recent Liberty precedent” shall be construed to mean any Liberty Global Reference Agreement.

1. **Majority Lenders:** amend Clause 1.1 (*Definitions*) of the Credit Agreement to reduce the fractions specified in the definitions of Majority Lenders, from two thirds or more (for any or all purposes under the Credit Agreement or any other Finance Document (including for the purposes of any Telenet Additional Facility)) to more than 50.00% and to exclude the available commitments of defaulting lenders for the purposes of amendments or waivers.
2. **Super Majority Lenders:** amend Credit Agreement to provide for a definition of Super Majority Lenders so that amendments and waivers in respect of the release of any guarantee or security only requires the consent of Lenders representing 90.00% of Commitments.
3. **Tax:** amend Clause 12 (*Taxes*) to include any provisions (which are not materially adverse to the interests of the Lenders) required to accommodate an acceding Additional Borrower incorporated in a jurisdiction other than Belgium, the Netherlands, Luxembourg and the United States.
4. **Market Disruption:** amend the Credit Agreement to include market disruption provisions and the provision of alternative interest rates in accordance with recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan market.
5. **Geographic restrictions:** amend Clause 29.9 (*Additional Borrowers*) to provide that, in addition to the existing ability for an Additional Borrower incorporated in Benelux and the US to accede (without requiring any Lender consent), to provide an ability to accede Additional Borrowers incorporated in any other jurisdictions with the consent of the Majority Lenders.
6. **Holding Companies:** amend Clause 21.9(b)(iii) to expressly permit a merger of Telenet Group Holding NV, Telenet BVBA or Telenet Vlaanderen NV or any of their intermediate holding companies subject to compliance with the merger regime in recent Liberty precedents.
7. **Changes to Thresholds:** in the definition of Permitted Security Interest, permit the Company to secure Financial Indebtedness on a *pari passu* or junior ranking basis provided that (other than in the case of a refinancing of other secured Financial Indebtedness in the same or a lesser principal amount) the Net Total Debt to Consolidated Annualised EBITDA ratio on a pro forma basis would not be greater than 5.50:1.00 and provided that such Financial Indebtedness is subject to an intercreditor agreement on terms which are satisfactory to the Security Agent (acting on the instructions of the Majority Lenders) and where (in the case of such Financial Indebtedness being secured on a junior ranking basis) the rights of the holders of such Financial Indebtedness in respect of any payment will be contractually subordinated to the rights of the Lenders on terms comparable to the Loan Market Association’s form of intercreditor agreement at such time for mezzanine debt, as referred to in recent Liberty precedent.
8. **Security and Guarantee Release:** amend the relevant provisions of the Credit Agreement (in particular Clauses 21.17 (*Share Security*) and 29.11 (*Resignation of an Obligor (other than the Company)*)) to provide that, subject to certain thresholds being met no Obligor nor any other member of the Group is required to provide any Security or guarantee other than Security over the shares that it holds in any Obligor, Security required under the terms of the Credit Agreement in respect of Subordinated Shareholder Loans and a guarantee from the Obligors under the terms of the Credit Agreement and include a provision to authorise the Security Agent to release any other Security or guarantees other than the aforementioned and to release Security in respect of Permitted Disposals and to permit relevant Security to be released if a Guarantor resigns in accordance with Clause 29.11 (*Resignation of an Obligor (other than the Company)*) provided that the guarantor coverage test would still be met notwithstanding such release.
9. **Defaulting Lender:** include standard defaulting lender provisions used in recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan

market so as the commitments of a defaulting lender may be cancelled and it will have no rights to vote in respect of such cancelled commitments. Clarify that no commitment fee will be payable to a defaulting lender.

10. **Assignments/Transfers of Lenders:** clarify that the Company should have the right to withhold consent in respect of an assignment/transfer of the Revolving Facility to an entity which is not a lender under a revolving facility to the wider Liberty group (subject to no consent being required in the case of transfers to other Lenders or affiliates of Lenders or following an event of default which is continuing). There should be no unreasonableness qualifier on this right (in respect of the Revolving Facility only). Remove requirement of deemed consent within 10 Business Days in respect of each Revolving Facility.
11. **Assignments/Transfers of Obligors:** amend Clause 29.2 (*Assignment or Transfer by Obligors*) so that any Benelux Borrower may assign or transfer any of its rights and obligations under the Revolving Facility or the Term Loans to another Benelux Borrower and so that any US Borrower may do the same to another US Borrower, in each case, without the prior consent of the Lenders provided that a solvency opinion and legal opinion are provided, if requested, in accordance with recent Liberty precedents in respect of an equivalent provision.
12. **Amendments:**
 - (a) amend Clause 28 (*Amendments and waivers*) to introduce a class exception, whereby any amendment or waiver that relates only to the rights or obligations of a particular Utilisation or Facility and does not materially and adversely affect the rights or interests of Lenders in respect of other Utilisations or Facilities only requires the consent of the relevant proportion of Lenders participating in such Utilisation or Facility;
 - (b) amend Clause 28.2 (*Exceptions*) to require the consent of affected Lenders only and not all Lenders (and make any consequential changes by amending for example, all references to matters requiring all Lender consent to only requiring affected Lender consent); and
 - (c) include a new paragraph (d) to Clause 28.2 (*Exceptions*), to permit the Facility Agent to make technical, minor, operational and OID amendments without consent from any Lenders, on terms consistent with recent Liberty precedent as at the date of implementation of the amendments.
13. **Joint Ventures and solvent reorganisations:** amend the Credit Agreement to permit Telenet BVBA to contribute freely pledged loan and guarantee receivables to the Permitted Joint Venture's share capital without requiring a release from the Security Agent (subject to confirmation or re-taking of security over such pledged loan and guarantee receivables).
14. **Accession Agreements:** amend each Accession Agreement to remove the restriction which prevents:
 - (d) Telenet BVBA from arranging an Additional Facility if after giving effect to a utilisation thereunder, the ratio of Net Total Senior Debt to Consolidated Annualised EBITDA would be greater than 4.50:1; and
 - (e) the Company from requesting the transfer of an Additional Facility pursuant to Clause 28.3 (*Non-Consenting Lenders*).
15. **Non-Consenting Lenders:** remove the timing window of 90 days during which the Company may effect the provisions set out in Clause 28.3 (*Non-Consenting Lenders*).

SCHEDULE 5

FURTHER AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Super Majority Lenders:** delete paragraph (a)(vii) of Clause 28.2 (*Exceptions*).
2. **Market Disruption:** amend the Credit Agreement to include provisions for the protection of reference banks and their officers in accordance with recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan market.
3. **Amendments:**
 - (a) include a new clause such that where a request for a waiver of, or an amendment to, any provision of any Finance Document has been sent by the Facility Agent to the Lenders at the request of an Obligor, each Lender that does not respond to such request for waiver or amendment within 10 Business Days after receipt by it of such request (or within such other period as the Facility Agent and the Company shall specify), shall be excluded from the calculation in determining whether the requisite level of consent to such waiver or amendment was granted, and delete the proviso to the definition of Majority Lenders; and
 - (b) delete paragraph (a)(vi) of Clause 28.2 (*Exceptions*) and provide that guarantees and security can be released with the consent of the Lenders representing 90% of Commitments.
4. **Additional Borrowers:** Additional Borrowers may be incorporated in the Kingdom of Belgium, Netherlands, Luxembourg or, in relation to any new Additional Facilities, in the United Kingdom.
5. **Mandatory Costs:** delete all references in each Additional Facility Accession Agreement to Mandatory Costs and any related provisions.
6. **Permitted Disposals:**
 - (a) amend the definition of Permitted Disposal to include in addition to the existing “Permitted Disposals”:
 - (i) disposals by one member of the Group to another member of the Group provided that, if such assets subject to the disposal are subject to existing security, the Borrower within 15 Business Days of such disposal ensures that the assets remain subject to security; and
 - (ii) disposals of shares or other interests in project companies, entities excluded from the Group which are subsidiaries of the Company or joint venture companies (each as defined in recent Liberty precedent) or the assignment of any Financial Indebtedness owed to a member of the Group by any project companies, entities excluded from the Group which are subsidiaries of the Company or a joint venture company.

SCHEDULE 6

ADDITIONAL AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Ancillary Facilities:** amend the Credit Agreement to provide that (i) a date specified in a conversion notice as the effective date for an ancillary facility commitment may be a date not less than 3 Business Days after the date such conversion notice is received by the Facility Agent, (ii) any proposed increase or reduction or extension of the ancillary facility commitment shall only take effect from a date not less than 3 Business Days after the date the Facility Agent has received notice of the relevant modification or variation or extension and (iii) an ancillary facility lender may demand repayment or prepayment of any amounts under its ancillary facility if the ancillary facility outstandings under that ancillary facility can be repaid by a revolving facility advance (and not less than 7 Business Days notice (or such shorter period as agreed to by the Company) is given to the relevant Borrower before payment becomes due).
2. **Defaulting Lender:** amend the Credit Agreement to include the right to replace a Lender (in whole and at par) if that Lender becomes a Defaulting Lender.

SCHEDULE 7

FOURTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Transfers:** amend clause 29.3 (*Transfers by Lenders*) of the Credit Agreement to provide that the consent of the Company is not required for any assignment or transfer by a Lender if an Event of Default is outstanding pursuant to any of clauses 22.2 (*Non-payment*), 22.6 (*Insolvency*), 22.7 (*Insolvency Proceedings*), 22.8 (*Creditors' Process*) or 22.9 (*Similar Proceedings*) only (rather than if any Event of Default is outstanding).
2. **New RCF Maintenance Covenant:** amend the Credit Agreement to provide that amendments and waivers of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) to 20.4 (*Cure provisions*) and the new acceleration clause at (d) above shall only be made with the consent of the Company and the Composite Revolving Facility Instructing Group and shall not require the consent of any other Finance Party.

SCHEDULE 8

FIFTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Lender Assignments:** amend Clause 29 (*Changes to Parties*) of the Credit Agreement to provide that Lenders may transfer their rights and obligations under the Credit Agreement by way of assignment (subject to equivalent conditionality (including as set out in Clause 29.3 (*Transfers by Lenders of the Credit Agreement*))) as applies to the regime for transfers by Lenders of their rights and obligations by way of novation under the Credit Agreement and otherwise in accordance with recent Liberty precedent).

SCHEDULE 9

SIXTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Solvent Liquidation:** Amend the Credit Agreement to provide for releases of Security as a result of, and in connection with, any solvent liquidation or dissolution that complies with Clause 21.24 (*Internal Reorganisations*) of the Credit Agreement.
2. **Non-Consenting Lenders:** Remove the timing window of 90 days during which the Company may exercise its rights as set out in Clause 28.3 (*Non Consenting Lenders*) such that the Company may exercise such rights at any time.
3. **Waivers:** Add a new limb to Clause 28.1 (*Procedure*) as follows:

“Notwithstanding anything to the contrary in the Finance Documents, a Finance Party may unilaterally waive, relinquish or otherwise irrevocably give up all or any of its rights under any Finance Document with the consent of the Company.”
4. **Transfers:** Delete paragraph (b) of Clause 29.3 (*Transfers by Lenders*) in its entirety and replace it with the following:

“Any transfer under paragraph (a) above shall be for an amount of not less than €2,000,000 or \$2,000,000 (in the case of participations in Advances denominated in euro or Dollars, respectively) (or if less, the aggregate of the Commitments of that Existing Lender).”

SCHEDULE 10

SEVENTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

All references to Clauses, Paragraphs, Schedules and definitions contained in this Schedule 10 are to Clauses, Paragraphs, Schedules and definitions of the Credit Agreement. All capitalised terms used in this Schedule but not defined shall have the meanings given to such terms in the Credit Agreement.

References in this Schedule 10 to “recent Liberty precedents” shall be construed to mean any Liberty Global Reference Agreement.

1. **Agent’s Spot Rate of Exchange:** delete the definition of Agent’s Spot Rate of Exchange and replace it with the following:

“**Agent’s Spot Rate of Exchange**” means, in relation to two currencies, the Facility Agent’s spot rate of exchange for the purchase of the first-mentioned currency in the London foreign exchange market at or about 11.00 am on a particular day.”

2. **Ancillary Facility Lender:** delete the definition of Ancillary Facility Lender and replace it with the following:

“**Ancillary Facility Lender**” means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 7 (*Ancillary Facilities*).

3. **Consolidated EBITDA:** amend the definition of Consolidated EBITDA to:

- (a) amend limb (l) to move the words “any Holding Company Expenses paid to the extent that they were permitted to be paid under this Agreement for such Measurement Period” to a new paragraph (m) and to delete the word “and” before “any Holding Company Expenses”; and
- (b) amend limb (n) to include the words “or transfer of assets” after the words “sale of assets”.

4. **Distribution Business:** include the following new definition:

“**Distribution Business**” means:

- (a) the business of upgrading, constructing, creating, developing, acquiring, operating, owning, leasing and maintaining cable television networks (including for the avoidance of doubt master antenna television, satellite master antenna television, single and multi-channel microwave single or multi-point distribution systems and direct-to-home satellite systems) for the transmission, reception and/or delivery of multi-channel television and radio programming, telephony and internet and/or data services to the residential markets; or
- (b) any business which is incidental to or related to and, in either case, material to such business.”

5. **Excess Capacity Network Service:** include the following new definition:

“**Excess Capacity Network Service**” means the provision of network services, or agreement to provide network services, by a member of the Group in favour of one or more other members of the Wider Group where such network services are only provided in respect of the capacity available to such member of the Group in excess of that network capacity it requires to continue to provide current services to its existing and projected future customers and to allow it to provide further services to both its existing and projected future customers.”

6. **Financial Indebtedness:** amend the definition of Financial Indebtedness to:

- (a) delete limb (e); and
- (b) delete limb (d) and replace it with the following:

“(for the purposes of Clause 22.5 (*Cross-default and Cross-acceleration*) only) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark-to-market value (or, if any actual amount is due as a result of the termination or close-out of all or part of that derivative transaction, that amount together with the mark-to-market value of any part of that derivative transaction in respect of which no amount is due as a result of a termination or close-out) shall be taken into account);”

7. **Guarantor:** delete the definition of Guarantor and replace it with the following:
 ““**Guarantor**” means an Original Guarantor and each Additional Guarantor and “**Guarantor**” means any one of them as the context requires, provided that in either case, such person has not been released from its rights and obligations as a Guarantor hereunder pursuant to Clause 29.11 (*Resignation of an Obligor (other than the Company)*).”
8. **Impaired Agent:** amend limb (c) of the definition of Impaired Agent to include the words “or (c)” before the words “of the definition of “**Defaulting Lender**”” and to replace the word “or” between the words “paragraph (a)” and “(b)” with a comma.
9. **Majority Lenders:** delete the final proviso paragraph of the definition of Majority Lenders and provide that it is subject to the snooze and lose provision to be included pursuant to paragraph 21 of Schedule 5 and Clause 10.7(d).
10. **Permitted Acquisition:** amend the definition of Permitted Acquisition to:
 - (a) include an additional limb as follows:
 “any acquisition by a member of the Group for the purposes of a solvent reorganization of the Group where the Acquisition is of share capital or equivalent of a person which:
 - (i) has not traded and does not own any assets; or
 - (ii) is a dormant subsidiary of the Ultimate Parent,
 and, in each case, which has no liabilities;”
 - (b) amend limb (m) to include the words “, within 60 days of the date of such conversion,” after the words “ensure that the Security Agent is”;
 - (c) delete the proviso at the end of the definition after paragraph (u); and
 - (d) include an additional limb as follows:
 “any acquisition by any member of the Group of any Senior Unsecured Notes provided that an amount equal to the purchase price paid for the acquisition of any such Senior Unsecured Notes could have been used by such member of the Group to fund a Permitted Payment and provided further that to the extent any such acquisition is made in reliance on any basket amount provided for under the definition of “**Permitted Payments**”, such amount shall be reduced by an amount equal to the consideration paid for such acquisition;”
11. **Permitted Disposal:** amend the definition of Permitted Disposal to:
 - (a) amend limb (t) to delete “€50,000,000” and replace it with “€150,000,000” and to delete “1%” and replace it with “three per cent.”;
 - (b) amend limb (t) to add the following to the end of limb (t) of the definition of Permitted Disposal:
 “(with unused amounts in any financial year being carried over to the next succeeding financial year subject to a maximum of the greater of €150,000,000 and three per cent. of Total Assets of carried over amounts for any financial year and with any such carried over amounts being used first in the next succeeding financial year)”;
 - (c) amend limb (hh) to delete each reference to “€50,000,000” and replace it with “€150,000,000”;
 - (d) amend limb (ii) to:
 - (i) include, at the end of the limb, the words “and any disposal of assets pursuant to sale and leaseback transactions constituting Financial Indebtedness to the extent such Financial Indebtedness is permitted under this Agreement” after “in any financial year”;
 - (ii) delete “2%” and replace it with “3%”; and
 - (iii) delete “€100,000,000” and replace it with “€150,000,000”;
 - (e) include an additional limb as follows:
 “disposals of undertakings, assets, rights or revenues comprising interests in the share capital of persons not holding or engaged in the Distribution Business of the Group or other

undertakings, assets, rights or revenues not constituting part of the Distribution Business of the Group (“**Non-Distribution Business Assets**”);

For the avoidance of doubt and without limiting the generality of paragraph [] above, Non-Distribution Business Assets shall include:

- (A) undertakings, assets, rights and revenues comprising interests in the share capital of any person engaged solely in the competitive local exchange carrier (CLEC) business, including without limitation, the business of providing traditional voice and data services and services based on Transmission Control Protocol/Internet Protocol (RCP/IP) technology and other undertakings, assets, rights or revenues constituting a part of such businesses; and
 - (B) undertakings, assets, rights and revenues comprising interests in the share capital of any person engaged solely in the business of television and radio programming, including without limitation, the business of creating and distributing special interest television channels, radio programmes, pay per view programmes and near video on demand services and other undertakings, assets, rights or revenues constituting a part of such businesses;” and
- (f) delete limb (ww)(iii).

12. **Permitted Financial Indebtedness:** amend the definition of Permitted Financial Indebtedness to:

- (a) include an additional limb as follows:

“any Financial Indebtedness incurred in connection with the Hedging Agreements and any other hedging arrangements permitted by this Agreement;”
- (b) include an additional limb as follows:

“any Financial Indebtedness of any member of the Group, in respect of which the person or persons to whom such Financial Indebtedness is or may be owed has or have no recourse whatever to any member of the Group for any payment or repayment in respect thereof other than recourse to such member of the Group for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness in an enforcement of any Security Interest given by any member of the Group over Non-Distribution Business Assets, provided that:

 - (A) the extent of such recourse to such member of the Group is limited solely to the amount of any recoveries made on any such enforcement;
 - (B) such person or persons are not entitled, pursuant to the terms of any agreement evidencing any right or claim arising out of or in connection with such Financial Indebtedness, to commence proceedings for the winding up, dissolution or administration of any member of the Group (or proceedings having an equivalent effect) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of any member of the Group or any of its assets (save only for the Non-Distribution Business Assets the subject of that Security Interest) until after the Commitments have been reduced to zero and all amounts outstanding under the Finance Documents have been repaid or paid in full; and
 - (C) the aggregate outstanding amount of all such Financial Indebtedness of all members of the Group does not exceed €100,000,000 (or its equivalent in other currencies);”
- (c) amend limb (i) to delete the words “under paragraph (jj), (kk) and (ll) of that definition”; and
- (d) amend limb (r) to delete the words “no Default or”.

13. **Permitted Joint Venture:** delete the words “provided that no Event of Default has occurred and is continuing at the time of such proposed acquisition”.

14. **Construction:**

- (a) Add a new limb to Clause 1.2 (*Construction*) as follows:

“Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Advances in connection with any

refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Company, the Facility Agent and such Lender, and any such exchange, continuation or rollover shall be deemed to comply with any requirement hereunder or under any other Finance Document that any payment be made “in Euros” (or any other relevant currency), “in immediately available funds”, “in cash” or any other similar requirements.”

15. **Permitted Payments:**

- (a) Amend Clause 21.11 (*Restricted Payments*) to include an additional limb (c) as follows:

“(c) The restriction contained in paragraph (a) on the payment by any member of the Group of Management Fees shall cease to apply during such period as the applicable ratio for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) is 3.50:1 (or less), provided that no Management Fees may be paid by any member of the Group at any time after a Relevant Event has occurred or if a Relevant Event would result from such payment.”

- (b) Include the following new definition:

“**“Relevant Event”** means a Default in relation to:

- (a) Clause 22.2 (*Non-payment*); or
(b) Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*).”

- (c) Include the following additional limb to the definition of Permitted Payment:

“by way of transfer to any Restricted Person of any Non-Distribution Business Assets (as defined in paragraph [] of the definition of Permitted Disposal) permitted in accordance with paragraph [] of the definition of Permitted Disposal.”

- (d) Amend limb (j) of the definition of Permitted Payment to delete the words “paragraph (s)” and replace them with “paragraph (jj)”.

- (e) Amend limb (cc) of the definition of Permitted Payment to delete “€10,000,000” and replace it with “€50,000,000”.

- (f) Delete limb (ll) of the definition of Permitted Payment and replace it with the following:

“any other distribution, dividend, transfer of assets, loan, other payment or transfer of tax losses not falling within the other paragraphs of this definition and not exceeding at any time, in an aggregate amount, the amount equal to the greater of:

- (A) €150,000,000 in aggregate (or its equivalent); and
(B) three per cent. of Total Assets,

in any financial year, with any unused amounts in any financial year being carried over to the next succeeding financial year subject to a maximum of the aggregate amount of the greater of €150,000,000 and three per cent. of Total Assets of carried over amounts for any financial year and with any such carried over amounts being used first in the next succeeding financial year.”

- (g) Delete “2%” and replace it with “3%” at limb (kk) of the definition of Permitted Payment.

- (h) Amend limb (r)(i) of the definition of Permitted Payment to replace the words “three days” with the words “three Business Days”.

16. **Signing Date:** amend all references to “the date of this Agreement” to “the Signing Date”.

17. **Wider Group:** amend paragraph (b) of the definition of Wider Group to add the words “(other than a member of the Group)” at the end.

18. **Spin-Off:** delete the existing definition of Spin-Off at Clause 10.2(c)(xi) (*Mandatory Prepayment—Change of Control*) and replace it with the following:

“**Spin Off**” means a transaction by which all outstanding ordinary and or equity shares of the Common Holding Company or any Holding Company of the Common Holding Company directly or

indirectly owned by the Ultimate Parent are distributed to (i) all of the Ultimate Parent's shareholders or (ii) all of the shareholders comprising one or more groups of the Ultimate Parent's shareholders as provided by the Ultimate Parent's articles of association, in each case, either directly or indirectly through the distribution of the Common Holding Company's shares or any such Holding Company's shares.

19. **Borrower:** delete the existing definition of Borrower and replace it with the following:

"Borrower" means the Original Borrower and any Additional Borrower, in each case, unless it has ceased to be a Borrower in accordance with Clause 29.11 (*Resignation of an Obligor (other than the Company)*) and, in respect of an Ancillary Facility only, any Affiliate of a Borrower that becomes a borrower of that Ancillary Facility with the approval of the relevant Ancillary Facility Lender pursuant to Clause 7.7 (*Affiliates of Borrowers*).

20. **Sub-participations:**

- (a) Include a new definition of Sub-participation as follows:

"Sub-participation" means any sub-participation or sub-contract (whether written or oral) or any other agreement or arrangement having an economically substantially similar effect, including any credit default or total return swap or derivative (whether disclosed or undisclosed, risk or funded) by a Lender of or in relation to any of its rights or obligations under, or its legal, beneficial or economic interest in relation to, the Facilities and/or Finance Documents to a counterparty and **"sub-participate"** shall be construed accordingly.

- (b) Amend Clause 29.3 (*Transfers by Lenders*) in order that this clause includes a restriction on Sub-participations of rights and obligations and is subject to the same consent regime as for assignments and transfers in accordance with recent Liberty precedent.

- (c) Add a new clause as follows:

"[29.14] Sub-participation"

Notwithstanding anything to the contrary in Clause 29.3 (*Transfers by Lenders*) there shall be no restrictions on Sub-participations by a Lender provided that:

- (a) such Lender remains a Lender under this Agreement with all rights and obligations pertaining thereto and remains liable under the Finance Documents for any such obligation;
- (b) such Lender retains exclusive control over all rights and obligations in relation to the participations and Commitments that are the subject of the relevant agreement or arrangement, including all voting rights (for the avoidance of doubt, free of any agreement or understanding pursuant to which it is required to or will consult with any other person in relation to the exercise of any such rights and/or obligations), unless:
- (i) the proposed sub-participant is a person to whom the relevant rights and obligations could have been assigned or transferred in accordance with the terms of this Clause 29; and
- (ii) prior to entering into the relevant agreement or arrangement, the relevant Lender provides the Company with full details of that proposed sub-participant and any voting, consultation or other rights to be granted to the sub-participant;
- (c) the relationship between the Lender and the proposed sub-participant is that of a contractual debtor and creditor (including in the bankruptcy or similar event of the Lender or an Obligor);
- (d) the proposed sub-participant will have no proprietary interest in the benefit of this Agreement or any of the Finance Documents or in any monies received by the relevant Lender under or in relation to this Agreement or any of the Finance Documents (in its capacity as sub-participant under that arrangement); and
- (e) the proposed sub-participant will under no circumstances: (i) be subrogated to, or be substituted in respect of, the relevant Lender's claims under this Agreement or any of the Finance Documents; or (ii) otherwise have any contractual relationship with, or rights against, the Obligors under or in relation to this Agreement or any of the Finance Documents (in its capacity as sub-participant under that arrangement)."

- (d) Include the additional provision as follows:

“Clause [29.15] Sub-participant Register

- “(a) In the case of a Sub-participation (in each case, other than any non-voting derivatives (which are not participations) which would otherwise be caught by the definition of “Sub-participation”), the person granting the Sub-participation (or similar right) shall, acting solely for these purposes as non-fiduciary agent for the Company, maintain a register (a “**Sub-Participant Register**”) on which it enters the name and address of each sub-participant (or person holding the similar right) and the Commitment and obligations (including principal and stated interest) in which each sub-participant (or other person) has an interest or obligation.
- (b) Notwithstanding anything to the contrary hereunder, including without limitation Clause 24 (*Evidence and Calculations*), the entries in the Sub- Participant Register shall be conclusive absent manifest error, and such person maintaining the Sub-Participant Register shall treat each person whose name is recorded in the Sub-Participant Register as the owner of such Sub-participation (or similar right) for all purposes of a Finance Document notwithstanding any notice to the contrary.
- (c) Without prejudice to the other provisions of this Clause 29, no Lender shall have any obligation to disclose all or any portion of the Sub-Participant Register to any person (including the identity of any sub-participant or any information relating to a sub-participant’s interest in any Advance, Commitments or other obligations under any Finance Documents) except to the extent that such disclosure is to a tax authority and is necessary to establish that such Advance, Commitment or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or is otherwise required thereunder.”
- (e) Amend Clause [23.14 (*Relationship with Lenders*)] to include an additional sub-paragraph as follows:
- “Without limitation of any other provision of this Agreement, no transfer of an interest in an Advance or Commitment hereunder shall be effective unless and until recorded in the register referred to in this Clause 23.14.”

21. Additional Facilities:

- (a) Add a new paragraph (i) to Clause 2.2 (*Telenet Additional Facility*) as follows:
- “Each Telenet Additional Facility Lender shall become a party to this Agreement and be entitled to share in the Security in accordance with the terms of the Intercreditor Agreement and the Security Documents *pari passu* with the Lenders under the other Facilities provided that the Company and the relevant Telenet Additional Facility Lenders may agree that a Telenet Additional Facility shares in the Security on a junior basis to the other Facilities or shall not be entitled to share in the Security either in accordance with the terms of the Intercreditor Agreement or pursuant to ancillary intercreditor arrangements.”
- (b) Amend the Additional Facilities Cap as defined in Clause 2.2(g) (*Telenet Additional Facility*) such that:
- (i) it includes an additional limb for the aggregate amount of any voluntary prepayments of (A) Term Facility Advances that are secured on a *pari passu* basis with the other Facilities or (B) Advances under Revolving Facilities (to the extent accompanied by a corresponding permanent cancellation of the relevant Revolving Facility Commitments), in each case, to the extent the relevant prepayment or cancellation is not funded or effected with any long-term Financial Indebtedness (including Financial Indebtedness in the form of a bridge or other interim credit facility intended to be refinanced with long-term Financial Indebtedness); and
- (ii) the Company shall have the ability to classify such amounts of Financial Indebtedness on the date of their incurrence and shall only be required to include the amount and type of such Financial Indebtedness in one of such sub-paragraphs and will be permitted on the date of such incurrence to divide and classify an item of such

Financial Indebtedness in more than one of the types of Financial Indebtedness described in such paragraphs, and, from time to time, may reclassify all or a portion of such Financial Indebtedness, in any manner.

22. **Consolidated EBITDA:** amend the definition of Consolidated EBITDA under the Credit Agreement to provide that any adjustments to reduce the impact of the cumulative effect of a change in accounting principles or policies and changes as a result of the adoption or modification of accounting principles or policies can be added (at the Company's option) to the operating income of the Group for that Measurement Period.
23. **Additional Obligors:** Amend the Credit Agreement to provide that any Affiliate of the Company may accede to the Credit Agreement as a Guarantor in accordance with Clause 29.10 (*Additional Guarantors*) (provided that Security has been granted in form and substance satisfactory to the Facility Agent (acting reasonably) in favour of the Security Agent over 100% of its shares and all rights in relations to loans from members of the Wider Group to it) and that such Affiliate shall be a member of the Group and an Additional Guarantor. Add a new definition of "Affiliate Subsidiary" to Clause 1.1 (*Definitions*) such that it means any Affiliate of the Company that accedes to the Credit Agreement as a Guarantor pursuant to the amendments described in this paragraph and provided that it has not resigned as a Guarantor in accordance with the terms of the Credit Agreement.
24. **Right of Repayment and Cancellation in Relation to a Single Lender:** delete Clause 10.8(c)(i) and replace it with the following:

"in the case of paragraphs (a)(i) and (a)(ii) above, if the circumstances giving rise to the requirement for indemnification continues; and"
25. **Alternative Benchmarks:**
 - (a) Add the following new definitions to Clause 1.1 (*Definitions*) as follows:

"**Alternative Benchmark Commencement Date**" means any Business Day on which the Facility Agent and the Company agree upon an Alternative Benchmark Rate.

"**Alternative Benchmark Rate**" means any alternative benchmark rate agreed in writing between the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company (in each case, acting reasonably) from time to time, provided that the Facility Agent and the Company shall consider the benchmark rates being used at that time in the then prevailing market for syndicated debt financings of a similar size to, and in the same currencies as, the Facilities.
 - (b) Replace the definition of "Screen Rate" in Clause 1.1 (*Definitions*) with the following:

"**Screen Rate**" means:

 - (a) in relation to LIBOR:
 - (i) at any time prior to an Alternative Benchmark Commencement Date in relation to LIBOR, the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); or
 - (ii) at any time on or following an Alternative Benchmark Commencement Date in relation to LIBOR, the Alternative Benchmark Rate for the relevant currency and period displayed on any page of any screen of an information service as the Facility Agent may specify after consultation with the Company on or about the relevant Alternative Benchmark Commencement Date; and
 - (b) in relation to EURIBOR:
 - (i) at any time prior to an Alternative Benchmark Commencement Date in relation to EURIBOR, the Euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page

EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); or

- (ii) at any time on or following an Alternative Benchmark Commencement Date in relation to EURIBOR, the Alternative Benchmark Rate for Euro for the relevant period displayed on any page of any screen of an information service as the Facility Agent may specify after consultation with the Company on or about the relevant Alternative Benchmark Commencement Date,

provided that, in each case, if such page is replaced or service ceases to be available, the Facility Agent may specify another page or service displaying the relevant rate after consultation with the Company.

26. **ERISA:**

- (a) Replace the definition of “ERISA Affiliate” in Clause 1.1 (*Definitions*) with the following:
“**ERISA Affiliate**” means any person treated as a single employer with any Obligor under section 414 of the Code.
- (b) Replace the definition of “Plan” in Clause 1.1 (*Definitions*) with the following:
“**Plan**” means an “employee benefit plan” as defined in section 3(3) of ERISA, which is subject to Title IV of ERISA:
 - (a) maintained by any Obligor or any ERISA Affiliate; or
 - (b) to which any Obligor or any ERISA Affiliate is required to make any payment or contribution.
- (c) Replace the definition of “Reportable Event” in Clause 1.1 (*Definitions*) with the following:
“**Reportable Event**” means:
 - (a) an event specified as such in section 4043 of ERISA or any regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation; or
 - (b) a failure to meet the minimum funding standard under section 412 or 430 of the Code or section 302 of ERISA, whether or not waived.
- (d) Amend Clause 18.16 (*ERISA*) to delete the words “member of the Group or”.
- (e) Delete paragraph (c) of Clause 19.6 (*Notification of Default*).
- (f) Delete Clause 21.19 (*ERISA*) and replace it with the following:
“**21.19 ERISA**
 - (a) Each Obligor must as soon as reasonably practicable upon becoming aware of it notify the Facility Agent of:
 - (i) any Reportable Event;
 - (ii) the termination of or withdrawal from, or any circumstances reasonably likely to result in the termination of or withdrawal from, any Plan; and
 - (iii) any material non-compliance with any law or regulation relating to any Plan which is or is reasonably likely to have a Material Adverse Effect.
 - (b) Each Obligor and its ERISA Affiliates must be, and remain, in compliance in all material respects with all laws and regulations relating to each of its Plans.
 - (c) Each of the Obligors and its ERISA Affiliates must ensure that no event or condition exists at any time in relation to a Plan which is reasonably likely to result in the imposition of a lien or other encumbrance on any of its assets or which is reasonably likely to have a Material Adverse Effect.”
- (g) Delete Clause 22.15 (*ERISA*).

27. **Limited Condition Transaction:** amend the definition of “Limited Condition Transaction” in Clause 1.1 (*Definitions*) to include a third sub-paragraph as follows:
- “any Restricted Payment”
28. **Rollover:** Add a new definition of “Rollover Loan” in Clause 1.1 (*Definitions*) as follows:
- (a) **“Rollover Loan”** means:
 - (a) a Rollover Advance that is for an amount which is equal to or less than the Maturing Advance in respect of which that Rollover Advance is being drawn to refinance; and
 - (b) an Advance in relation to a Revolving Facility:
 - (i) made or to be made on the same day that a demand by the Facility Agent pursuant to a drawing in respect of a Documentary Credit is due to be met;
 - (ii) the aggregate amount of which is equal to or less than the amount of the relevant claim in respect of that Documentary Credit;
 - (iii) in the same currency as the relevant claim in respect of that Documentary Credit; and
 - (iii) made or to be made for the purpose of satisfying the relevant claim in respect of that Documentary Credit.
 - (b) Amend paragraph (a) of Clause 4.2 (*Further Conditions Precedent*) to delete the reference to “Rollover Advance” and replace it with a reference to “Rollover Loan”.
 - (c) Amend paragraph (c) of Clause 4.2 (*Further Conditions Precedent*), to delete the following words “Rollover Advance provided that the amount of the Maturing Advance is equal to or greater than the amount of that Rollover Advance” and to replace them with the words “Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)”.
 - (d) Amend Clause 8.2(a) (*Unavailability of Optional Currency*) to delete the reference to “Rollover Advance” and replace it with a reference to “Rollover Loan”.
 - (e) Amend the title to Clause 9.2 (*Rollover Advances*) (and all other references in the Credit Agreement to that title) to refer to “(*Rollover*)” and further amend it so that the words “and in an amount which is equal to or less than” on the 6th line are deleted.
29. **Cost of Funds:**
- (a) Amend paragraph (b) of Clause 13.4 (*Cost of Funds*) such that it also applies if LIBOR or EURIBOR is to be determined by reference to a Reference Bank Rate or an Alternative Reference Bank Rate and to provide that, in entering into negotiations with the Company with a view to agreeing a substitute basis for determining the rate of interest, the Facility Agent may act in its sole discretion and will not be required to consult with or seek any consent or instruction from the Lenders or any other Finance Party.
 - (b) Delete paragraph (c) of Clause 13.4 (*Cost of Funds*) and replace it with the following:

“Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company, be binding on all Parties.”
 - (c) Amend paragraph (e) of Clause 13.4 (*Cost of Funds*) to provide that if a Lender does not supply a quotation by the given time period in paragraph (a)(ii), the rate of interest for that Lender will be the weighted average of the quotations notified to the Facility Agent by the other Lenders.
30. **US Regulations:**
- (a) Add a new definition of Regulation U in Clause 1.1 (*Definitions*) as follows:

““**Regulation U**” means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or any portion thereof.”

- (b) Replace Clause 18.17 (*United States Regulation*) with the following:
 “No Obligor is required to be registered as an “investment company” under the United States Investment Company Act of 1940.”
- (c) Delete Clause 18.19 (*Margin stock*) and replace it with the following:
 “No Obligor is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System of the United States), or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any borrowings will be used for any purpose that violates Regulation U.”

31. **Amendments and Waivers:**

Add a new Clause 28.8 (*Screen Rate*) as follows:

“28.8 Screen Rate

If any Screen Rate is not available for a currency which can be selected for an Advance, any amendment or waiver which relates to providing for another benchmark rate to apply in relation to that currency in place of that Screen Rate (or which relates to aligning any provision of a Finance Document to the use of that other benchmark rate) may be made with the consent of the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company (in each case, acting reasonably) from time to time, provided that the Facility Agent and the Company shall consider the benchmark rates being used at that time in the then prevailing market for syndicated debt financings of a similar size to, and in the same currencies as, the Facilities.”

32. **Guarantees:** amend Clause 21.13 (*Loans and Guarantees*) to:

- (a) add the words “in respect of Financial Indebtedness only” after the words “no member of the Group will make any loans, grant any credit or give any guarantee”;
- (b) add a new paragraph as a carve out as follows:
 “any guarantee of any Financial Indebtedness of any Parent that is given by an Affiliate Subsidiary provided that (i) on the date of incurrence of such guarantee the ratio of Net Total Debt (including any Holdco Debt) to Consolidated Annualised EBITDA on a pro forma basis would not exceed 6.00:1 (provided that outstanding Net Total Debt (including Holdco Debt) for the purpose of calculating such ratio under this paragraph shall include any Financial Indebtedness represented by guarantees by any member of the Group of Financial Indebtedness of any Parent), (ii) such guarantee is expressed to be subordinated to the liabilities of such Affiliate Subsidiary under the Finance Documents and (iii) no Event of Default is continuing or occurs as a result of such Financial Indebtedness of that Parent being raised or issued;”;
- (c) delete “€100,000,000” and replace it with “€150,000,000” and delete “2%” and replace it with “3%” at Clause 21.13(bb) (*Loans and Guarantees*);
- (d) amend paragraph (g) to include an additional limb (v) as follows:
 “(v) by an Obligor in respect of the liabilities of any other member of the Group which is not an Obligor provided that that other member of the Group must become an Additional Guarantor in accordance with Clause 29.10 (*Additional Guarantors*) within 30 days of the granting of the guarantee made pursuant to this paragraph (v);”
- (e) amend paragraph (z) to delete “€10,000,000” and replace it with “€25,000,000”; and
- (f) to include additional limbs as follows:
 - (i) “any loans or guarantees relating to Excess Capacity Network Services provided that the price payable to any member of the Group in relation to such Excess Capacity Network Services is no less than the Cost incurred by the relevant member of the Group in providing such Excess Capacity Network Services;”;

- (ii) “any guarantees or similar undertakings granted by any member of the Group in favour of any tax authority in respect of any obligations of a member of the Group in respect of tax in order to facilitate the winding up of any member of the Group provided that the Facility Agent shall have first received confirmation from the Company that based on discussions with such tax authority and the Company’s reasonable assumptions, the Company does not believe that the liability under such guarantee will exceed €15,000,000 (such confirmation to be supported by a letter from the Company’s auditors for the time being, confirming that based on the Company’s calculations of such tax liability the Company’s confirmation is a reasonable assessment of such tax liability);”
33. **Spin Parent:** delete the following sentence in paragraph (b) of Clause 10.2 (*Mandatory Prepayment—Change of Control*):
- “Notwithstanding the foregoing, upon consummation of (i) the Post-Closing Reorganisation, “Controlling Company” will mean New Intermediate Holdco and its successors or (ii) a Spin-Off, “Controlling Company” will mean the Spin Holdco and its successors.”
- and replace it with the following:
- “Notwithstanding the other provisions of this Clause, upon consummation of (i) the Post-Closing Reorganisation, the “Controlling Company” (as defined below) will mean the relevant New Intermediate Holdco and its successors or (ii) a Spin-Off in which the Common Holding Company and its successors is no longer a Parent of the Company and any Permitted Affiliate Parent, the “Controlling Company” will mean a common Parent of the Company and any Permitted Affiliate Parent designated by the Company and any successors of such Parent.”
34. **Reporting:**
- (a) Delete the definition of GAAP in Clause 1.1 (*Definitions*) and replace it with the following:
- “GAAP” means generally accepted accounting principles in the United States as in effect as of the date on which the Original Financial Statements were prepared (the “OFS Date”); *provided* that at any date after the OFS Date, the Company may make an election to establish that “GAAP” shall mean GAAP as in effect on a date that is on or prior to the date of such election; *provided further* that for purposes of Clause 19.1 (*Financial Statements*) GAAP means generally accepted accounting principles in the United States as in effect from time to time.
- (b) Delete the definition of IFRS in Clause 1.1 (*Definitions*) and replace it with the following:
- “IFRS” means the accounting standards issued by the International Accounting Standards Board and its predecessors as in effect as of the OFS Date; *provided* that at any date after the OFS Date, the Company may make an election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election; *provided further* that for purposes of Clause 19.1 (*Financial Statements*) IFRS means the accounting standards issued by the International Accounting Standards Board and its predecessors as in effect from time to time.
- (c) Delete Clause 19.5 (*Change in Accounting Principles*) in its entirety and replace it with the following:
- “(a) Except as otherwise expressly provided below or in this Agreement, all ratios and calculations based on IFRS contained in this Agreement shall be computed in conformity with IFRS.
- (b) At any time after the OFS Date, the Company may elect to apply for all purposes of this Agreement, in lieu of IFRS, GAAP and, upon such election, references to IFRS herein will be construed to mean GAAP; *provided* that:
- (i) all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of GAAP as in effect from time to time (including that, upon first reporting its financial year results under GAAP, the financial statements of the Reporting Entity shall be restated on the basis of GAAP for the year ending immediately prior to the first financial year for which financial statements have been prepared on the basis of GAAP); and

- (ii) from and after such election, all ratios, computations and other determinations based on GAAP contained in this Agreement shall, at the Company's option:
 - (A) continue to be computed in conformity with GAAP (*provided that*, following such election, the annual and quarterly information required by paragraphs (a)(i) and (a)(ii) of Clause 19.1 (*Financial Statements*) shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such GAAP presentation to the corresponding GAAP presentation of such financial information); or
 - (B) be computed in conformity with GAAP with retroactive effect being given thereto assuming that such election had been made on the OFS Date, subject to any further election in accordance with the definition of GAAP.

Thereafter, the Company may, at its option, elect to apply IFRS or GAAP and compute all ratios, computations and other determinations based on IFRS or GAAP, as applicable, all on the basis of the foregoing provisions of this clause."

- (d) Amend paragraphs (a)(i) and (a)(ii) of Clause 19.1 (*Financial Statements*) to provide that the relevant financial statements or accounts (as applicable) shall be prepared in accordance with IFRS.

35. **Business Division Transactions and Joint Ventures:**

- (a) In Clause 1.1 (*Definitions*):
 - (i) amend the definition of "Business Division Transaction" to delete the words " , in each case, where such transaction has the prior approval of the Majority Lenders"; and
 - (ii) add the following new definitions:

"Permitted Business Division Transaction" means a Business Division Transaction provided that after giving pro forma effect thereto, an Obligor could incur at least €1.00 of additional Financial Indebtedness pursuant to paragraph (v) of the definition of Permitted Financial Indebtedness.

"Acceptable Joint Venture" means a joint venture, partnership or similar arrangement formed by a member of the Group (a) by the contribution of some or all of the assets of the Group pursuant to a Business Division Transaction to such joint venture, partnership or similar arrangement with one or more persons and/or (b) for the purposes of network and/or infrastructure sharing with one or more Joint Ventures.
- (b) Amend the definition of Permitted Payments and Clause 21.13 (*Loans and Guarantees*) to include the following additional carve outs in each such clause:
 - (i) "in relation to any Permitted Business Division Transaction; and
 - (ii) in relation to any Acceptable Joint Venture."
- (c) Amend paragraph (m) of the definition of Permitted Disposal and paragraph (s)(iv) of the definition of Permitted Payment such that the word "Permitted" is added before the words "Business Division Transaction".

36. **Permitted Security Interest:** amend the definition of "Permitted Security Interest" in Clause 1.1 (*Definitions*):

- (a) to include in addition to the existing "Permitted Security Interests":

"any Security Interests attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business;"
- (b) include the following additional limb:

"any Security Interest over Non-Distribution Business Assets referred to in paragraph [] of the definition of Permitted Financial Indebtedness, securing Financial Indebtedness described therein or any other obligation in respect of such Non-Distribution Business Assets;"

37. **Permitted Acquisitions and Permitted Joint Ventures:** delete sub-paragraph (e)(iii) of the definition of Permitted Acquisition in Clause 1.1 (*Definitions*) and delete sub-paragraph (b)(ii) of the definition of Permitted Joint Venture in Clause 1.1 (*Definitions*).
38. **Auditors:** delete the definition of “Auditors” in Clause 1.1 (*Definitions*) and replace it with the following:
“Auditors” means KPMG LLP or any other firm appointed by the Company to act as its auditors.
39. **Additional Facilities:** amend paragraph (g) and sub-paragraph (g)(i) of Clause 2.2 (*Telenet Additional Facility*) to read as follows:
 “(g) Subject to paragraph (h) below, the aggregate principal amount of any proposed Telenet Additional Facility shall not, at the election of the Company acting in its sole discretion (x) on the date that the Telenet Additional Facility becomes effective (giving pro forma effect to the intended use of proceeds of such Telenet Additional Facility and assuming that the entire amount of that Telenet Additional Facility is drawn on such date, and provided that an election that this sub-paragraph (x) shall apply may not be made in relation to that Telenet Additional Facility if an election that sub-paragraph (y) shall apply has previously been made in relation to that Telenet Additional Facility) or (y) on the date of each Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)) of that Telenet Additional Facility (giving pro forma effect to the use of proceeds of such Utilisation but not assuming that the entire amount of that Telenet Additional Facility is drawn) exceed the aggregate of the sum of:
 (i) an unlimited amount provided that on a pro forma basis Net Senior Debt to Consolidated Annualised EBITDA is equal to or less than 4.50:1;
 ...”
40. **Construction:**
- (a) Amend Clause 1.2(a) (*Construction*) to add the following additional limbs:
- (i) **“fair market value”** unless otherwise specified, wherever such term is used in this Agreement, may be conclusively established by means of an officer’s certificate or a resolution of the board of directors of the Company, any Permitted Affiliate Parent or any Affiliate Subsidiary setting out such fair market value as determined by such officer or such board of directors in good faith;
 - (ii) any matter being **“permitted”** under this Agreement or any other Finance Document shall include references to such matters not being prohibited or otherwise being approved under this Agreement or any other such Finance Document; and
 - (iii) **“consolidated”** in connection with the financial position of, financial statements of or accounts of or financial definitions in relation to, the Group shall be construed to mean that the accounts of any Affiliate Subsidiary shall be combined for the purpose of determining such financial position, financial statements, accounts or financial definitions.
- (b) Amend Clause 1.2 (*Construction*) to add the following additional paragraphs:
- “(x) No personal liability shall attach to any director, officer or employee of any member of the Wider Group or Group for any representation or statement made by that member of the Wider Group or Group (as applicable) in a certificate signed by such director, officer or employee; and
 - (y) No Default, Event of Default or breach of any representation and warranty or undertaking under the Finance Documents shall arise merely as a result of a subsequent change in the Euro equivalent of any relevant amount due to fluctuations in exchange rates.”
- (c) Amend Clause 1.2 (*Construction*) to include the following wording at the start of sub-paragraph (a)(xvii)(C) of Clause 1.2 (*Construction*):
“if requested by the relevant L/C Bank or Ancillary Facility Lender,”

- (d) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
“**“European interbank market”** means the interbank market for Euro operating in Participating Member States;”
 - (e) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
“a **“guarantee”** includes a reference to an indemnity or other assurance against financial loss including, without limitation, an obligation to purchase assets or services as a consequence of a default by any other person to pay any indebtedness and **“guaranteed”** and **“guarantor”** shall be construed accordingly;”
 - (f) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
““determines” or “determined” means, save as otherwise provided herein, a determination made in the absolute discretion of the person making the determination;”
 - (g) Amend Clause 1.2 (*Construction*) to delete limb (v) of paragraph (a) and replace it with the following:
““indebtedness” is a reference to any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;”
 - (h) Amend Clause 1.2 (*Construction*) to delete limb (viii) of paragraph (a) and replace it with the following:
“a **“regulation”** includes any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law but, if not having the force of law, only if compliance therewith is in accordance with the general practice of the relevant persons to whom it is intended to apply or, in the case of Clause 14 (*Increased Costs*) only, the relevant Finance Party or its Holding Company) of any agency, authority, central bank or government department or any self-regulatory or other national or supra-national authority;”
 - (i) Amend Clause 1.2 (*Construction*) to include an additional limb of Clause 1.2 as follows:
“Where paragraph or clause numbers have changed in this Agreement as a result of the amendments to this Agreement implemented on the 2015 Amendment Effective Date and the 2017 Amendment Effective Date, and such paragraph and clause numbers are referred to in any Finance Document in force on the 2015 Amendment Effective Date or the 2017 Amendment Effective Date (as applicable), such paragraph or clause numbers shall be read and construed in this Agreement, for the purposes of the relevant Finance Document only, so that the relevant equivalent provision in this Agreement is referred to in each such Finance Document.”
 - (j) Amend Clause 1.2 (*Construction*) to include an additional limb of Clause 1.2 as follows:
“(a) This Agreement is entered into subject to, and with the benefit of, the terms of the Intercreditor Agreement.
(b) Notwithstanding anything to the contrary in this Agreement, the terms of the Intercreditor Agreement will prevail if there is a conflict between the terms of this Agreement and the terms of the Intercreditor Agreement.”
 - (k) Where relevant in the Credit Agreement, amend references to “company” or “entity” to “person” in accordance with paragraph (a)(vii) of Clause 1.2 (*Construction*).
41. **Increase:** amend Clause 2.1 (*Increase*) to:
- (a) delete sub-paragraphs (a)(i) and (a)(ii); and
 - (b) delete sub-paragraph (a)(iii) and replace it with the following:
“(iii) at the election of the Company acting in its sole discretion, it shall be a condition:
(A) that the aggregate principal amount of any proposed increase in the Commitments shall not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date that such increase in the Commitments becomes effective (giving pro forma effect to the intended use of proceeds of such increased Commitment and assuming that the entire amount of that increased Commitment is drawn on

such date, and provided that an election that this paragraph (A) shall apply may not be made in relation to that increased Commitment if an election that paragraph (B) shall apply has previously been made in relation to that increased Commitment); or

- (B) to any Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)) of that increased Commitment that the aggregate principal amount of that increased Commitment to be drawn would not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date of that Utilisation (giving pro forma effect to the use of proceeds of such Utilisation but not assuming that the entire amount of that increased Commitment is drawn); and”

42. **Increased Costs:**

- (a) Amend the first paragraph of Clause 14.1 (*Increased Costs*) to add “within ten Business Days of demand by the Facility Agent,” after “the Company must” in the first line.
- (b) Delete paragraph (a) of Clause 14.3 (*Claims*) and replace it with the following:
- “(a) A Finance Party intending to make a claim pursuant to Clause 14.1 (*Increased Costs*) shall, as soon as is reasonably practicable after that Finance

Party becomes aware that circumstances have arisen which entitle it to make such claim, notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Company.”

43. **Springing Financial Covenant:** amend the covenant set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) so that it reads as follows:

- “(a) Subject to Clause 22.5 (*Cross-default and Cross-acceleration*), in the event that on the last day of a Measurement Period the aggregate of the Telenet Additional Facility Outstandings under any Revolving Facility (in each case, other than Documentary Credits that are cash collateralised or undrawn) and the net indebtedness outstanding under each Ancillary Facility less Cash of the Group exceeds an amount equal to 40 per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment (the “**Financial Ratio Test Condition**”), the Company shall procure that the ratio of Net Total Debt to Consolidated Annualised EBITDA on that day (the “**Financial Ratio**”) shall not exceed 6.00:1 unless otherwise agreed in writing by the Composite Revolving Facility Instructing Group and the Company.
- (b) If the financial covenant set out in paragraph (a) has been breached for a Measurement Period but is complied with on the last day of the next Measurement Period (either because the Financial Ratio Test Condition is not met for that next Measurement Period or because the Financial Ratio does not exceed 6.00:1 for that next Measurement Period), then, the prior breach of such financial covenant or any Event of Default arising therefrom shall not (or shall be deemed to not) directly or indirectly constitute, or result in, a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or an Event of Default unless the Facility Agent has taken any action under Clause 22.18 (*Maintenance Covenant Revolving Facility Acceleration*) before the delivery of the certificate referred to at Clause 19.3(a) (*Compliance Certificate*) in respect of that next Measurement Period.”

44. **Financial Information:** amend paragraph (a) of Clause 19.3 (*Compliance Certificate*) so that it reads as follows:

- “(a) The Company must supply to the Facility Agent a Compliance Certificate with each set of its financial statements sent to the Facility Agent under this Agreement if, as at the last day of the Measurement Period ending on the date of such financial statements, the Financial Ratio Test Condition is met.”

45. **Cure Provisions:** delete Clause 20.4 (*Cure Provisions*) and replace it with the following:

“20.4 Cure Provisions

- (a) The Company may cure a breach of the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) by procuring that:
 - (i) additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or greater than the amount which if it had been deducted from Net Total Debt for the Measurement Period in respect of which the breach arose, would have avoided the breach; or
 - (ii) additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or greater than the amount which if it had been added to Consolidated Annualised EBITDA for the Measurement Period in respect of which the breach arose, would have avoided the breach; or
 - (iii) any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility are prepaid (from any source selected by the Company in its sole discretion) in an amount which if such prepayment had occurred immediately prior to the calculation on the last day of the Measurement Period in respect of which the breach arose, the Financial Ratio Test Condition as at the last day of that Measurement Period would not have been met and therefore the financial ratio would not have been required to be tested.
- (b) A cure under this Clause 20.4 will not be effective unless:
 - (i) in the case of paragraph (a)(i) or (a)(ii) above, an amount equal to or greater than the required amount of additional equity or the proceeds of any Subordinated Shareholder Loans is received by one or more members of the Group; or
 - (ii) in the case of paragraph (a)(iii) above, the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are required to be prepaid are so prepaid,

in each case, within 30 Business Days of delivery of the financial statements delivered under Clause 19.1 (*Financial Statements*) which show that Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) has been breached (the “**Cure Period**”).
- (c) No cure may be made under this Clause 20.4 (*Cure Provisions*)
 - (i) in respect of more than five Measurement Periods during the life of the Telenet Additional Facilities; or
 - (ii) in respect of consecutive Measurement Periods.
- (d) The Company shall make an election (at its sole discretion) by notice to the Facility Agent prior to the end of the Cure Period as to whether a breach of the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) shall be cured pursuant to a recalculation as described in either sub-paragraph (a)(i), (a)(ii) or (a)(iii) above.
- (e) If the Company makes an election for a recalculation as described in sub-paragraphs (a)(i) or (a)(ii) above, it shall be under no obligation to apply the amount of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group in prepayment of the Facilities or for any other specific purpose and such amount will be deemed to be deducted from Net Total Debt or added to Consolidated Annualised EBITDA for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) (as applicable) as at the last day of the relevant Measurement Period.
- (f) If the Company makes an election for a recalculation as described in sub-paragraph (a)(iii) above, the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are prepaid shall be deemed to be deducted in the calculation of the Financial Ratio Test Condition for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) as at the last day of the relevant Measurement Period.

- (g) For the purpose of ascertaining compliance with Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*), the Financial Ratio Test Condition and the ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) will be tested or retested, as applicable, giving effect to the elections and adjustments referred to in paragraph (d), (e) and (f) above. If, after giving effect to such elections and adjustments, the requirements of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) are met, then the requirements under Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) shall be deemed to have been satisfied as at the relevant original date of determination.
- (h) Where a cure is exercised under this Clause 20.4 in respect of a breach of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) for any financial quarter and the Company makes an election for a recalculation as described in sub-paragraph (a)(ii) above, the amount of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group shall also be added in calculating Consolidated EBITDA for any future Measurement Period that includes such financial quarter. Any adjustments pursuant to this paragraph will not be treated as a separate cure.”

46. **Permitted Disposal:** amend the definition of Permitted Disposal to add a new limb as follows:

“disposals which constitute the concurrent purchase and sale or exchange of related business assets (including, without limitation, securities of any business that is the same as or related, ancillary or complementary to any of the businesses of any member of the Group on *[the amendment and restatement date]*) or a combination of such assets, cash and Cash Equivalent Investments between any member of the Group and another person provided that the relevant member of the Group receives consideration at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such disposal) for the assets subject to that disposal;”.

47. **Permitted Financial Indebtedness:**

- (a) Amend Clause 21.7 (*Financial Indebtedness*) to add a new paragraph (d) as follows:

“In the event that any member of the Group enters into or increases commitments under a revolving credit facility, enters into any commitment to incur or issue Financial Indebtedness or commits to incur any Security Interest pursuant to any leverage based incurrence test in the definition of “Permitted Security Interest,” the incurrence or issuance thereof for all purposes under this Agreement, including without limitation for purposes of calculating any leverage ratio or usage in any of the paragraphs in the definition of Permitted Financial Indebtedness for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers’ acceptances thereunder) will, at the Company’s option, either (i) be determined on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof has been borrowed as of such date) or other Financial Indebtedness, and, if such leverage ratio test or other provision of this Agreement is satisfied with respect thereto at such time, any borrowing or re-borrowing thereunder (and the issuance and creation of letters of credit and bankers’ acceptances thereunder) will be permitted under this covenant irrespective of the leverage ratio or other provision of this Agreement at the time of any borrowing or re-borrowing (or issuance or creation of letters of credit or bankers’ acceptances thereunder) (the committed amount permitted to be borrowed or re-borrowed (and the issuance and creation of letters of credit and bankers’ acceptances) on a date pursuant to the operation of this paragraph (i) shall be the “**Reserved Indebtedness Amount**” and, to the extent of the usage in the paragraphs in the definition of Permitted Financial Indebtedness (if any), shall be deemed to be incurred and outstanding under such paragraphs) or (ii) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment, and in the case of sub-paragraph (i) above, the Company may revoke any such determination at any time and from time to time.”

- (b) Amend the definitions of “Senior Debt” and “Total Debt” in Clause 1.1 (*Definitions*) to include an additional limb as follows:

“the Reserved Indebtedness Amount;”

48. **Related Fund:** amend:

- (a) Clause 1.1 (*Definitions*) to include a new definition of “Related Fund” as follows:

“**Related Fund**” in relation to a fund or account that, in each case, invests in commercial loans (the “**first fund**”), means any other fund or account that, in each case, invests in commercial loans which is managed or administered directly or indirectly by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund or account that, in each case, invests in commercial loans whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.”
- (b) Clause 29.3 (*Transfers by Lenders*) at paragraph (c), to add the words “or, if applicable, a Related Fund” after the words “an Affiliate”.

49. **Share Capital:**

- (a) Amend Clause 21.16 (*Share Capital*) to add a new sub-paragraph (i) at the end as follows: “relates to the cancellation of the share capital of any member of the Group or any Obligor”.
- (b) Amend Clause 21.16 (*Share Capital*) to add the words “or a solvent liquidation under Clause 21.23 (*Internal Reorganisation*)” after the words “Clause 21.9(b)(iii) (*Acquisitions and Mergers*)”.

50. **Stamp Taxes:** delete Clause 12.7 (*Stamp Taxes*) in its entirety and replace it with the following:

“The Company shall pay and, within 10 Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Tax liabilities payable in respect of any Finance Document except for:

- (a) any such Tax liabilities payable in connection with any Transfer Certificate or other document relating to the assignment or transfer by any Lender of any of its rights and/or obligations under any Finance Document; or
- (b) any registration duties and any Tax liability payable due to a registration, submission or filing by a Finance Party of any Finance Document where such registration, submission or filing is or was not required to maintain or preserve the rights of that Finance Party under the applicable Finance Documents.”

51. **Increased Costs:** Amend Clause 14.2 (*Exceptions*) to include the following additional limbs:

- “(i) attributable to a change (whether of basis, timing or otherwise) in the Tax liability on the overall net income of the Finance Party (or any Affiliate of it) or of the branch or office through which it lends any Advance;
- (j) attributable to any penalty having been imposed by the relevant central bank or monetary or fiscal authority upon the Finance Party (or any Affiliate of it) by virtue of its having exceeded any country or sector borrowing limits or breached any directives imposed upon it;
- (k) attributable to a breach of a Finance Document by the Finance Party claiming such Increased Cost.”

52. **Representations:**

- (a) Delete Clause 18.12 (*Security Interests*) in its entirety.
- (b) Delete paragraph (b) of Clause 18.6 (*No Event of Default*).
- (c) Amend paragraph (a) of Clause 18.7 (*Authorisations*) to include the words “(other than the Licences)” after the word “licenses”.
- (d) Amend paragraph (b) of Clause 18.10 (*Litigation and Insolvency Proceedings*) to replace the words “member of the Group” with the words “Obligor or Material Subsidiary”.
- (e) Amend Clause 18.18 (*Anti-Terrorism Laws*) to delete the words “It and each of its Affiliates have taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws” and to replace them with “It has taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws.”

53. **Defaulting Lender Disenfranchisement:** in addition to paragraph 10 of Schedule 4, provide in the Credit Agreement as follows:
- “In ascertaining the Majority Lenders, affected Lenders, all Lenders or any other class of Lenders (as applicable) or whether any given percentage (including, for the avoidance of doubt, unanimity) of any of the Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, a Defaulting Lender’s Commitments and participations will be deemed to be zero.”
54. **Consolidated EBITDA:**
- (a) Amend paragraph (y) of the definition of Consolidated EBITDA in order that the following words are deleted:

“to the extent that such fees or other amounts:

 - (i) are not included in the Company’s externally reported operating cash flow or equivalent measure; or
 - (ii) are deemed to be exception of unusual items”.
 - (b) Amend paragraph (g) of the definition of Consolidated EBITDA to add the words “or other equity based” after the words “any stock based”.
55. **80% Security Test:** add the following words at the end of the definition of 80% Security Test in Clause 1.1 (*Definitions*):
- “and provided that to the extent any Guarantor generates negative earnings before interest, tax, depreciation and amortisation, such Guarantor shall be deemed for the purposes of calculating the 80% Security Test numerator to have zero earnings before interest, tax, depreciation and amortisation.”
56. **Insolvency Event:** amend the definition of Insolvency Event in Clause 1.1 (*Definitions*) to replace the words “in relation to a Finance Party means that the Finance Party:” with the words “in relation to a Finance Party means that the Finance Party or a Holding Company of it (as applicable):”.
57. **Notes Refinancing:** amend the definitions of Senior Secured Notes Refinancing and Senior Unsecured Refinancing in Clause 1.1 (*Definitions*) to delete the word “reasonable” before the words “fees, costs and expenses”.
58. **Optional Currency:** amend the definition of “Optional Currency” in Clause 1.1 (*Definitions*) in order that the words “in relation to that Advance” are included after the words “acting on the instructions of all the Lenders”.
59. **Permitted Acquisition:** amend the definition of Permitted Acquisition in Clause 1.1 (*Definitions*):
- (a) at paragraph (d) to replace the words “less than a 50 per cent. interest” with the words “an interest of 50 per cent. or less”; and
 - (b) at paragraph (j) to replace the words “10 Business Days” with the words “60 days”.
60. **Finance Document:**
- (a) Amend the definition of “Finance Document” in Clause 1.1 (*Definitions*) to delete the words “a Transfer Certificate;” and include the words “any Increase Confirmation;”.
 - (b) Amend the definition of “Finance Document” in Clause 1.1 (*Definitions*) to include the following wording at the end of the definition:

“**provided that** where the term “Finance Document” is used in, and construed for the purposes of, this Agreement or the Intercreditor Agreement, a Hedging Agreement shall be a Finance Document only for the purposes of Clause 17 (*Guarantee and Indemnity*).”
61. **Finance Party:** amend the definition of “Finance Party” in Clause 1.1 (*Definitions*) to include the following wording at the end of the definition:
- “**provided that** where the term “Finance Party” is used in, and construed for the purposes of, this Agreement or the Intercreditor Agreement, a Hedge Counterparty shall be a Finance Party only for the purposes of Clause 17 (*Guarantee and Indemnity*).”

62. **Term of Advance:** add a new clause 1.4 as follows:

“1.4 Term of Advance

The determination of the extent to which a rate is “**for a period equal in length**” to a Term shall disregard any inconsistency arising from the last day of that Term being determined pursuant to the terms of this Agreement.”

63. **Exchange Rates:** add a new clause 1.5 as follows:

“1.5 Exchange Rates

When applying any monetary limits, thresholds and other exceptions to the representations and warranties, undertakings and Events of Default under the Finance Documents, the equivalent to an amount in Euro shall be calculated at a rate for the conversion of the relevant non-Euro currency into Euro which is, at the election of the Company (a) a rate selected by the Company (acting reasonably and in good faith) or (b) the Agent’s Spot Rate of Exchange, in each case, as at the time of any relevant action.”

64. **Increase:** amend paragraph (b) of Clause 2.1 (*Increase*) to add a new limb (iii) as follows:

“the Commitments of a Lender in accordance with Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*),”

65. **Additional Facility:** amend paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) to:

- (a) delete sub-paragraphs (h)(ii)(A), (h)(ii)(B) and (h)(ii)(C); and
- (b) delete sub-paragraphs (h)(iii)(B), (h)(iii)(C) and (h)(iii)(D).

66. **Prepayments:** amend Clause 10.10 (*Miscellaneous Provisions*) to delete paragraph (g) and replace it with the following:

“Other than in relation to any prepayment under Clause 10.1 (*Mandatory Prepayment – Illegality*) or 10.8 (*Right of Repayment and Cancellation of a Single Lender*), any prepayment in part of any Advance shall be applied against the participations of the Lenders in that Advance *pro rata*.”

67. **Tax Indemnity:** amend paragraph (b)(ii) of Clause 12.4 (*Tax Indemnity*) to add an additional limb as follows:

“has been compensated for by a payment under Clause 12.7 (*Stamp Taxes*) or would have been compensated for by such a payment, but for the application of any exception in such Clause;”

68. **Representations:** amend Clause 18 (*Representations and Warranties*) by inserting the word “substantially” after the word “business” at Clause 18.2(b) (*Status*).

69. **Share Capital:** amend Clause 21.16 (*Share Capital*) to add words “that is a member of the Group” after the words “Each Obligor” and before the words “will not”.

70. **Obligor Accession:** amend Clause 21.22 (*Further Assurances*) in order that the words “10 Business Days” at paragraph (b)(i) are replaced with “60 days”.

71. **Breach of obligations EOD:** amend Clause 22.3(a) (*Breach of Other Obligations*) to add the following language at the end:

“, unless the non-compliance:

(i) is capable of remedy; and

(ii) is remedied within 30 days of the earlier of the Facility Agent giving notice of the breach to the Company and any Obligor becoming aware of the non-compliance.”

72. **Cross Default EOD:** amend Clause 22.5 (*Cross-default and Cross-acceleration*):

- (a) by deleting the words “is placed on demand;” at paragraph (b)(ii);
- (b) by deleting limb (c);
- (c) at paragraph (d)(v), by deleting the words “is not placed on demand, becomes” and replacing them with the words “does not become” and adding the word “not” before the words “otherwise accelerated during that period”; and

- (d) by adding the following additional limb to paragraph (d):
- “if the relevant Financial Indebtedness is covered by a Documentary Credit or a letter of credit, bank guarantee, indemnity or other documentary credit under an Ancillary Facility”.
73. **Defaulting Lenders:** amend Clause 29.3 (*Transfers by Lenders*) in order that the following is included as a new Clause 29.3(h):
- “(h) Notwithstanding any other provision of this Agreement, no Lender shall be entitled to assign or transfer any of its rights, benefits or obligations under the Finance Documents to a New Lender that is a Defaulting Lender.”
74. **Amendments:** add a new paragraph (d) to Clause 28.2 (*Exceptions*) as follows:
- “No amendment or waiver of a term of any Ancillary Facility Document shall require the consent of any Finance Party other than the relevant Ancillary Facility Lender.”
75. **Measurement Period:** delete the definition of Measurement Period and replace it with the following:
- “‘**Measurement Period**’ means each period of approximately six months covering two quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (**‘L2QA Test Period’**), provided that the Company may make an election to establish that ‘Measurement Period’ means each period of approximately 12 months covering four quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (**‘LTM Test Period’**) (and if such an LTM Test Period election has been made, the Company may not elect to change from LTM Test Period back to the L2QA Test Period).”
76. **Consolidated Annualised EBITDA:** delete the definition of “Consolidated Annualised EBITDA” in Clause 1.1 (*Definitions*) and replace it with the following:
- “‘**Consolidated Annualised EBITDA**’ means if the L2QA Test Period applies in accordance with the definition of ‘Measurement Period’, two times Consolidated EBITDA of the Group for that Measurement Period, and if the Company has made an LTM Test Period election in accordance with the definition of ‘Measurement Period’, Consolidated EBITDA of the Group for that Measurement Period.”
77. **Telenet Additional Facility:**
- (a) Amend paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) and paragraphs (a) and (b) of Clause 2.3 (*Overall Facility Limits*) to amend each reference from “Advances” and “advances” to “Utilisations”.
- (b) Amend limb (ii)(D) and (iii)(E) of paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) to delete the word “reasonable” before the word “fees”.
- (c) Add an additional limb to Clause 2.2 (*Telenet Additional Facility*) as follows:
- “With the prior written consent of the Company, the Facility Agent is authorised and instructed to enter into such documentation as is reasonably required to amend this Agreement and any other Finance Document (in accordance with terms of this Clause 2.2 (*Telenet Additional Facility*)) to reflect the terms of each Telenet Additional Facility without the consent of any Lender other than the applicable Telenet Additional Facility Lender.”
78. **Amount of Advance:** amend paragraph (b) of Clause 5.3 (*Amount of Advance or Documentary Credit*) to include the words “under that Facility” after the words “on behalf of the Lenders”.
79. **Revaluation of Documentary Credits:**
- (a) Amend paragraph (a) of Clause 6.4 (*Revaluation of Documentary Credits*) to replace the words “at six monthly intervals after the date of the Documentary Credit” with the words “on the last Business Day of each financial year”.
- (b) Amend paragraph (b) of Clause 6.4 (*Revaluation of Documentary Credits*) to replace the words “three Business Days” with the words “ten Business Days”.

80. **Affiliates of Borrowers:** amend paragraph (c) of Clause 7.7 (*Affiliates of Borrowers*) to include the words “, provided that such Affiliate is not an Affiliate of any other Obligor, ” after the words “its Affiliate”.
81. **Right of Repayment and Cancellation of a Single Lender:** amend paragraph (a)(iii) of Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*) to include the words “or Clause 15 (*Illegality and Mitigation*)” after the words “Clause 10.1 (*Mandatory Prepayment – Illegality*)” and to replace the reference to “or” before the reference to “Clause 10.1” with a comma.
82. **Selection:**
- (a) Amend paragraph (d)(ii) of Clause 11.5 (*Selection – Term Facility*) to replace the word “Facility” with “Term Facility Advance” throughout such paragraph and to replace the words “Lenders whose commitments under the relevant Facility then aggregate two thirds or more of the aggregate Commitments under that Facility” with “Majority Lenders under the relevant Facility”.
 - (b) Amend paragraph (c) of Clause 11.6 (*Selection – Revolving Facility*) to replace the words “under that Revolving Facility” with “under the relevant Advance under that Revolving Facility” throughout such paragraph and to replace the words “Lenders whose Commitments under that Revolving Facility then aggregate two thirds or more of the aggregate Commitments under that Revolving Facility” with “the Majority Lenders under that Revolving Facility”.
83. **Payments:** amend Clause 16.4 (*Currency*) to include the following additional limbs and to re-number limb (c) to limb (e):
- “(c) A repayment or prepayment of an Advance is payable in the currency in which the Advance is denominated.
 - (d) All interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.”
84. **Information:** amend Clause 19.4 (*Information – Miscellaneous*) to delete paragraph (c) in its entirety.
85. **Change of Business:** delete Clause 21.8 (*Change of Business*) and replace it with the following:
- “21.8 Change of Business**
- No Obligor shall (and the Company shall procure that no member of the Group shall), without the prior written consent of the Majority Lenders or save as otherwise permitted by the terms of this Agreement, make any change in the nature of its business as carried on immediately prior to the Signing Date, which would give rise to a substantial change in the business of the Group taken as a whole from that set forth in the definition of Business, provided that this Clause 21.8 (*Change of Business*) shall not be breached by an Obligor or any member of the Group making a Permitted Disposal, Permitted Acquisition or entering into any Permitted Joint Venture.”
86. **Acquisitions:** amend paragraph (b)(iii)(B) of Clause 21.9 (*Acquisitions and Mergers*) to replace the words “for the period commencing on the date of merger and ending on the earlier of the date that falls 3 years from the date of merger and the longest dated Final Maturity Date” with “on a pro forma basis following such merger or consolidation.”
87. **Insurance:** amend Clause 21.12 (*Insurance*) to delete the words “procure that each member of the Group will” and replace them with “procure that each of its Material Subsidiaries which is a member of the Group will”.
88. **Shareholder Loans:** amend paragraph (a) of Clause 21.14 (*Shareholder Loans*) to replace the words “30 days” with “60 days”.

89. **Share Security:**

- (a) delete Clause 21.17 (*Share security*) and replace it with the following:

“21.17 Share Security

Each Obligor will not, and will procure that no member of the Group will, issue any shares of any class provided that:

- (a) notwithstanding paragraph (b) below, an Obligor may issue shares to any person other than a member of the Group and shall not be required to procure that such shares are charged or pledged in favour of the Beneficiaries, provided that such share issue does not result in a Change of Control;
 - (b) any member of the Group may issue shares to or otherwise acquire additional rights from any other member of the Group so long as (if any of the existing shares in the relevant member of the Group are charged or pledged in favour of any Beneficiary) such shares are charged or pledged in favour of the Beneficiaries pursuant to the terms of a Security Document and there are delivered at the same time to the Security Agent the relevant share certificates and blank stock transfer forms (or equivalent documents) in respect thereof together with such other documents and evidence and legal opinions as the Security Agent may reasonably require;
 - (c) the Company may issue shares to Telenet Group BVBA provided that such shares are charged or pledged in favour of the Beneficiaries pursuant to the terms of a Security Document and there are delivered at the same time to the Security Agent the relevant share certificates and blank stock transfer forms (or equivalent documents) in respect thereof together with such other documents and evidence and legal opinions as the Security Agent may reasonably require;
 - (d) any member of the Group may issue shares pursuant to the exercise of Approved Stock Options;
 - (e) a member of the Group may issue shares as part of an Acquisition or merger or consolidation permitted by Clause 21.9 (*Acquisitions and Mergers*), provided that the issue of such shares does not cause a Change of Control;
 - (f) a member of the Group (other than an Obligor) may issue shares to all the holders of the share capital of such member of the Group *pro rata* to their interests in such share capital provided that, if any existing shares in that member of the Group are charged or pledged in favour of any Beneficiary under any Security Document, upon issue the shares that are issued to any other member of the Group are charged or pledged in favour of the Beneficiaries as provided in paragraph (b) above; and
 - (g) any member of the Group (other than the Company) may issue shares to any person pursuant to any agreement or other legally binding arrangement existing, and disclosed to the Facility Agent in writing, on or before the Signing Date, provided that such share issue does not result in a Change of Control.”
- (b) Add the following additional definition to Clause 1.1 (*Definitions*):
- ““**Beneficiaries**” has the meaning given to the term Senior Secured Creditors in the Intercreditor Agreement.”

90. **Group Redesignation:** delete Clause 21.25 (*Group Redesignation*) and replace it with the following:

“21.25 Group Redesignation

The Company may at any time deliver a notice (a “**Group Redesignation Notice**”) to the Facility Agent designating any Holding Company of the Company and/or any Holding Company of any Permitted Affiliate Parent as a “New Group Topco” for the purposes of this Agreement provided that taking into account any actions to be taken by the Company for the benefit of the Lenders, it would not be materially prejudicial to the interests of the Lenders in the opinion of the Facility Agent (acting reasonably).”

91. **Clean Up Period:**
- (a) Amend the definition of Clean Up Period in Clause 22.3 (*Breach of Other Obligations*) to replace the words “120 days” with the words “180 days”.
 - (b) Delete the words “(other than Clause 22.3(a) (*Breach of Other Obligations*)) to the extent it refers to Clause 20 (*Financial Covenant*))” in paragraph (c) of Clause 22.3 (*Breach of Other Obligations*).
92. **Intercreditor Agreement:** amend paragraph (a) of Clause 22.12 (*Intercreditor Agreement*) to include the word “material” before the word “obligations”.
93. **Acceleration:** amend Clause 22.17 (*Acceleration*) to replace the words “may, and must if so instructed by the Majority Lenders” with the words “the Facility Agent shall, if the Majority Lenders so direct”.
94. **Indemnity:**
- (a) Amend paragraph (a) of Clause 26.1 (*Currency Indemnity*) to include the words “, within 10 Business Days of demand” after the words “Obligor must”.
 - (b) Amend paragraph (a)(i) of Clause 26.2 (*Other Indemnities*) to replace the word “Default” with the words “Event of Default”.
 - (c) Amend paragraph (a) of Clause 26.3 (*Break Costs*) to include the words “, within ten Business Days of demand by a Lender, ” after the words “Each Borrower must”.
 - (d) Amend paragraph (b) of Clause 26.3 (*Break Costs*) to include the words “, as soon as reasonably practicable after a demand by the Facility Agent, ” after the words “Each Lender must”.
95. **Amendments and waivers:**
- (a) Amend Clause 28.2 (*Exceptions*) to add an additional limb (d) as follows:
 - “(d) Notwithstanding any other provision of this Clause 28 (*Amendments and Waivers*), the Facility Agent may at any time without the consent or sanction of the Lenders, concur with the Company in making any modifications to any Finance Document, which in the opinion of the Facility Agent would be proper to make provided that the Facility Agent is of the opinion that such modification:
 - (i) would not be materially prejudicial to the position of any Lender and in the opinion of the Facility Agent such modification is of a formal, minor or technical nature or is to correct a manifest error;
 - (ii) relates to the increase in the principal amount of a Commitment of a Lender in relation to any Facility and such increased Commitment has been requested by the Company to fund any original issue discount required to be paid to that Lender in relation to that Facility under any Finance Document;
 - (iii) is of a minor, operational or technical nature; or
 - (iv) which relates to the implementation of any alternative basis for the calculation of interest that is binding on all Parties in accordance with paragraph (c) of Clause 13.4 (*Cost of Funds*).

Any modification made in accordance with this paragraph (d) shall be made on such terms as the Facility Agent may determine, shall be binding upon the Lenders, and shall be notified by the Company to the Lenders as soon as practicable thereafter.”
 - (b) Amend Clause 28.2 (*Exceptions*) to include the words “Subject to Clause 28.6 (*Structural Adjustments*) below,” at the beginning of paragraph (a).
 - (c) Amend paragraph (a) of Clause 28.3 (*Non Consenting Lenders*) to delete limb (iii) in its entirety.
 - (d) Add an additional provision to Clause 28.2 (*Exceptions*) as follows:
 - “A waiver of issuance or the release of any Guarantor from any of its obligations under Clause 17 (*Guarantee and indemnity*) or a release of any Security under the Security

Documents, in each case, other than in accordance with the terms of any Finance Document shall require the prior written consent of affected Lenders whose share in the outstanding Utilisations and whose undrawn Commitments amount in aggregate to more than 75 per cent. of all of the outstanding Utilisations and undrawn Commitments.”

96. **Changes to the Parties:**

- (a) Amend Clause 29.2 (*Assignment or Transfers by Obligors*) to include the words “except to the extent permitted by this Agreement” at the end of the paragraph.
- (b) Amend paragraph (a) of Clause 29.9 (*Additional Borrowers*) to delete the words “(following consultation with the Facility Agent)”.
- (c) Amend paragraph (b) of Clause 29.9 (*Additional Borrowers*) to include the words “under the relevant Facility” after the words “all the Lenders”.
- (d) Amend paragraph (b)(ii) of Clause 29.11 (*Resignation of an Obligor (other than the Company)*) to replace the words “a Default” with the words “an Event of Default”.

97. **Governing law:**

- (a) Delete Clause 38 (*Governing law*) and replace it with the following:

“38. GOVERNING LAW

This Agreement, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with English law.”

- (b) Amend the governing law provisions of the schedules to the Credit Agreement to refer to “non-contractual obligations” in conformity with paragraph (a) above.

98. **Order of Application:** amend Clause 10.4 (*Order of application*) by deleting sub-paragraph (e).

99. **Affiliate:** amend the definition of Affiliate in Clause 1.1 (*Definitions*) such that it reads as follows:

“**Affiliate**” means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company provided that in relation to any clause, reference or provision that uses such term:

- (a) an Affiliate of the Company that issues any notes, bonds or other securities for the purpose of on-lending the proceeds of such issuances under a Facility and to a Borrower under this Agreement and which acts in accordance with the terms of any indentures or other documents governing such issuances (a “**Designated Notes Issuer**”) shall not be an Affiliate of the Company or any of its Affiliates; and
- (b) a Designated Notes Issuer shall be deemed not to be managed by, or under the control of, the Company or any of its Affiliates.”

100. **Change of L/C Bank:** add the words “in relation to the Facility in respect of which such Documentary Credits are issued” after the words “Majority Lenders” in paragraph (c) of Clause 6.11 (*Appointment and Change of L/C Bank*).

101. **Restricted Person:** amend the definition of Restricted Person in Clause 1.1 (*Definitions*) such that it reads as follows:

““**Restricted Person**” means any Affiliate of a Borrower and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of the Joint Venture Parent and any Parent Joint Venture Holders (in each case, other than a member of the Group) provided that any Designated Notes Issuer (as defined in the definition of Affiliate) that is not a member of the Group shall, notwithstanding the proviso to the definition of “Affiliate”, be a “Restricted Person” except for the purposes of:

- (a) the definition of “Pledge of Subordinated Shareholder Loans”;
- (b) the definition of “Subordinated Creditor”; and
- (c) Clause 21.14 (Shareholder Loans).”

102. **Permitted Affiliate Group Designation:** amend limb (iv)(c) of Clause 29.8 (*Permitted Affiliate Group Designation*) to include the words “if available,” at the start of the limb.

103. **Permitted Payment:** add a new limb to the definition of Permitted Payment in Clause 1.1 (*Definitions*) as follows:
- “to any Designated Notes Issuer (as defined in the definition of Affiliate) in connection with any fees, costs, indemnity claims or other expenses payable to it in connection with transactions related to the issuance of any notes, bonds or other securities;”

SIGNATORIES

AGENTS

THE BANK OF NOVA SCOTIA as Facility Agent

By:

_____ Signature

_____ Name

By:

_____ Signature

_____ Name

KBC BANK NV as Security Agent

By:

_____ Signature

_____ Name

By:

_____ Signature

_____ Name

BORROWER

[●]

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

GUARANTORS

TELENET FINANCING USD LLC

EXECUTED AS A DEED

By:

Signature of Authorised Signatory

Name of Authorised Signatory

in the presence of:

Signature of Witness

Name of Witness

Address of Witness

Occupation of Witness

TELENET BVBA

EXECUTED AS A DEED

By:

Signature of Authorised Signatory

Name of Authorised Signatory

By:

Signature of Authorised Signatory

Name of Authorised Signatory

TELENET GROUP BVBA

EXECUTED AS A DEED

By:

Signature of Authorised Signatory

Name of Authorised Signatory

By:

Signature of Authorised Signatory

Name of Authorised Signatory

TELENET INTERNATIONAL FINANCE S.À R.L.

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

EXISTING SECURITY PROVIDERS

TELENET FINANCING USD LLC

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

TELENET BVBA

EXECUTED AS A DEED

By:

Signature of Authorised Signatory

Name of Authorised Signatory

By:

Signature of Authorised Signatory

Name of Authorised Signatory

TELENET INTERNATIONAL FINANCE S.À R.L.

EXECUTED AS A DEED

By:

Signature of Authorised Signatory

Name of Authorised Signatory

in the presence of:

Signature of Witness

Name of Witness

Address of Witness

Occupation of Witness

TELENET GROUP HOLDING NV

EXECUTED AS A DEED

By:

Signature of Authorised Signatory

Name of Authorised Signatory

By:

Signature of Authorised Signatory

Name of Authorised Signatory

TELENET VLAANDEREN NV

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET GROUP BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET ADDITIONAL FACILITY AJ-B LENDER

EXECUTED AS A DEED

[INSERT NAME OF BELGIAN SPV]

acting by its General Partner,

[●]

By: _____

Name:

Title:

By: _____

Name:

Title:

SIGNATORIES

AGENTS

THE BANK OF NOVA SCOTIA as Facility Agent

By:

_____ Signature

_____ Name

By:

_____ Signature

_____ Name

KBC BANK NV as Security Agent

By:

_____ Signature

_____ Name

By:

_____ Signature

_____ Name

BORROWER

TELENET INTERNATIONAL FINANCE S.À R.L.

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

(Signature Page to Facility AJ Accession Agreement)

GUARANTORS

TELENET FINANCING USD LLC

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

Occupation of Witness

TELENET BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET GROUP BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET INTERNATIONAL FINANCE S.À R.L.

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

EXISTING SECURITY PROVIDERS

TELENET FINANCING USD LLC

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

TELENET BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET INTERNATIONAL FINANCE S.À R.L.

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

TELENET GROUP HOLDING NV

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET VLAANDEREN NV

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET GROUP BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET ADDITIONAL FACILITY AJ LENDER

EXECUTED AS A DEED

[●]

By: _____

Name:

Title:

By: _____

Name:

Title:

ANNEX C—THE FINCO ACCESSION AGREEMENT AK

TELENET ADDITIONAL FACILITY AK ACCESSION AGREEMENT

TERM LOAN AK FACILITY

To: The Bank of Nova Scotia as Facility Agent and KBC Bank NV as Security Agent

From: The Telenet Additional Facility AK Lender

Date: [●] 2017

TELENET BVBA—Credit Agreement dated 1 August 2007, as amended from time to time (the Credit Agreement)

1. In this Agreement:

Borrower in relation to the Term Loan AK Facility means Telenet International Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 2, rue Peternelchen, L-2370 Howald, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B.155.066

Existing Security Provider means each of Telenet BVBA (the “**Company**”), the Borrower, Telenet Financing USD LLC, Telenet Group Holding NV, having its registered office at Neerveldstraat 105, B-1200 Sint-Lambrechts-Woluwe, Belgium and registered with the Crossroads Bank for Enterprises under number 0477.702.333 (RPR/RPM Brussels), Telenet Group BVBA, having its registered office at Neerveldstraat 105, B-1200 Sint-Lambrechts-Woluwe, Belgium and registered with the Crossroads Bank for Enterprises under number 0462.925.669 (RPR/RPM Brussels) and Telenet Vlaanderen NV, having its registered office at Lierssesteenweg 4, 2800 Mechelen, Belgium and registered with the Crossroads Bank for Enterprises under number 0458.840.088 (RPR/RPM Mechelen).

Indenture means the indenture, dated on or about the date of this Agreement, among, *inter alia*, the Telenet Additional Facility AK Lender as issuer, and The Bank of New York Mellon, London Branch as trustee, as may be amended from time to time.

Liberty Global Reference Agreement means any or all of (i) the credit agreement dated 19 April 2017 between, among others, Virgin Media Investment Holdings Limited as company and The Bank of Nova Scotia as facility agent; (ii) the credit agreement dated 24 July 2014 between (among others) Unitymedia Hessen GmbH & Co. KG as borrower and The Bank of Nova Scotia as facility agent; (iii) the credit agreement dated 27 January 2014 between (among others) Ziggo B.V. as borrower and The Bank of Nova Scotia as facility agent; (iv) the credit agreement dated 28 September 2006 between (among others) All3Media Finance Limited as borrower and The Royal Bank of Scotland PLC as facility agent; (v) the credit agreement dated 5 March 2015 between (among others) Ziggo Secured Finance B.V. as SPV borrower and The Bank of Nova Scotia as facility agent; (vi) the indenture dated 23 December 2015 in respect of the €420,000,000 4.625% senior secured notes due 2026 issued by Unitymedia Hessen GMBH & Co KG and Unitymedia NRW GmbH; (vii) Annex I (Additional Definitions) and Annex II (Covenants) of the credit agreement dated 16 May 2016 entered into between, among others, LGE Coral Holdco Limited as finco, Sable International Finance Limited and Coral-US Co-Borrower LLC as initial borrowers and The Bank of Nova Scotia as administrative agent and (to the extent not covered in the Annexes) the specific provisions relating to that credit agreement set out in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*), Schedule 5 (*Further Amendments, Waivers, Consents and Other Modifications*), Schedule 6 (*Additional Amendments, Waivers, Consents and Other Modifications*), Schedule 7 (*Fourth Amendments, Waivers, Consents and Other Modifications*), Schedule 8 (*Fifth Amendments, Waivers, Consents and Other Modifications*), Schedule 9 (*Sixth Amendments, Waivers, Consents and Other Modifications*) and Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; (viii) the facilities agreement dated 6 October 2016 in respect of the advance of certain proceeds of the £350,000,000 5.5% receivables financing notes due 2024 issued by Virgin Media Receivables Financing Notes I Designated Activity Company; (ix) the indenture dated 23 September 2016 in respect of the \$2,000,000,000 5.5% senior secured notes due

2027 and the €775,000,000 4.25% senior secured notes due 2027 issued by Ziggo Secured Finance B.V.; (x) the indenture dated 1 February 2017 in respect of the £675,000,000 5% senior secured notes due 2027 issued by Virgin Media Secured Finance PLC; (xi) the indenture dated 21 June 2017 in respect of the €635,000,000 3⅞% senior notes due 2029 issued by UPC Holding B.V.; (xii) the credit agreement dated 16 December 2016 between (among others) UPC Broadband Holding B.V. as borrower and The Bank of Nova Scotia as facility agent, (xiii) the indenture dated 16 August 2017 in respect of the \$700,000,000 6.875% senior notes due in 2027 issued by C&W Senior Financing Designated Activity Company and (xiv) the indenture dated 18 October 2017 in respect of the \$550,000,000 million 5.500% senior notes due 2028 issued by UPC Holding B.V. (in each case as amended from time to time up to the date of this Agreement).

Notes means the €600,000,000 aggregate principal amount of 3.500% fixed rate notes due 2028 and issued on or about the date of this agreement by the Telenet Additional Facility AK Lender pursuant to the Indenture.

Proposed Amendments means the amendments, waivers, consents and other modifications contemplated by Clauses 27 and 28 of this Agreement.

Refinancing means the repayment of outstanding amounts under Telenet Additional Facilities AH, AI, AI2 and V of the Credit Agreement (including the payment of any related prepayment premium).

Related Agreements means (i) the fee letter agreement, dated on or about the date of this Agreement, by and among the Telenet Additional Facility AK Lender, the Borrower and Telenet Group BVBA relating to the payment of certain fees to the Telenet Additional Facility AK Lender by the Borrower and (ii) the service agreement, dated on or about the date of this Agreement, by and among the Telenet Additional Facility AK Lender, the Borrower and Telenet Group BVBA in respect of, among other things, the reimbursement by the Borrower of certain ongoing obligations of the Telenet Additional Facility AK Lender.

Telenet Additional Facility AK Lender means Telenet Finance Luxembourg Notes S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 2, rue Peternelchen, L-2370 Howald, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B219682.

Telenet Additional Facility AK-B Accession Agreement means a Telenet Additional Facility Accession Agreement in substantially the form set out in Schedule 11 entered into by the parties thereto in accordance with Clause 20 below.

Telenet Additional Facility AK-B Borrower means the borrower under the Term Loan AK-B Facility.

Telenet Additional Facility AK-B Lender means a financing company or designated notes issuer incorporated under the laws of Belgium and established for the purpose, among others, of assuming the Telenet Additional Facility AK Lender's obligations under the Notes.

Term Loan AK Facility means the €600,000,000 term loan facility made available by the Telenet Additional Facility AK Lender under this Agreement.

Term Loan AK Facility Commitment means, in relation to the Telenet Additional Facility AK Lender, the amount in euros set opposite its name under the heading "Term Loan AK Facility Commitment" in Schedule 1 of this Agreement, and any such Term Loan AK Commitment transferred to or assumed by it under the Credit Agreement, in each case, to the extent not cancelled, transferred, or reduced under the Credit Agreement.

Term Loan AK Facility Loan means a euro denominated loan made to the Borrower by the Telenet Additional Facility AK Lender under the Term Loan AK Facility.

Term Loan AK-B Facility means the €600,000,000 term loan facility made available by the Telenet Additional Facility AK-B Lender under the Telenet Additional Facility AK-B Accession Agreement.

Term Loan AK-B Facility Loan means a US Dollar denominated loan made to the Telenet Additional Facility AK-B Borrower by the Telenet Additional Facility AK-B Lender under the Term Loan AK-B Facility.

2. Unless otherwise defined in this Agreement, terms defined in the Credit Agreement shall have the same meaning in this Agreement and a reference to a Clause is a reference to a Clause of the Credit Agreement. The principles of construction set out in Clause 1.2 (*Construction*) of the Credit Agreement apply to this Agreement as though they were set out in full in this Agreement.
3. We refer to Clause 2.2 (*Telenet Additional Facility*) of the Credit Agreement. This is a Finance Document.
4. This Agreement will take effect on the date on which the Facility Agent notifies the Borrower and the Telenet Additional Facility AK Lender that it has received the documents and evidence set out in Schedule 2 to this Agreement, in each case in form and substance satisfactory to it (acting reasonably) or, as the case may be, the requirement to provide any of such documents or evidence has been waived by the Facility Agent (acting on the instructions of the Term Loan AK Facility Lender) (the “**Effective Date**”).
5. The Telenet Additional Facility AK Lender agrees:
 - (a) to become party to and to be bound by the terms of the Credit Agreement as a Lender in accordance with Clause 2.2 (*Telenet Additional Facility*) of the Credit Agreement; and
 - (b) to become party to the Intercreditor Agreement as a Senior Lender for the purposes of the Intercreditor Agreement and confirm that, as from the date of this Agreement, it intends to be party to the Intercreditor Agreement as a Senior Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
6. The Telenet Additional Facility Commitment in relation to the Telenet Additional Facility AK Lender (for the purpose of the definition of Telenet Additional Facility Commitment in Clause 1.1 (*Definitions*) of the Credit Agreement) is its Term Loan AK Facility Commitment.
7. The Facility Agent will, for the purposes of any determination to be made under the Credit Agreement or this Agreement (other than in respect of the Proposed Amendments in respect of which consent has been given in accordance with Clause 27 and 28 hereof), apply the votes of the Telenet Additional Facility AK Lender in accordance with a written direction to be provided by the Telenet Additional Facility AK Lender. The Telenet Additional Facility AK Lender agrees that it will give any such direction in accordance with the provisions of Section [9.01] of the Indenture. For the avoidance of doubt, the Facility Agent may rely on any such directions received and shall have no duty to enquire or monitor as to whether such direction complies with Section [9.01] of the Indenture.
8. The Term Loan AK Facility may be drawn by one Advance (subject to the provisions of Clause 9 below) on the Effective Date and such date will constitute the Availability Period for the Term Loan AK Facility. No more than one Request may be made in respect of the Term Loan AK Facility under the Credit Agreement, and such Request may only be in a principal amount of the Telenet Additional Facility Commitment in relation to the Term Loan AK Facility as set out in Clause 6 above.
9.
 - (a) Provided that any upsizing of the Term Loan AK Facility permitted under this Clause 9 will not breach any term of the Credit Agreement, the Term Loan AK Facility may be upsized by any amount, by the signing of one or more further Telenet Additional Facility AK Accession Agreements, that specify (along with the other terms specified therein) Telenet International Finance S.à r.l as sole Borrower and which specify Telenet Additional Facility Commitments denominated in euros, to be drawn in euros, with the same Final Maturity Date and Margin as specified in this Agreement.
 - (b) For the purposes of this Clause 9 (unless otherwise specified), references to the Term Loan AK Facility shall include Advances made under any such further Telenet Additional Facility AK Accession Agreement.
 - (c) Where any Term Loan AK Facility Loan has not already been consolidated with any other Term Loan AK Facility Loan, on the last day of any Term for such Term Loan AK Facility Loan, that Term Loan AK Facility Loan shall be consolidated with any other Term Loan AK Facility Loan which has a Term ending on the same day as that Term Loan AK Facility Loan and all such Term Loan AK Facility Loans will then be treated as one Advance.

10. The Final Maturity Date in respect of the Term Loan AK Facility is March 1, 2028. Any outstanding Advance under the Term Loan AK Facility shall be repaid in full on the Final Maturity Date.
11. The interest rate in relation to the Term Loan AK Facility will be a fixed rate of 3.500 per cent. per annum. Such interest rate will be calculated in accordance with Clause 11.1 (*Calculation of Interest*) of the Credit Agreement as being the sum of EURIBOR and the applicable Margin, where in order to achieve the fixed rate referred to above, the applicable Margin will be:
 - (a) 3.500 per cent. per annum, calculated on the basis of a 365 day or 366 day year (as applicable) and payable for the actual number of days elapsed;
minus
 - (b) the sum of EURIBOR.

For the avoidance of doubt, for the purpose of this calculation, the applicable Margin may be a negative number. Further, the interest rate for this Term Loan AK Facility will never exceed 3.500 per cent. per annum (save to the extent that Clause 11.3 (*Interest on Overdue Amounts*) of the Credit Agreement may apply).
12. The first Term to apply to the Term Loan AK Facility Loan will be a period equal to the period running from the Effective Date up to and including January 15, 2018. The Borrower agrees that each subsequent Term under the Term Loan AK Facility will be 6 months.
13. Upon the occurrence of a mandatory prepayment of the Term Loan AK Facility following a Change of Control, as defined under Clause 10.2 (*Mandatory Prepayment—Change of Control*) of the Credit Agreement, the Borrower under the Term Loan AK Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AK Lender) an amount equal to 1 per cent. of the principal amount of the Term Loan AK Facility, plus accrued and unpaid interest to the due date of mandatory prepayment. Such payment shall be due and payable by the Borrower to the Facility Agent (for the account of the Telenet Additional Facility AK Lender) under the Term Loan AK Facility on the actual date of such mandatory prepayment.
14. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of any of the Term Loan AK Facility by the Borrower under Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement (other than a voluntary prepayment complying with Clauses 17, 18 or 20 below) in an amount not to exceed 10% of the original principal amount of the Term Loan AK Facility during each twelve-month period commencing on the date of this Agreement, the Borrower under the Term Loan AK Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AK Lender) an amount equal to 3.0% of the principal amount of the Term Loan AK Facility being prepaid, plus accrued and unpaid interest then due on the amount of the Term Loan AK Facility Loan prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower under the Term Loan AK Facility to the Facility Agent (for the account of the Telenet Additional Facility AK Lender) on the actual date of such prepayment. Prior to December 1, 2022, to the extent that during any twelve-month period commencing on the date of this Agreement, the principal amount of the Term Loan AK Facility prepaid in any one or more voluntary prepayments is greater than an amount equal to 10% of the original principal amount of the Term Loan AK Facility (any such amount, the “**Excess Early Redemption Proceeds**”), the Borrower will apply the Excess Early Redemption Proceeds to a voluntary prepayment of the Term Loan AK Facility as described in Clause 15 below.
15. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of any or all of the Term Loan AK Facility by the Borrower under the Term Loan AK Facility under Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement with any Excess Early Redemption Proceeds (other than a voluntary prepayment complying with Clauses 17, 18 or 20 below), the Borrower under the Term Loan AK Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AK Lender) an amount equal to the Additional Amount (as defined below) (calculated as of a date no more than three Business Days prior to the date of the relevant prepayment notice), plus accrued and unpaid interest on the amount of the Term Loan AK Facility Loan prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower under the Term Loan AK Facility to the Facility Agent (for the account of the Telenet Additional Facility AK Lender) on the actual date of such prepayment.

For the purposes of this Clause 15:

Additional Amount means, with respect to the Term Loan AK Facility on any prepayment date applicable to the voluntary prepayment of any or all of the Term Loan AK Facility, the excess of:

- (i) the present value at such prepayment date of (i) the amount that would be payable in accordance with Clause 16 below in respect of the principal amount of the Term Loan AK Facility being prepaid if such amount were prepaid on December 1, 2022 pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement, plus (ii) the principal amount of the Term Loan AK Facility being prepaid plus (iii) all required interest payments due on the principal amount of the Term Loan AK Facility being prepaid through December 1, 2022 (excluding accrued but unpaid interest to the prepayment date and assuming such interest payments are calculated at the rate of interest on the Term Loan AK Facility in effect on such prepayment date), computed using a discount rate equal to the Bund Rate plus 50 basis points; over
- (ii) the principal amount of the Term Loan AK Facility being prepaid.

Bund Rate means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (i) **“Comparable German Bund Issue”** means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such prepayment date to December 1, 2022, and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to December 1, 2022; provided, however, that, if the period from such prepayment date to December 1, 2022 is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such prepayment date to December 1, 2022 is less than one year, a fixed maturity of one year shall be used;
- (ii) **“Comparable German Bund Price”** means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Telenet Additional Facility AK Lender obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (iii) **“Reference German Bund Dealer”** means any dealer of German Bundesanleihe securities appointed by the Telenet Additional Facility AK Lender in good faith; and
- (iv) **“Reference German Bund Dealer Quotations”** means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Telenet Additional Facility AK Lender in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Telenet Additional Facility AK Lender by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany, time on a day no earlier than the third business day in Frankfurt preceding the relevant date.

16. On or after December 1, 2022 upon the occurrence of a voluntary prepayment of any or all of the Term Loan AK Facility by the Borrower under the Term Loan AK Facility under Clause 10.5 (*Voluntary prepayment*) of the Credit Agreement (other than a voluntary prepayment complying with Clause 17, 18, 19 and 21 below), the Borrower under the Term Loan AK Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AK Lender) an amount equal to the relevant percentages of the principal amount of the Term Loan AK Facility being prepaid as set forth in the table below on, plus accrued and unpaid interest then due on the amount of the Term Loan AK Facility prepaid to, the due date of prepayment, if prepaid during the twelve-month period beginning on December 1 of the years indicated below:

<u>Year</u>	<u>Prepayment Price expressed as a percentage of the principal amount of the Term Loan AK Facility</u>
2022	1.750%
2023	0.875%
2024	0.438%
2025 and thereafter	0.000%

Such payment shall be due and payable by the Borrower under the Term Loan AK Facility to the Facility Agent (for the account of the Telenet Additional Facility AK Lender) on the actual date of such prepayment.

17. Notwithstanding Clauses 14, 15 and 16:
- (a) if the Telenet Additional Facility AK Lender purchases any Notes in connection with any tender offer or other offer to purchase for the Notes (a “**Tender Offer**”), the Borrower will prepay an aggregate principal amount of the Term Loan AK Facility, pro rata based on the aggregate principal amount of Notes tendered in such Tender Offer and at a prepayment price of par plus any premium paid or less any discount received by the Telenet Additional Facility AK Lender in connection with the purchase of the Notes in such Tender Offer, plus any accrued and unpaid interest to the due date of such prepayment; and
 - (b) if following any Tender Offer, the Telenet Additional Facility AK Lender is entitled to, and elects to, redeem any remaining Notes at a price equal to the price paid to each other holder in such Tender Offer, then the Borrower will prepay the remaining principal amount of the Term Loan AK Facility at a prepayment price of par plus any premium paid or less any discount received by the Telenet Additional Facility AK Lender in connection with the purchase of the Notes in such Tender Offer, plus any accrued and unpaid interest to the date that any interest accrues under the Notes in connection with such redemption.
18. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of the Term Loan AK Facility by the Borrower pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement with the Net Cash Proceeds of one of more Equity Offerings (the “**Equity Offering Early Redemption Proceeds**”) in an amount of up to 40% of the Term Loan AK Facility Loan, the Borrower shall upon not less than 10 days nor more than 60 days’ notice make a payment to the Facility Agent (for the Account of the Telenet Additional Facility AK Lender in an amount (the “**Equity Claw Prepayment Premium**”) equal to 3.500 per cent. of the principal amount of the Term Loan AK Facility prepaid, together with any amounts due to the Telenet Additional Facility AK Lender in respect of a Tax Deduction plus accrued interest then due on the amount of the Term Loan AK Facility prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower to the Facility Agent (for the account of the Telenet Additional Facility AK Lender) under the Term Loan AK Facility on the actual date of such prepayment provided that:
- (a) at least 50% of the principal amount of the Term Loan AK Facility remains outstanding immediately after any such prepayment; and
 - (b) such prepayment is made not more than 180 days after the consummation of any Equity Offering.

For the purpose of this Clause 18:

“**Capital Stock**” of any person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of interests in (however designated) equity of such person, including any preferred stock, but excluding any debt securities convertible into such equity.

“Disqualified Stock” means, with respect to any person, any Capital Stock of such person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (b) is convertible or exchangeable for Financial Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of Telenet Group BVBA, the Borrower or a Subsidiary of Telenet Group BVBA); or
- (c) is redeemable at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of the date (a) of the stated maturity of the Term Loan AK Facility or (b) on which there are no amounts under the Term Loan AK Facility outstanding, *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further* that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Telenet Group BVBA to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in the Credit Agreement) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that Telenet Group BVBA may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by Telenet Group BVBA with any provisions of the Credit Agreement.

“Equity Offering” means (1) the distribution of Capital Stock of the Spin Holdco in connection with any Spin-Off or (2) a sale of (a) Capital Stock of Telenet Group BVBA or the Borrower (other than Disqualified Stock), (b) Capital Stock the proceeds of which are contributed as equity share capital to Telenet Group BVBA or the Borrower or as Subordinated Shareholder Loans or (3) Subordinated Shareholder Loans.

“Net Cash Proceeds” means, with respect to any issuance or sale of Capital Stock, Subordinated Shareholder Loans and other capital contributions, the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

19. In consideration for the Telenet Additional Facility AK-B Lender assuming the Telenet Additional Facility AK Lender’s obligations under the Indenture and provided that any corresponding conditions to such assumption set out in the Indenture have been satisfied substantially concurrently, the Telenet Additional Facility AK Lender agrees that upon receipt of not less than 8 Business Days’ written notice from the Borrower in relation to the Term Loan AK Facility and subject to satisfaction, substantially concurrently, of the other requirements of the Finance Documents it shall promptly on the transfer date (as agreed by the Facility Agent, the Telenet Additional Facility AK-B Lender and the Borrower) transfer its rights, title and obligations under the Term Loan AK Facility by executing a Transfer Certificate substantially in the form of Schedule 3 of this Telenet Additional Facility AK Accession Agreement in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement (and the Company shall procure the execution by the Telenet Additional Facility AK-B Lender of such Transfer Certificate) and deliver such Transfer Certificate to the Facility Agent (the **“Facility AK Loan Transfer”**). The Borrower shall have the right, but not the obligation, to deliver any such notice and to effect the Facility AK Loan Transfer. A copy of the written notice from the Borrower to the Telenet Additional Facility AK Lender shall also be provided to the Facility Agent on or around the date on which it is delivered to the Telenet Additional Facility AK Lender in accordance with this Clause 19. For the purpose of Clause 29.3(f) (*Transfers by Lenders*) of the Credit Agreement, the Facility Agent agrees to waive its right to receive a fee in connection with the Facility AK Loan Transfer.

Following the completion of the Facility AK Loan Transfer, the Company agrees that if requested by written notice from the Borrower, within 60 Business Days of the Transfer Date (as defined in the Transfer Certificate delivered pursuant to this Clause 19), it shall execute and deliver (or shall

procure that such other Telenet Additional Facility AK-B Borrower shall execute and deliver), and, provided that any corresponding conditions to such transaction set out in the Finance Documents and the Indenture have been satisfied substantially concurrently, shall procure that the Telenet Additional Facility AK-B Lender shall execute and deliver the Telenet Additional Facility AK-B Accession Agreement, to the Facility Agent and the Security Agent. The Borrower shall have the right, but not the obligation, to deliver such request and to effect the Belgian Issuer Rollover (as defined below). A copy of the written notice from the Borrower to the Company in respect of such request shall also be provided to the Facility Agent on or around the date on which it is delivered to the Company in accordance with this Clause 19.

20. In accordance with the Telenet Additional Facility AK-B Accession Agreement, on the Effective Date (as defined therein) the Telenet Additional Facility AK-B Lender will make or be deemed to have made, as applicable to the Telenet Additional Facility AK-B Borrower a Term Loan AK-B Facility Loan in an amount equal to its commitment under the Term Loan AK-B Facility (which shall be an amount equal to the then outstanding principal amount of the Term Loan AK Facility Loan) by, at the election of the Company, one or more of the following (the “**Belgian Issuer Rollover**”):
 - (a) transferring all of its rights, title and obligations under the Term Loan AK Facility to the Telenet Additional Facility AK-B Borrower pursuant to a transfer certificate to be executed by each of the Telenet Additional Facility AK-B Lender, the Telenet Additional Facility AK-B Borrower and the Facility Agent in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement;
 - (b) cash settling with (or netting against) proceeds received (or payable) in respect of the voluntary prepayment and cancellation of the Term Loan AK Facility Loan; and/or
 - (c) any other means that may be permitted under the Finance Documents and applicable law provided that the Telenet Additional Facility AK Lender shall cease to have any rights or obligations under the Telenet Additional Facility AK Accession Agreement following the entry into the Telenet Additional Facility AK-B Accession Agreement.

The notice provisions of Clause 10.5(a) (*Voluntary Prepayment*) and Clause 10.7(a) (*Voluntary Cancellation*) of the Credit Agreement shall not apply to any cancellation or prepayment effected pursuant to paragraphs (b) or (c) of this Clause 20, and the Company hereby irrevocably consents to any transfer pursuant to paragraph (a) of this Clause 20 and for the purpose of Clause 29.3(c) (*Transfers by Lenders*) of the Credit Agreement.

21. On the Effective Date (as defined in the Telenet Additional Facility AK-B Accession Agreement), accrued and unpaid interest in respect of the Term Loan AK Facility Loan shall be rolled over and deemed to be interest accrued in respect of the Term Loan AK-B Facility Loan. Such interest shall be due and payable, together with any additional accrued and unpaid interest on the Term Loan AK-B Facility Loan, on the first interest period payment date under the Term Loan AK-B Facility which shall correspond with the end of the Term selected in the relevant Request for the Term Loan AK Facility Loan under the Credit Agreement.
22. The Borrower agrees that it will not request or require the transfer of all of the rights and obligations of the Telenet Additional Facility AK Lender (or cancel or reduce any of such Lender’s Commitments or repay or prepay the Term Loan Facility AK Loan) pursuant to Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*), Clause 10.9 (*Right of Cancellation in relation to a Defaulting Lender*) or Clause 28.3 (*Non-Consenting Lenders*) of the Credit Agreement.
23. On the first Utilisation Date in respect of the Term Loan AK Facility, the Borrower confirms, on behalf of itself and the Company confirms on behalf of itself and each other Obligor, that the representations and warranties set out in Clause 18 (*Representations and Warranties*) of the Credit Agreement (except for Clauses 18.5 (*Non-conflict*), 18.6 (*No Event of Default*), 18.7 (*Authorisations*), 18.9 (*No Material Adverse Change*), 18.10 (*Litigation and Insolvency Proceedings*), 18.11 (*Tax Liabilities*), 18.12 (*Security Interests*), 18.13 (*Intellectual Property Rights*), 18.14 (*Environmental Laws*), 18.15 (*Ownership of Assets*), 18.16 (*ERISA*), 18.17 (*United States Regulations*) and 18.18 (*Anti-Terrorism Laws*)) are true and correct in all material respects as if made at the first Utilisation Date in respect of the Term Loan AK Facility with reference to the facts and circumstances then existing, and as if each reference to the Finance Documents includes a reference to this Agreement.

24. Each of the Guarantors confirms that its obligations under Clause 17 (*Guarantee and Indemnity*) of the Credit Agreement, and each of the Existing Security Providers confirms that the Security Interests created pursuant to the Security Documents and its obligations under the Finance Documents, shall continue unaffected and that such obligations extend to the Total Commitments as increased by the addition of the Term Loan AK Facility and that such obligations shall be owed to each Finance Party including the Telenet Additional Facility AK Lender.
25. The Telenet Additional Facility AK Lender confirms to each Finance Party (unless such Finance Party is also an Obligor) that:
- (a) it has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Credit Agreement and has not relied on any information provided to it by a Finance Party in connection with any Finance Document; and
 - (b) it will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Credit Agreement or any Telenet Additional Facility Commitment is in force.
26. The Term Loan AK Facility will be used for (i) the Refinancing, (ii) to service certain payments to the Telenet Additional Facility AK Lender under the Related Agreements and/or (iii) for general corporate purposes of the Group, which may include loans, distributions or other payments to the Company and its direct and indirect shareholders, share buybacks or a refinancing of outstanding debt.
27. Subject to Clause 28 below and the provisions of the Indenture, for the purposes of any amendment or waiver, consent or other modification (including, with respect to any existing Default or Event of Default) that may be sought by the Company under the Credit Agreement or any other Finance Document on or after the date of this Agreement, the Telenet Additional Facility AK Lender hereby consents to:
- (a) any and all of the items set out in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; and
 - (b) any consequential amendment, waiver, consent or other modification, whether effected by one instrument or through a series of amendments, to the Credit Agreement or any other Finance Document to be made either to implement the changes envisaged in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement or to conform any Finance Document to Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; and/or
 - (c) any other amendment, waiver, consent or modification, whether effected by one instrument or through a series of amendments, to the Credit Agreement or any other Finance Document to be made to conform any Finance Document to any Liberty Global Reference Agreement (provided that any amendment, waiver, consent or modification to conform the Credit Agreement or any other Finance Document to any Liberty Global Reference Agreement referred to at paragraphs (vi) to (xi), (xiii) and (xiv) and in respect of the schedules in relation to covenants, events of default or definitions in the Liberty Global Reference Agreements referred to at paragraphs (ii), (iii) and (v) of that definition, shall be limited to those that are mechanical in nature unless specifically referenced in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement and, in each case, any consequential amendments, waivers, consents or modifications),
- and this Agreement shall constitute the Telenet Additional Facility AK Lender's irrevocable and unconditional written consent in respect of such amendments, waivers, consents or other modifications to the Finance Documents for the purposes of Clause 28 (*Amendments and Waivers*) of the Credit Agreement and Clause 28 (*Consents, Amendments and Override*) of the Intercreditor Agreement (as applicable), and any clause in any other Finance Document relating to amendments of that Finance Document, without any further action required on the part of any party thereto.

28. Following receipt of an amendment request from the Company and/or the Facility Agent in connection with all or any of the proposed amendments set out under Clause 27 above (the “**Requested Amendments**”) the Telenet Additional Facility AK Lender shall confirm whether, having regard to the relevant provisions of the Indenture, it is required to consent to the Requested Amendments. If the Telenet Additional Facility AK Lender is required to give such consent, it hereby acknowledges and agrees that the Facility Agent and/or the Security Agent may, but shall not be required to, send to the Telenet Additional Facility AK Lender any further formal amendment request in connection with all, or any of the Requested Amendments and the Facility Agent and/or the Security Agent shall be authorised to consent on behalf of the Telenet Additional Facility AK Lender, as a Lender under one or more Telenet Additional Facilities, to any such Requested Amendments (and the Facility Agent and/or the Security Agent shall be authorised to enter into any necessary documentation in connection with the same) and such consent shall be taken into account in calculating whether the Majority Lenders, or the relevant requisite Lenders, have consented to the relevant amendment, waiver or other modification to the Finance Documents in accordance with Clause 28 (*Amendments and Waivers*) of the Credit Agreement and Clause 28 (*Consents, Amendments and Override*) of the Intercreditor Agreement (as applicable), and any clause relating to amendments in any other Finance Document.
29. The Telenet Additional Facility AK Lender hereby waives receipt of any fee in connection with the consent in Clause 28 above, notwithstanding that other consenting Lenders under the Credit Agreement may be paid a fee in consideration of such Lenders’ consent to any or all of the foregoing amendments, waivers or other modifications.
30. The Telenet Additional Facility AK Lender and the Facility Agent agree to waive the notice period in respect of drawdown requests under Clause 5.1 (*Delivery of Requests*) of the Credit Agreement in respect of this Term Loan AK Facility.
31. The Borrower and the Company agree that, notwithstanding the provisions of Clause 12 (Taxes) of the Credit Agreement, in connection with any payment required to be made by an Obligor to the Telenet Additional Facility AK Lender:
- (a) Clause 12.2 (*Tax gross-up*) of the Credit Agreement shall continue to apply as if a Tax Deduction includes a FATCA Deduction; and
 - (b) Clause 12.4(a) (*Tax Indemnity*) of the Credit Agreement shall continue to apply to any Tax that relates to a FATCA Deduction required to be made by a Party,

in each case, other than to the extent that such FATCA Deduction arises from any non-compliance with any law or regulation by a holder of the Notes.

In this paragraph 32:

“**FATCA**” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“**FATCA Deduction**” means a deduction or withholding from a payment under a Finance Document required by FATCA.

32. The Telenet Additional Facility AK Lender, the Borrower and the Facility Agent acknowledge and agree that (a) the Term Loan AK Facility Loan shall be made by the Telenet Additional Facility AK Lender directly to the Borrower to an account notified by the Borrower to the Additional Facility AK Lender, rather than through the Facility Agent, and (b) in respect of any other payments of principal, interest or other amounts due under the Term Loan AK Facility, (i) the Borrower shall make payments payable by it to the Additional Facility AK Lender directly to the Additional Facility AK Lender (or to such account as the Additional Facility AK Lender may specify), and (ii) the Additional Facility AK Lender shall make payments payable by it to the Borrower directly to the

Borrower (or to such account as the Borrower may specify). The Additional Facility AK Lender agrees that it shall promptly notify the Facility Agent if the Borrower fails to make any payment under subclause (b)(i) of this Clause 32 when due, and the Borrower agrees that it shall promptly notify the Facility Agent if the Additional Facility AK Lender fails to make any payment under subclause (b)(ii) of this Clause 32 when due.

33. The Telenet Additional Facility AK Lender agrees that without prejudice to Clause 29.4 (*Procedure for Transfer by way of Novation*) of the Credit Agreement, each New Lender (as defined in the Transfer Certificate referred to below) shall become, by the execution by the Facility Agent of a Transfer Certificate substantially in the form of Schedule 3 (*Transfer Certificate (Cash)*) to this Agreement, bound by the terms of this Agreement as if it were an original party hereto as a Telenet Additional Facility AK Lender and shall acquire the same rights, grant the same consents and assume the same obligations towards the other parties to this Agreement as would have been acquired, granted and assumed had the New Lender been an original party to this Agreement as a Telenet Additional Facility AK Lender.
34. The Facility Office and address for notices of the Telenet Additional Facility AK Lender for the purposes of Clause 36.2 (*Contact details*) of the Credit Agreement will be that notified by the Telenet Additional Facility AK Lender to the Facility Agent.
35. For the purposes of the Term Loan AK Facility and any Term Loan AK Facility Loan, and notwithstanding any provision of a Finance Document to the contrary:

(a) The following defined terms shall have the following meanings in the Finance Documents:

Luxembourg means the Grand Duchy of Luxembourg;

Luxembourg Guarantor means a Guarantor incorporated in Luxembourg; and

Luxembourg Obligor means an Obligor incorporated in Luxembourg.

(b) Where they relate to a Luxembourg company, references in the Finance Documents to:

- (i) a **winding-up, administration or dissolution** includes, without limitation, bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors, reorganisation or similar laws affecting the rights of creditors generally;
- (ii) a **receiver, administrative receiver, administrator** or the like includes, without limitation, a *juge délégué, commissaire, juge-commissaire, liquidateur or curateur*;
- (iii) a **security interest** includes any *hypothèque, nantissement, gage, privilege, sûreté réelle, droit de rétention* and any type of real security or agreement or arrangement having a similar effect and any transfer of title by way of security; and
- (iv) a person being **unable to pay its debts** includes that person being in a state of cessation of payments (*cessation de paiements*).
- (c) Any guarantee given by any Luxembourg Guarantor does not constitute a suretyship (*cautionnement*) in the sense of articles 2011 and subsequent of the Luxembourg civil code.
- (d) The maximum liability of any Luxembourg Guarantor under the Finance Documents shall be limited so that the maximum amount payable by the relevant Luxembourg Guarantor for the obligations of any Obligor, which is not a direct or indirect Subsidiary of such Luxembourg Guarantor, hereunder shall at no time exceed the Maximum Amount.

Maximum Amount of any Luxembourg Guarantor means the sum of an amount equal to the aggregate (without duplication) of:

- (i) all moneys received by that Luxembourg Guarantor or direct or indirect Subsidiaries of that Luxembourg Guarantor (which are direct or indirect Subsidiaries of that Luxembourg Guarantor on the date hereof or which will be direct or indirect Subsidiaries of that Luxembourg Guarantor hereafter) as borrower under or pursuant to the Finance Documents; and

- (ii) the aggregate amount of the outstanding intercompany loans made to the Luxembourg Guarantor or direct or indirect Subsidiaries of that Luxembourg Guarantor (which are direct or indirect Subsidiaries of that Luxembourg Guarantor on the date hereof or which will be direct or indirect Subsidiaries of that Luxembourg Guarantor hereafter) by other members of the Group which have been funded with moneys received by the Borrowers under the Finance Documents (the **Loan Amount**); and
- (iii) an amount equal to 95% of the greater of:
 - (A) the market value of the assets of the Luxembourg Guarantor at the time the guarantee is called less the Liabilities, other than the Loan Amount, at the time the guarantee is called; and
 - (B) the market value of the assets of the Luxembourg Guarantor at the date of this Agreement less the Liabilities, other than the Loan Amount, at the time the guarantee is called.

Liabilities means all existing liabilities (other than any liabilities owed to the direct or indirect shareholders of the Luxembourg Guarantor) incurred, from time to time, by the Luxembourg Guarantor and as reflected, from time to time, in the books of the Luxembourg Guarantor.

If the Parties fail to reach an agreement as to the market value of the assets as referred to under paragraph (iii) above, such market value shall be determined, at the sole costs of the Luxembourg Guarantor (provided such costs are properly and reasonably incurred), by (1) an independent investment bank appointed for this purpose by the Finance Parties or (2) a Luxembourg *réviseur d'entreprises agréé* appointed upon the request of any of the Finance Parties.

- (e) Telenet International Finance S.à r.l. hereby expressly accepts and confirms, for the purposes of Articles 1278 and 1281 of the Luxembourg Civil Code, that notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the provisions of this Agreement or the Finance Documents, the guarantee given by it guarantees all obligations of each Luxembourg Obligor (including without limitation, all obligations with respect to all rights and/or obligations so assigned, transferred or novated) and any security created under this Agreement or the Finance Documents shall be preserved for the benefit of any New Lender and each Luxembourg Obligor hereby accepts and confirms the aforementioned.
 - (f) **Qualifying Lender** means, in the case of a Luxembourg Borrower, a Lender which is entitled to receive interest payments free of withholding tax levied pursuant to the Luxembourg law of 23 December 2005, as amended, introducing a withholding tax of 20% on payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg or, in the case of a Belgian Borrower, has the meaning given to that term in the Credit Agreement.
36. Each Existing Security Provider (other than the Company) irrevocably appoints the Company to act as its agent:
- (a) to give and receive all communications under the Finance Documents;
 - (b) to supply all information concerning itself to any Finance Party; and
 - (c) to sign all documents under or in connection with the Finance Documents.
- Any communication given to the Company in connection with a Finance Document will also be deemed to have been given to the other Existing Security Providers and each Finance Party may assume that any communication made by the Company is made with the consent of the other Existing Security Providers.
37. If a term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:
- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement;
- or

- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.
38. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
39. Clause 39.1 (*Jurisdiction*) of the Credit Agreement is incorporated into this Agreement as if set out in full and as if references in that clause to “the Finance Documents” is to this Agreement.
40. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Agreement by e-mail (PDF) or telecopy shall be as effective as delivery of a manually executed counterpart of this Agreement.
41. This Agreement is a Creditor Accession Undertaking as defined in the Intercreditor Agreement.
42. The Borrower under the Term Loan AK Facility hereby agrees that the Telenet Additional Facility AK Lender may disclose confidential information supplied to it by or on behalf of any Obligor in connection with the Finance Documents to the extent such disclosure is required by the terms of the Notes.
43. For the purposes of any assignment, transfer or novation of rights and/or obligations (in whole or in part) by the Telenet Additional Facility AK Lender under Clause 29.3 (*Transfers by Lenders*) of the Credit Agreement, each of the Borrower and the Company hereby irrevocably consents to any assignment, transfer or novation made by the Telenet Additional Facility AK Lender (i) by way of security in favour of The Bank of New York Mellon, London Branch (as security trustee under the Indenture) and (ii) following an Event of Default under and as defined in the Indenture. The Telenet Additional Facility AK Lender may only deliver to the Facility Agent a completed Transfer Certificate if at that time it confirms to the Facility Agent in writing that an assignment, transfer or novation of the interest in the Term Loan AK Facility to be assigned, transferred or novated is not prohibited under the terms of any agreement that is binding on it or any of its assets.
44. The parties acknowledge that this Agreement is a Finance Document.

[Signature Pages Follow]

SCHEDULE 1

TELENET ADDITIONAL FACILITY AK LENDER AND TERM LOAN AK FACILITY COMMITMENTS

<u>Telenet Additional Facility AK Lender</u>	<u>Term Loan AK Facility Commitment</u>
	(€)
Telenet Finance Luxembourg Notes S.à r.l.	600,000,000
Total	600,000,000

SCHEDULE 2
CONDITIONS PRECEDENT DOCUMENTS

1. Obligors

- (a) A copy of the articles of association or equivalent constitutional documents of each Obligor and each Existing Security Provider.
- (b) A copy of a resolution of the board of directors or equivalent of each Obligor and each Existing Security Provider approving the terms of, and the transactions contemplated by, this Agreement and any other Finance Documents to which it is, or will become, a party.
- (c) A specimen of the signature of each person authorised on behalf of each Obligor and each Existing Security Provider to execute or witness the execution of this Agreement and any other Finance Document or to sign or send any document or notice in connection with this Agreement and any other Finance Document.
- (d) An up-to-date extract from the Luxembourg Trade and Companies Register in respect of each Obligor and each Existing Security Provider incorporated in Luxembourg or, to the extent such Obligor or Existing Security Provider is not registered with the Luxembourg Trade and Companies Register, a certificate from a notary residing in Luxembourg.
- (e) An up-to-date negative certificate (*certificat de non-inscription d'une decision judiciaire*) issued by the Luxembourg Trade and Companies register in respect of each Obligor and each Existing Security Provider incorporated in Luxembourg or, to the extent such Obligor or Existing Security Provider is not registered with the Luxembourg Trade and Companies Register, a certificate on solvency of an authorised signatory of the relevant Obligor or Existing Security Provider (as applicable).
- (f) A copy of the minutes of the shareholders' meeting of each Belgian Obligor and each Belgian Existing Security Provider in the form of a limited liability company (*naamloze vennootschap*) (except for Telenet Group Holding NV):
 - (i) approving for the purposes of article 556 of the Belgian Companies Act, the terms of and transactions contemplated by this Agreement; and
 - (ii) authorising named persons to fulfil the formalities with the Registry of the Commercial Court of the registered office of such Obligor or Existing Security Provider following the decision taken in accordance with the above.
- (g) A certificate of an authorised signatory of the Company:
 - (i) confirming that utilising the Total Commitments (including the Term Loan AK Facility Commitments) in full would not breach any limit binding on any Obligor or Existing Security Provider; and
 - (ii) certifying that each copy document specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. Legal opinions

- (a) A legal opinion of Allen & Overy LLP, English legal advisers to the Facility Agent, addressed to the Finance Parties and the initial purchasers under the Purchase Agreement executed in respect of the Notes.
- (b) A legal opinion of Allen & Overy (Belgium) LLP, Belgian legal advisers to the Facility Agent, addressed to the Finance Parties and the initial purchasers under the Purchase Agreement executed in respect of the Notes.
- (c) A legal opinion of Allen & Overy, *société en commandite simple* (Luxembourg), Luxembourg legal advisers to the Facility Agent, addressed to the Finance Parties and the initial purchasers under the Purchase Agreement executed in respect of the Notes.
- (d) A legal opinion of Ropes & Gray LLP, Delaware legal advisers to the Obligors and Existing Security Providers, addressed to the Finance Parties.

3. Other Documents

- (a) Evidence that the agent of the Borrower under the Finance Documents for service of process in England has accepted its appointment.
- (b) A duly executed copy of the Fee Letter.

SCHEDULE 3
TRANSFER CERTIFICATE (CASH)

To: The Bank of Nova Scotia as Facility Agent and Telenet International Finance S.à r.l. as Borrower

From: [THE EXISTING LENDER] and [THE NEW LENDER]

Date: 2017

Telenet BVBA¹—credit facilities agreement originally dated August 1, 2007 (as amended and restated from time to time), by and among Telenet BVBA and The Bank of Nova Scotia (originally BNP Paribas and then Toronto Dominion (Texas) LLC) as facility agent and KBC Bank NV as security agent (the Credit Agreement)

Terms defined in the Credit Agreement have the same meanings when used in this Transfer Certificate, or, if not defined in the Credit Agreement, the Telenet Additional Facility AK Accession Agreement (as defined below), have the same meaning in this Transfer Certificate.

We refer to:

- (a) Clause 29.4 (*Procedure for Transfer by Way of Novations*) of the Credit Agreement;
 - (b) Clause 22.3 (*Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders*) of the Intercreditor Agreement; and
 - (c) the Telenet Additional Facility Accession Agreement dated [●] 2017, pursuant to which a €600,000,000 term loan facility is made available to the Borrower as a Telenet Additional Facility (**Term Loan AK Facility**) under the Credit Agreement (the **Telenet Additional Facility AK Accession Agreement**).
1. We, [] (the **Existing Lender**) agree to novate and we, [] (the **New Lender**) agree to accept novation of all the Existing Lender's rights and obligations referred to in the Schedule on and from the Effective Date in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement and Clause 22.3 (*Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders*) of the Intercreditor Agreement.
 2. The New Lender confirms that it is bound by the terms of the Telenet Additional Facility AK Accession Agreement from the Effective Date as if it were an original party thereto as a Telenet Additional Facility AK Lender and shall acquire the same rights, grant the same consents and assume the same obligations towards the other parties to the Telenet Additional Facility AK Accession Agreement as would have been acquired, granted and assumed had the New Lender been an original party to the Telenet Additional Facility AK Accession Agreement as a Telenet Additional Facility AK Lender.
 3. For the purposes of Articles 1278 and 1281 of the Luxembourg Civil Code and Article 1278 of the Belgian Civil Code, each of the Existing Lender, the Facility Agent and the New Lender agree and each of the Existing Security Providers and Guarantors acknowledge and accept that the Security Documents will be preserved for the benefit of the New Lender in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement.
 4. The New Lender represents on the date of this Transfer Certificate that:
 - (a) it is a Qualifying Lender; and
 - (b) it is not a Lender that has met the conditions described in any of paragraphs (a) to (c) of Clause 12.6 (*U.S. Taxes*) of the Credit Agreement.
 5. This Transfer Certificate shall take effect on the date of this Transfer Certificate.
 6. For the purposes of this Transfer Certificate, "**Effective Date**" means the date specified under the Facility Agent's name in the relevant signature page to this Transfer Certificate.
 7. Each party to this document agrees, the Facility Agent agrees on behalf of each Finance Party, and Telenet BVBA agrees on behalf of each Obligor, that this document is a Transfer Certificate notwithstanding that its form is different to that required by the Credit Agreement.

¹ Formerly known as Telenet Bidco NV and subsequently Telenet NV following the merger of Telenet NV into Telenet Bidco and subsequently Telenet BVBA following the conversion into a BVBA.

8. The New Lender, agrees to become party to the Intercreditor Agreement as a Senior Lender for the purposes of the Intercreditor Agreement and confirm that, as from the date of this Transfer Certificate, it intends to be party to the Intercreditor Agreement as a Senior Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
9. This Transfer Certificate is a Finance Document.
10. *This Transfer Certificate may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Transfer Certificate by e-mail (PDF) or telecopy shall be as effective as delivery of a manually executed counterpart of this Transfer Certificate.*
11. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

THE SCHEDULE

Rights and obligations to be novated:

EXISTING LENDER

Existing Lender's Term Loan AK Facility Commitment: €[●]

Assignee: New Lender

NEW LENDER

Facility Office []

Address for notices for administrative purposes []

Address for notices for credit purposes []

[*The Existing Lender*], as the Existing Lender

By: _____
Name:
Title

EXECUTED AS A DEED

[*The New Lender*], as the New Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

TELENET BVBA, as Obligors agent

By: _____
Name:
Title:

TELENET BVBA, as Existing Security Providers agent

By: _____
Name:
Title:

THE BANK OF NOVA SCOTIA, as Facility Agent

By: _____
Name:
Title:
Date:

The Facility Agent confirms that the Effective Date is the date on which it and the Security Agent countersigns this Transfer Certificate.

KBC BANK NV, as Security Agent

By: _____
Name:
Title:
Date:

SCHEDULE 4

AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

All references to Clauses, Paragraphs, Schedules and definitions contained in this Schedule 4 are to Clauses, Paragraphs, Schedules and definitions of the Credit Agreement and the Intercreditor Agreement (as applicable). All capitalised terms used in this Schedule but not defined shall have the meanings given to such terms in the Credit Agreement and the Intercreditor Agreement (as applicable).

In this Schedule, references to “recent Liberty precedent” shall be construed to mean any Liberty Global Reference Agreement.

1. **Majority Lenders:** amend Clause 1.1 (*Definitions*) of the Credit Agreement to reduce the fractions specified in the definitions of Majority Lenders, from two thirds or more (for any or all purposes under the Credit Agreement or any other Finance Document (including for the purposes of any Telenet Additional Facility)) to more than 50.00% and to exclude the available commitments of defaulting lenders for the purposes of amendments or waivers.
2. **Super Majority Lenders:** amend Credit Agreement to provide for a definition of Super Majority Lenders so that amendments and waivers in respect of the release of any guarantee or security only requires the consent of Lenders representing 90.00% of Commitments.
3. **Tax:** amend Clause 12 (*Taxes*) to include any provisions (which are not materially adverse to the interests of the Lenders) required to accommodate an acceding Additional Borrower incorporated in a jurisdiction other than Belgium, the Netherlands, Luxembourg and the United States.
4. **Market Disruption:** amend the Credit Agreement to include market disruption provisions and the provision of alternative interest rates in accordance with recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan market.
5. **Geographic restrictions:** amend Clause 29.9 (*Additional Borrowers*) to provide that, in addition to the existing ability for an Additional Borrower incorporated in Benelux and the US to accede (without requiring any Lender consent), to provide an ability to accede Additional Borrowers incorporated in any other jurisdictions with the consent of the Majority Lenders.
6. **Holding Companies:** amend Clause 21.9(b)(iii) to expressly permit a merger of Telenet Group Holding NV, Telenet BVBA or Telenet Vlaanderen NV or any of their intermediate holding companies subject to compliance with the merger regime in recent Liberty precedents.
7. **Changes to Thresholds:** in the definition of Permitted Security Interest, permit the Company to secure Financial Indebtedness on a *pari passu* or junior ranking basis provided that (other than in the case of a refinancing of other secured Financial Indebtedness in the same or a lesser principal amount) the Net Total Debt to Consolidated Annualised EBITDA ratio on a pro forma basis would not be greater than 5.50:1.00 and provided that such Financial Indebtedness is subject to an intercreditor agreement on terms which are satisfactory to the Security Agent (acting on the instructions of the Majority Lenders) and where (in the case of such Financial Indebtedness being secured on a junior ranking basis) the rights of the holders of such Financial Indebtedness in respect of any payment will be contractually subordinated to the rights of the Lenders on terms comparable to the Loan Market Association’s form of intercreditor agreement at such time for mezzanine debt, as referred to in recent Liberty precedent.
8. **Security and Guarantee Release:** amend the relevant provisions of the Credit Agreement (in particular Clauses 21.17 (*Share Security*) and 29.11 (*Resignation of an Obligor (other than the Company)*)) to provide that, subject to certain thresholds being met no Obligor nor any other member of the Group is required to provide any Security or guarantee other than Security over the shares that it holds in any Obligor, Security required under the terms of the Credit Agreement in respect of Subordinated Shareholder Loans and a guarantee from the Obligors under the terms of the Credit Agreement and include a provision to authorise the Security Agent to release any other Security or guarantees other than the aforementioned and to release Security in respect of Permitted Disposals and to permit relevant Security to be released if a Guarantor resigns in accordance with Clause 29.11 (*Resignation of an Obligor (other than the Company)*) provided that the guarantor coverage test would still be met notwithstanding such release.
9. **Defaulting Lender:** include standard defaulting lender provisions used in recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan

market so as the commitments of a defaulting lender may be cancelled and it will have no rights to vote in respect of such cancelled commitments. Clarify that no commitment fee will be payable to a defaulting lender.

10. **Assignments/Transfers of Lenders:** clarify that the Company should have the right to withhold consent in respect of an assignment/transfer of the Revolving Facility to an entity which is not a lender under a revolving facility to the wider Liberty group (subject to no consent being required in the case of transfers to other Lenders or affiliates of Lenders or following an event of default which is continuing). There should be no unreasonableness qualifier on this right (in respect of the Revolving Facility only). Remove requirement of deemed consent within 10 Business Days in respect of each Revolving Facility.
11. **Assignments/Transfers of Obligors:** amend Clause 29.2 (*Assignment or Transfer by Obligors*) so that any Benelux Borrower may assign or transfer any of its rights and obligations under the Revolving Facility or the Term Loans to another Benelux Borrower and so that any US Borrower may do the same to another US Borrower, in each case, without the prior consent of the Lenders provided that a solvency opinion and legal opinion are provided, if requested, in accordance with recent Liberty precedents in respect of an equivalent provision.
12. **Amendments:**
 - (a) amend Clause 28 (*Amendments and waivers*) to introduce a class exception, whereby any amendment or waiver that relates only to the rights or obligations of a particular Utilisation or Facility and does not materially and adversely affect the rights or interests of Lenders in respect of other Utilisations or Facilities only requires the consent of the relevant proportion of Lenders participating in such Utilisation or Facility;
 - (b) amend Clause 28.2 (*Exceptions*) to require the consent of affected Lenders only and not all Lenders (and make any consequential changes by amending for example, all references to matters requiring all Lender consent to only requiring affected Lender consent); and
 - (c) include a new paragraph (d) to Clause 28.2 (*Exceptions*), to permit the Facility Agent to make technical, minor, operational and OID amendments without consent from any Lenders, on terms consistent with recent Liberty precedent as at the date of implementation of the amendments.
13. **Joint Ventures and solvent reorganisations:** amend the Credit Agreement to permit Telenet BVBA to contribute freely pledged loan and guarantee receivables to the Permitted Joint Venture's share capital without requiring a release from the Security Agent (subject to confirmation or re-taking of security over such pledged loan and guarantee receivables).
14. **Accession Agreements:** amend each Accession Agreement to remove the restriction which prevents:
 - (a) Telenet BVBA from arranging an Additional Facility if after giving effect to a utilisation thereunder, the ratio of Net Total Senior Debt to Consolidated Annualised EBITDA would be greater than 4.50:1; and
 - (b) the Company from requesting the transfer of an Additional Facility pursuant to Clause 28.3 (*Non-Consenting Lenders*).
15. **Non-Consenting Lenders:** remove the timing window of 90 days during which the Company may effect the provisions set out in Clause 28.3 (*Non-Consenting Lenders*).

SCHEDULE 5

FURTHER AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Super Majority Lenders:** delete paragraph (a)(vii) of Clause 28.2 (*Exceptions*).
2. **Market Disruption:** amend the Credit Agreement to include provisions for the protection of reference banks and their officers in accordance with recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan market.
3. **Amendments:**
 - (a) include a new clause such that where a request for a waiver of, or an amendment to, any provision of any Finance Document has been sent by the Facility Agent to the Lenders at the request of an Obligor, each Lender that does not respond to such request for waiver or amendment within 10 Business Days after receipt by it of such request (or within such other period as the Facility Agent and the Company shall specify), shall be excluded from the calculation in determining whether the requisite level of consent to such waiver or amendment was granted, and delete the proviso to the definition of Majority Lenders; and
 - (b) delete paragraph (a)(vi) of Clause 28.2 (*Exceptions*) and provide that guarantees and security can be released with the consent of the Lenders representing 90% of Commitments.
4. **Additional Borrowers:** Additional Borrowers may be incorporated in the Kingdom of Belgium, Netherlands, Luxembourg or, in relation to any new Additional Facilities, in the United Kingdom.
5. **Mandatory Costs:** delete all references in each Additional Facility Accession Agreement to Mandatory Costs and any related provisions.
6. **Permitted Disposals:**
 - (a) amend the definition of Permitted Disposal to include in addition to the existing “Permitted Disposals”:
 - (i) disposals by one member of the Group to another member of the Group provided that, if such assets subject to the disposal are subject to existing security, the Borrower within 15 Business Days of such disposal ensures that the assets remain subject to security; and
 - (ii) disposals of shares or other interests in project companies, entities excluded from the Group which are subsidiaries of the Company or joint venture companies (each as defined in recent Liberty precedent) or the assignment of any Financial Indebtedness owed to a member of the Group by any project companies, entities excluded from the Group which are subsidiaries of the Company or a joint venture company.

SCHEDULE 6

ADDITIONAL AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Ancillary Facilities:** amend the Credit Agreement to provide that (i) a date specified in a conversion notice as the effective date for an ancillary facility commitment may be a date not less than 3 Business Days after the date such conversion notice is received by the Facility Agent, (ii) any proposed increase or reduction or extension of the ancillary facility commitment shall only take effect from a date not less than 3 Business Days after the date the Facility Agent has received notice of the relevant modification or variation or extension and (iii) an ancillary facility lender may demand repayment or prepayment of any amounts under its ancillary facility if the ancillary facility outstandings under that ancillary facility can be repaid by a revolving facility advance (and not less than 7 Business Days notice (or such shorter period as agreed to by the Company) is given to the relevant Borrower before payment becomes due).
2. **Defaulting Lender:** amend the Credit Agreement to include the right to replace a Lender (in whole and at par) if that Lender becomes a Defaulting Lender.

SCHEDULE 7

FOURTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Transfers:** amend clause 29.3 (*Transfers by Lenders*) of the Credit Agreement to provide that the consent of the Company is not required for any assignment or transfer by a Lender if an Event of Default is outstanding pursuant to any of clauses 22.2 (*Non-payment*), 22.6 (*Insolvency*), 22.7 (*Insolvency Proceedings*), 22.8 (*Creditors' Process*) or 22.9 (*Similar Proceedings*) only (rather than if any Event of Default is outstanding).
2. **New RCF Maintenance Covenant:** amend the Credit Agreement to provide that amendments and waivers of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) to 20.4 (*Cure provisions*) and the new acceleration clause at (d) above shall only be made with the consent of the Company and the Composite Revolving Facility Instructing Group and shall not require the consent of any other Finance Party.

SCHEDULE 8

FIFTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Lender Assignments:** amend Clause 29 (*Changes to Parties*) of the Credit Agreement to provide that Lenders may transfer their rights and obligations under the Credit Agreement by way of assignment (subject to equivalent conditionality (including as set out in Clause 29.3 (*Transfers by Lenders of the Credit Agreement*))) as applies to the regime for transfers by Lenders of their rights and obligations by way of novation under the Credit Agreement and otherwise in accordance with recent Liberty precedent).

SCHEDULE 9

SIXTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Solvent Liquidation:** Amend the Credit Agreement to provide for releases of Security as a result of, and in connection with, any solvent liquidation or dissolution that complies with Clause 21.24 (Internal Reorganisations) of the Credit Agreement.
2. **Non-Consenting Lenders:** Remove the timing window of 90 days during which the Company may exercise its rights as set out in Clause 28.3 (Non Consenting Lenders) such that the Company may exercise such rights at any time.
3. **Waivers:** Add a new limb to Clause 28.1 (Procedure) as follows:

“Notwithstanding anything to the contrary in the Finance Documents, a Finance Party may unilaterally waive, relinquish or otherwise irrevocably give up all or any of its rights under any Finance Document with the consent of the Company.”
4. **Transfers:** Delete paragraph (b) of Clause 29.3 (Transfers by Lenders) in its entirety and replace it with the following:

“Any transfer under paragraph (a) above shall be for an amount of not less than €2,000,000 or \$2,000,000 (in the case of participations in advances denominated in euro or dollars, respectively) (or if less, the aggregate of the commitments of that existing lender).”

SCHEDULE 10

SEVENTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

All references to Clauses, Paragraphs, Schedules and definitions contained in this Schedule 10 are to Clauses, Paragraphs, Schedules and definitions of the Credit Agreement. All capitalised terms used in this Schedule but not defined shall have the meanings given to such terms in the Credit Agreement.

References in this Schedule 10 to “recent Liberty precedents” shall be construed to mean any Liberty Global Reference Agreement.

1. **Agent’s Spot Rate of Exchange:** delete the definition of Agent’s Spot Rate of Exchange and replace it with the following:

“**Agent’s Spot Rate of Exchange**” means, in relation to two currencies, the Facility Agent’s spot rate of exchange for the purchase of the first-mentioned currency in the London foreign exchange market at or about 11.00 am on a particular day.”

2. **Ancillary Facility Lender:** delete the definition of Ancillary Facility Lender and replace it with the following:

“**Ancillary Facility Lender**” means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 7 (*Ancillary Facilities*).

3. **Consolidated EBITDA:** amend the definition of Consolidated EBITDA to:

- (a) amend limb (l) to move the words “any Holding Company Expenses paid to the extent that they were permitted to be paid under this Agreement for such Measurement Period” to a new paragraph (m) and to delete the word “and” before “any Holding Company Expenses”; and
- (b) amend limb (n) to include the words “or transfer of assets” after the words “sale of assets”.

4. **Distribution Business:** include the following new definition:

“**Distribution Business**” means:

- (a) the business of upgrading, constructing, creating, developing, acquiring, operating, owning, leasing and maintaining cable television networks (including for the avoidance of doubt master antenna television, satellite master antenna television, single and multi-channel microwave single or multi-point distribution systems and direct-to-home satellite systems) for the transmission, reception and/or delivery of multi-channel television and radio programming, telephony and internet and/or data services to the residential markets; or
- (b) any business which is incidental to or related to and, in either case, material to such business.”

5. **Excess Capacity Network Service:** include the following new definition:

“**Excess Capacity Network Service**” means the provision of network services, or agreement to provide network services, by a member of the Group in favour of one or more other members of the Wider Group where such network services are only provided in respect of the capacity available to such member of the Group in excess of that network capacity it requires to continue to provide current services to its existing and projected future customers and to allow it to provide further services to both its existing and projected future customers.”

6. **Financial Indebtedness:** amend the definition of Financial Indebtedness to:

- (a) delete limb (e); and
- (b) delete limb (d) and replace it with the following:

“(for the purposes of Clause 22.5 (*Cross-default and Cross-acceleration*) only) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark-to-market value (or, if any actual amount is due as a result of the termination or close-out of all or part of that derivative transaction, that amount together with the mark-to-market value of any part of that derivative transaction in respect of which no amount is due as a result of a termination or close-out) shall be taken into account);”

7. **Guarantor:** delete the definition of Guarantor and replace it with the following:
 ““**Guarantor**” means an Original Guarantor and each Additional Guarantor and “**Guarantor**” means any one of them as the context requires, provided that in either case, such person has not been released from its rights and obligations as a Guarantor hereunder pursuant to Clause 29.11 (*Resignation of an Obligor (other than the Company)*).”
8. **Impaired Agent:** amend limb (c) of the definition of Impaired Agent to include the words “or (c)” before the words “of the definition of “**Defaulting Lender**”” and to replace the word “or” between the words “paragraph (a)” and “(b)” with a comma.
9. **Majority Lenders:** delete the final proviso paragraph of the definition of Majority Lenders and provide that it is subject to the snooze and lose provision to be included pursuant to paragraph 21 of Schedule 5 and Clause 10.7(d).
10. **Permitted Acquisition:** amend the definition of Permitted Acquisition to:
 - (a) include an additional limb as follows:
 “any acquisition by a member of the Group for the purposes of a solvent reorganization of the Group where the Acquisition is of share capital or equivalent of a person which:
 - (i) has not traded and does not own any assets; or
 - (ii) is a dormant subsidiary of the Ultimate Parent,
 and, in each case, which has no liabilities;”
 - (b) amend limb (m) to include the words “, within 60 days of the date of such conversion,” after the words “ensure that the Security Agent is”;
 - (c) delete the proviso at the end of the definition after paragraph (u); and
 - (d) include an additional limb as follows:
 “any acquisition by any member of the Group of any Senior Unsecured Notes provided that an amount equal to the purchase price paid for the acquisition of any such Senior Unsecured Notes could have been used by such member of the Group to fund a Permitted Payment and provided further that to the extent any such acquisition is made in reliance on any basket amount provided for under the definition of “**Permitted Payments**”, such amount shall be reduced by an amount equal to the consideration paid for such acquisition;”
11. **Permitted Disposal:** amend the definition of Permitted Disposal to:
 - (a) amend limb (t) to delete “€50,000,000” and replace it with “€150,000,000” and to delete “1%” and replace it with “three per cent.”;
 - (b) amend limb (t) to add the following to the end of limb (t) of the definition of Permitted Disposal:
 “(with unused amounts in any financial year being carried over to the next succeeding financial year subject to a maximum of the greater of €150,000,000 and three per cent. of Total Assets of carried over amounts for any financial year and with any such carried over amounts being used first in the next succeeding financial year)”;
 - (c) amend limb (hh) to delete each reference to “€50,000,000” and replace it with “€150,000,000”;
 - (d) amend limb (ii) to:
 - (i) include, at the end of the limb, the words “and any disposal of assets pursuant to sale and leaseback transactions constituting Financial Indebtedness to the extent such Financial Indebtedness is permitted under this Agreement” after “in any financial year”;
 - (ii) delete “2%” and replace it with “3%”; and
 - (iii) delete “€100,000,000” and replace it with “€150,000,000”;
 - (e) include an additional limb as follows:
 “disposals of undertakings, assets, rights or revenues comprising interests in the share capital of persons not holding or engaged in the Distribution Business of the Group or other

undertakings, assets, rights or revenues not constituting part of the Distribution Business of the Group (“**Non-Distribution Business Assets**”);

For the avoidance of doubt and without limiting the generality of paragraph [] above, Non-Distribution Business Assets shall include:

- (A) undertakings, assets, rights and revenues comprising interests in the share capital of any person engaged solely in the competitive local exchange carrier (CLEC) business, including without limitation, the business of providing traditional voice and data services and services based on Transmission Control Protocol/Internet Protocol (RCP/IP) technology and other undertakings, assets, rights or revenues constituting a part of such businesses; and
- (B) undertakings, assets, rights and revenues comprising interests in the share capital of any person engaged solely in the business of television and radio programming, including without limitation, the business of creating and distributing special interest television channels, radio programmes, pay per view programmes and near video on demand services and other undertakings, assets, rights or revenues constituting a part of such businesses;” and

(f) delete limb (ww)(iii).

12. **Permitted Financial Indebtedness:** amend the definition of Permitted Financial Indebtedness to:

(a) include an additional limb as follows:

“any Financial Indebtedness incurred in connection with the Hedging Agreements and any other hedging arrangements permitted by this Agreement;”

(b) include an additional limb as follows:

“any Financial Indebtedness of any member of the Group, in respect of which the person or persons to whom such Financial Indebtedness is or may be owed has or have no recourse whatever to any member of the Group for any payment or repayment in respect thereof other than recourse to such member of the Group for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness in an enforcement of any Security Interest given by any member of the Group over Non-Distribution Business Assets, provided that:

- (A) the extent of such recourse to such member of the Group is limited solely to the amount of any recoveries made on any such enforcement;
- (B) such person or persons are not entitled, pursuant to the terms of any agreement evidencing any right or claim arising out of or in connection with such Financial Indebtedness, to commence proceedings for the winding up, dissolution or administration of any member of the Group (or proceedings having an equivalent effect) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of any member of the Group or any of its assets (save only for the Non-Distribution Business Assets the subject of that Security Interest) until after the Commitments have been reduced to zero and all amounts outstanding under the Finance Documents have been repaid or paid in full; and
- (C) the aggregate outstanding amount of all such Financial Indebtedness of all members of the Group does not exceed €100,000,000 (or its equivalent in other currencies);”

(c) amend limb (i) to delete the words “under paragraph (jj), (kk) and (ll) of that definition”; and

(d) amend limb (r) to delete the words “no Default or”.

13. **Permitted Joint Venture:** delete the words “provided that no Event of Default has occurred and is continuing at the time of such proposed acquisition”.

14. **Construction:**

(a) Add a new limb to Clause 1.2 (*Construction*) as follows:

“Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Advances in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this

Agreement, pursuant to a cashless settlement mechanism approved by the Company, the Facility Agent and such Lender, and any such exchange, continuation or rollover shall be deemed to comply with any requirement hereunder or under any other Finance Document that any payment be made “in Euros” (or any other relevant currency), “in immediately available funds”, “in cash” or any other similar requirements.”

15. **Permitted Payments:**

- (a) Amend Clause 21.11 (*Restricted Payments*) to include an additional limb (c) as follows:
 - “(c) The restriction contained in paragraph (a) on the payment by any member of the Group of Management Fees shall cease to apply during such period as the applicable ratio for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) is 3.50:1 (or less), provided that no Management Fees may be paid by any member of the Group at any time after a Relevant Event has occurred or if a Relevant Event would result from such payment.”
- (b) Include the following new definition:
 - “**“Relevant Event”** means a Default in relation to:
 - (a) Clause 22.2 (*Non-payment*); or
 - (b) Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*).”
- (c) Include the following additional limb to the definition of Permitted Payment:
 - “by way of transfer to any Restricted Person of any Non-Distribution Business Assets (as defined in paragraph [] of the definition of Permitted Disposal) permitted in accordance with paragraph [] of the definition of Permitted Disposal.”
- (d) Amend limb (j) of the definition of Permitted Payment to delete the words “paragraph (s)” and replace them with “paragraph (jj)”.
- (e) Amend limb (cc) of the definition of Permitted Payment to delete “€10,000,000” and replace it with “€50,000,000”.
- (f) Delete limb (ll) of the definition of Permitted Payment and replace it with the following:
 - “any other distribution, dividend, transfer of assets, loan, other payment or transfer of tax losses not falling within the other paragraphs of this definition and not exceeding at any time, in an aggregate amount, the amount equal to the greater of:
 - (A) €150,000,000 in aggregate (or its equivalent); and
 - (B) three per cent. of Total Assets,
 in any financial year, with any unused amounts in any financial year being carried over to the next succeeding financial year subject to a maximum of the aggregate amount of the greater of €150,000,000 and three per cent. of Total Assets of carried over amounts for any financial year and with any such carried over amounts being used first in the next succeeding financial year.”
- (g) Delete “2%” and replace it with “3%” at limb (kk) of the definition of Permitted Payment.
- (h) Amend limb (r)(i) of the definition of Permitted Payment to replace the words “three days” with the words “three Business Days”.

16. **Signing Date:** amend all references to “the date of this Agreement” to “the Signing Date”.

17. **Wider Group:** amend paragraph (b) of the definition of Wider Group to add the words “(other than a member of the Group)” at the end.

18. **Spin-Off:** delete the existing definition of Spin-Off at Clause 10.2(c)(xi) (*Mandatory Prepayment—Change of Control*) and replace it with the following:

“**Spin Off**” means a transaction by which all outstanding ordinary and or equity shares of the Common Holding Company or any Holding Company of the Common Holding Company directly or indirectly owned by the Ultimate Parent are distributed to (i) all of the Ultimate Parent’s shareholders or (ii) all of the shareholders comprising one or more groups of the Ultimate Parent’s

shareholders as provided by the Ultimate Parent's articles of association, in each case, either directly or indirectly through the distribution of the Common Holding Company's shares or any such Holding Company's shares.

19. **Borrower:** delete the existing definition of Borrower and replace it with the following:

"Borrower" means the Original Borrower and any Additional Borrower, in each case, unless it has ceased to be a Borrower in accordance with Clause 29.11 (*Resignation of an Obligor (other than the Company)*) and, in respect of an Ancillary Facility only, any Affiliate of a Borrower that becomes a borrower of that Ancillary Facility with the approval of the relevant Ancillary Facility Lender pursuant to Clause 7.7 (*Affiliates of Borrowers*).

20. **Sub-participations:**

- (a) Include a new definition of Sub-participation as follows:

"Sub-participation" means any sub-participation or sub-contract (whether written or oral) or any other agreement or arrangement having an economically substantially similar effect, including any credit default or total return swap or derivative (whether disclosed undisclosed, risk or funded) by a Lender of or in relation to any of its rights or obligations under, or its legal, beneficial or economic interest in relation to, the Facilities and/or Finance Documents to a counterparty and **"sub-participate"** shall be construed accordingly.

- (b) Amend Clause 29.3 (*Transfers by Lenders*) in order that this clause includes a restriction on Sub-participations of rights and obligations and is subject to the same consent regime as for assignments and transfers in accordance with recent Liberty precedent.

- (c) Add a new clause as follows:

"[29.14] Sub-participation

Notwithstanding anything to the contrary in Clause 29.3 (*Transfers by Lenders*) there shall be no restrictions on Sub-participations by a Lender provided that:

- (a) such Lender remains a Lender under this Agreement with all rights and obligations pertaining thereto and remains liable under the Finance Documents for any such obligation;
- (b) such Lender retains exclusive control over all rights and obligations in relation to the participations and Commitments that are the subject of the relevant agreement or arrangement, including all voting rights (for the avoidance of doubt, free of any agreement or understanding pursuant to which it is required to or will consult with any other person in relation to the exercise of any such rights and/or obligations), unless:
- (i) the proposed sub-participant is a person to whom the relevant rights and obligations could have been assigned or transferred in accordance with the terms of this Clause 29; and
- (ii) prior to entering into the relevant agreement or arrangement, the relevant Lender provides the Company with full details of that proposed sub-participant and any voting, consultation or other rights to be granted to the sub-participant;
- (c) the relationship between the Lender and the proposed sub-participant is that of a contractual debtor and creditor (including in the bankruptcy or similar event of the Lender or an Obligor);
- (d) the proposed sub-participant will have no proprietary interest in the benefit of this Agreement or any of the Finance Documents or in any monies received by the relevant Lender under or in relation to this Agreement or any of the Finance Documents (in its capacity as sub-participant under that arrangement); and
- (e) the proposed sub-participant will under no circumstances: (i) be subrogated to, or be substituted in respect of, the relevant Lender's claims under this Agreement or any of the Finance Documents; or (ii) otherwise have any contractual relationship with, or rights against, the Obligors under or in relation to this Agreement or any of the Finance Documents (in its capacity as sub-participant under that arrangement)."

- (d) Include the additional provision as follows:

“Clause [29.15] Sub-participant Register

- “(a) In the case of a Sub-participation (in each case, other than any non-voting derivatives (which are not participations) which would otherwise be caught by the definition of “Sub-participation”), the person granting the Sub-participation (or similar right) shall, acting solely for these purposes as non-fiduciary agent for the Company, maintain a register (a “**Sub-Participant Register**”) on which it enters the name and address of each sub-participant (or person holding the similar right) and the Commitment and obligations (including principal and stated interest) in which each sub-participant (or other person) has an interest or obligation.
- (b) Notwithstanding anything to the contrary hereunder, including without limitation Clause 24 (*Evidence and Calculations*), the entries in the Sub-Participant Register shall be conclusive absent manifest error, and such person maintaining the Sub-Participant Register shall treat each person whose name is recorded in the Sub-Participant Register as the owner of such Sub-participation (or similar right) for all purposes of a Finance Document notwithstanding any notice to the contrary.
- (c) Without prejudice to the other provisions of this Clause 29, no Lender shall have any obligation to disclose all or any portion of the Sub-Participant Register to any person (including the identity of any sub-participant or any information relating to a sub-participant’s interest in any Advance, Commitments or other obligations under any Finance Documents) except to the extent that such disclosure is to a tax authority and is necessary to establish that such Advance, Commitment or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or is otherwise required thereunder.”
- (e) Amend Clause [23.14 (*Relationship with Lenders*)] to include an additional sub-paragraph as follows:
- “Without limitation of any other provision of this Agreement, no transfer of an interest in an Advance or Commitment hereunder shall be effective unless and until recorded in the register referred to in this Clause 23.14.”

21. Additional Facilities:

- (a) Add a new paragraph (i) to Clause 2.2 (*Telenet Additional Facility*) as follows:
- “Each Telenet Additional Facility Lender shall become a party to this Agreement and be entitled to share in the Security in accordance with the terms of the Intercreditor Agreement and the Security Documents *pari passu* with the Lenders under the other Facilities provided that the Company and the relevant Telenet Additional Facility Lenders may agree that a Telenet Additional Facility shares in the Security on a junior basis to the other Facilities or shall not be entitled to share in the Security either in accordance with the terms of the Intercreditor Agreement or pursuant to ancillary intercreditor arrangements.”
- (b) Amend the Additional Facilities Cap as defined in Clause 2.2(g) (*Telenet Additional Facility*) such that:
- (i) it includes an additional limb for the aggregate amount of any voluntary prepayments of (A) Term Facility Advances that are secured on a *pari passu* basis with the other Facilities or (B) Advances under Revolving Facilities (to the extent accompanied by a corresponding permanent cancellation of the relevant Revolving Facility Commitments), in each case, to the extent the relevant prepayment or cancellation is not funded or effected with any long-term Financial Indebtedness (including Financial Indebtedness in the form of a bridge or other interim credit facility intended to be refinanced with long-term Financial Indebtedness); and
- (ii) the Company shall have the ability to classify such amounts of Financial Indebtedness on the date of their incurrence and shall only be required to include the amount and

type of such Financial Indebtedness in one of such sub-paragraphs and will be permitted on the date of such incurrence to divide and classify an item of such Financial Indebtedness in more than one of the types of Financial Indebtedness described in such paragraphs, and, from time to time, may reclassify all or a portion of such Financial Indebtedness, in any manner.

22. **Consolidated EBITDA:** amend the definition of Consolidated EBITDA under the Credit Agreement to provide that any adjustments to reduce the impact of the cumulative effect of a change in accounting principles or policies and changes as a result of the adoption or modification of accounting principles or policies can be added (at the Company's option) to the operating income of the Group for that Measurement Period.
23. **Additional Obligors:** Amend the Credit Agreement to provide that any Affiliate of the Company may accede to the Credit Agreement as a Guarantor in accordance with Clause 29.10 (*Additional Guarantors*) (provided that Security has been granted in form and substance satisfactory to the Facility Agent (acting reasonably) in favour of the Security Agent over 100% of its shares and all rights in relations to loans from members of the Wider Group to it) and that such Affiliate shall be a member of the Group and an Additional Guarantor. Add a new definition of "Affiliate Subsidiary" to Clause 1.1 (*Definitions*) such that it means any Affiliate of the Company that accedes to the Credit Agreement as a Guarantor pursuant to the amendments described in this paragraph and provided that it has not resigned as a Guarantor in accordance with the terms of the Credit Agreement.
24. **Right of Repayment and Cancellation in Relation to a Single Lender:** delete Clause 10.8(c)(i) and replace it with the following:

"in the case of paragraphs (a)(i) and (a)(ii) above, if the circumstances giving rise to the requirement for indemnification continues; and"
25. **Alternative Benchmarks:**
 - (a) Add the following new definitions to Clause 1.1 (*Definitions*) as follows:

"**Alternative Benchmark Commencement Date**" means any Business Day on which the Facility Agent and the Company agree upon an Alternative Benchmark Rate.

"**Alternative Benchmark Rate**" means any alternative benchmark rate agreed in writing between the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company (in each case, acting reasonably) from time to time, provided that the Facility Agent and the Company shall consider the benchmark rates being used at that time in the then prevailing market for syndicated debt financings of a similar size to, and in the same currencies as, the Facilities.
 - (b) Replace the definition of "Screen Rate" in Clause 1.1 (*Definitions*) with the following:

"**Screen Rate**" means:

 - (a) in relation to LIBOR:
 - (i) at any time prior to an Alternative Benchmark Commencement Date in relation to LIBOR, the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); or
 - (ii) at any time on or following an Alternative Benchmark Commencement Date in relation to LIBOR, the Alternative Benchmark Rate for the relevant currency and period displayed on any page of any screen of an information service as the Facility Agent may specify after consultation with the Company on or about the relevant Alternative Benchmark Commencement Date; and
 - (b) in relation to EURIBOR:
 - (i) at any time prior to an Alternative Benchmark Commencement Date in relation to EURIBOR, the Euro interbank offered rate administered by the European

Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); or

- (ii) at any time on or following an Alternative Benchmark Commencement Date in relation to EURIBOR, the Alternative Benchmark Rate for Euro for the relevant period displayed on any page of any screen of an information service as the Facility Agent may specify after consultation with the Company on or about the relevant Alternative Benchmark Commencement Date,

provided that, in each case, if such page is replaced or service ceases to be available, the Facility Agent may specify another page or service displaying the relevant rate after consultation with the Company.

26. **ERISA:**

- (a) Replace the definition of “ERISA Affiliate” in Clause 1.1 (*Definitions*) with the following:
“**ERISA Affiliate**” means any person treated as a single employer with any Obligor under section 414 of the Code.
- (b) Replace the definition of “Plan” in Clause 1.1 (*Definitions*) with the following:
“**Plan**” means an “employee benefit plan” as defined in section 3(3) of ERISA, which is subject to Title IV of ERISA:
 - (a) maintained by any Obligor or any ERISA Affiliate; or
 - (b) to which any Obligor or any ERISA Affiliate is required to make any payment or contribution.
- (c) Replace the definition of “Reportable Event” in Clause 1.1 (*Definitions*) with the following:
“**Reportable Event**” means:
 - (a) an event specified as such in section 4043 of ERISA or any regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation; or
 - (b) a failure to meet the minimum funding standard under section 412 or 430 of the Code or section 302 of ERISA, whether or not waived.
- (d) Amend Clause 18.16 (*ERISA*) to delete the words “member of the Group or”.
- (e) Delete paragraph (c) of Clause 19.6 (*Notification of Default*).
- (f) Delete Clause 21.19 (*ERISA*) and replace it with the following:
“**21.19 ERISA**
 - (a) Each Obligor must as soon as reasonably practicable upon becoming aware of it notify the Facility Agent of:
 - (i) any Reportable Event;
 - (ii) the termination of or withdrawal from, or any circumstances reasonably likely to result in the termination of or withdrawal from, any Plan; and
 - (iii) any material non-compliance with any law or regulation relating to any Plan which is or is reasonably likely to have a Material Adverse Effect.
 - (b) Each Obligor and its ERISA Affiliates must be, and remain, in compliance in all material respects with all laws and regulations relating to each of its Plans.
 - (c) Each of the Obligors and its ERISA Affiliates must ensure that no event or condition exists at any time in relation to a Plan which is reasonably likely to result in the imposition of a lien or other encumbrance on any of its assets or which is reasonably likely to have a Material Adverse Effect.”
- (g) Delete Clause 22.15 (*ERISA*).

27. **Limited Condition Transaction:** amend the definition of “Limited Condition Transaction” in Clause 1.1 (*Definitions*) to include a third sub-paragraph as follows:
- “any Restricted Payment”
28. **Rollover:** Add a new definition of “Rollover Loan” in Clause 1.1 (*Definitions*) as follows:
- (a) **“Rollover Loan”** means:
 - (a) a Rollover Advance that is for an amount which is equal to or less than the Maturing Advance in respect of which that Rollover Advance is being drawn to refinance; and
 - (b) an Advance in relation to a Revolving Facility:
 - (i) made or to be made on the same day that a demand by the Facility Agent pursuant to a drawing in respect of a Documentary Credit is due to be met;
 - (ii) the aggregate amount of which is equal to or less than the amount of the relevant claim in respect of that Documentary Credit;
 - (iii) in the same currency as the relevant claim in respect of that Documentary Credit; and
 - (iii) made or to be made for the purpose of satisfying the relevant claim in respect of that Documentary Credit.
 - (b) Amend paragraph (a) of Clause 4.2 (*Further Conditions Precedent*) to delete the reference to “Rollover Advance” and replace it with a reference to “Rollover Loan”.
 - (c) Amend paragraph (c) of Clause 4.2 (*Further Conditions Precedent*), to delete the following words “Rollover Advance provided that the amount of the Maturing Advance is equal to or greater than the amount of that Rollover Advance” and to replace them with the words “Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)”.
 - (d) Amend Clause 8.2(a) (*Unavailability of Optional Currency*) to delete the reference to “Rollover Advance” and replace it with a reference to “Rollover Loan”.
 - (e) Amend the title to Clause 9.2 (*Rollover Advances*) (and all other references in the Credit Agreement to that title) to refer to “(*Rollover*)” and further amend it so that the words “and in an amount which is equal to or less than” on the 6th line are deleted.
29. **Cost of Funds:**
- (a) Amend paragraph (b) of Clause 13.4 (*Cost of Funds*) such that it also applies if LIBOR or EURIBOR is to be determined by reference to a Reference Bank Rate or an Alternative Reference Bank Rate and to provide that, in entering into negotiations with the Company with a view to agreeing a substitute basis for determining the rate of interest, the Facility Agent may act in its sole discretion and will not be required to consult with or seek any consent or instruction from the Lenders or any other Finance Party.
 - (b) Delete paragraph (c) of Clause 13.4 (*Cost of Funds*) and replace it with the following:

“Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company, be binding on all Parties.”
 - (c) Amend paragraph (e) of Clause 13.4 (*Cost of Funds*) to provide that if a Lender does not supply a quotation by the given time period in paragraph (a)(ii), the rate of interest for that Lender will be the weighted average of the quotations notified to the Facility Agent by the other Lenders.
30. **US Regulations:**
- (a) Add a new definition of Regulation U in Clause 1.1 (*Definitions*) as follows:

““**Regulation U**” means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or any portion thereof.”

- (b) Replace Clause 18.17 (*United States Regulation*) with the following:
 “No Obligor is required to be registered as an “investment company” under the United States Investment Company Act of 1940.”
- (c) Delete Clause 18.19 (*Margin stock*) and replace it with the following:
 “No Obligor is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System of the United States), or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any borrowings will be used for any purpose that violates Regulation U.”

31. **Amendments and Waivers:**

Add a new Clause 28.8 (*Screen Rate*) as follows:

“28.8 Screen Rate

If any Screen Rate is not available for a currency which can be selected for an Advance, any amendment or waiver which relates to providing for another benchmark rate to apply in relation to that currency in place of that Screen Rate (or which relates to aligning any provision of a Finance Document to the use of that other benchmark rate) may be made with the consent of the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company (in each case, acting reasonably) from time to time, provided that the Facility Agent and the Company shall consider the benchmark rates being used at that time in the then prevailing market for syndicated debt financings of a similar size to, and in the same currencies as, the Facilities.”

32. **Guarantees:** amend Clause 21.13 (*Loans and Guarantees*) to:

- (a) add the words “in respect of Financial Indebtedness only” after the words “no member of the Group will make any loans, grant any credit or give any guarantee”;
- (b) add a new paragraph as a carve out as follows:
 “any guarantee of any Financial Indebtedness of any Parent that is given by an Affiliate Subsidiary provided that (i) on the date of incurrence of such guarantee the ratio of Net Total Debt (including any Holdco Debt) to Consolidated Annualised EBITDA on a pro forma basis would not exceed 6.00:1 (provided that outstanding Net Total Debt (including Holdco Debt) for the purpose of calculating such ratio under this paragraph shall include any Financial Indebtedness represented by guarantees by any member of the Group of Financial Indebtedness of any Parent), (ii) such guarantee is expressed to be subordinated to the liabilities of such Affiliate Subsidiary under the Finance Documents and (iii) no Event of Default is continuing or occurs as a result of such Financial Indebtedness of that Parent being raised or issued;”;
- (c) delete “€100,000,000” and replace it with “€150,000,000” and delete “2%” and replace it with “3%” at Clause 21.13(bb) (*Loans and Guarantees*);
- (d) amend paragraph (g) to include an additional limb (v) as follows:
 “(v) by an Obligor in respect of the liabilities of any other member of the Group which is not an Obligor provided that that other member of the Group must become an Additional Guarantor in accordance with Clause 29.10 (*Additional Guarantors*) within 30 days of the granting of the guarantee made pursuant to this paragraph (v);”
- (e) amend paragraph (z) to delete “€10,000,000” and replace it with “€25,000,000”; and
- (f) to include additional limbs as follows:
 - (i) “any loans or guarantees relating to Excess Capacity Network Services provided that the price payable to any member of the Group in relation to such Excess Capacity Network Services is no less than the Cost incurred by the relevant member of the Group in providing such Excess Capacity Network Services;”; and
 - (ii) “any guarantees or similar undertakings granted by any member of the Group in favour of any tax authority in respect of any obligations of a member of the Group in

respect of tax in order to facilitate the winding up of any member of the Group provided that the Facility Agent shall have first received confirmation from the Company that based on discussions with such tax authority and the Company's reasonable assumptions, the Company does not believe that the liability under such guarantee will exceed €15,000,000 (such confirmation to be supported by a letter from the Company's auditors for the time being, confirming that based on the Company's calculations of such tax liability the Company's confirmation is a reasonable assessment of such tax liability);"

33. **Spin Parent:** delete the following sentence in paragraph (b) of Clause 10.2 (*Mandatory Prepayment—Change of Control*):

"Notwithstanding the foregoing, upon consummation of (i) the Post-Closing Reorganisation, "Controlling Company" will mean New Intermediate Holdco and its successors or (ii) a Spin-Off, "Controlling Company" will mean the Spin Holdco and its successors."

and replace it with the following:

"Notwithstanding the other provisions of this Clause, upon consummation of (i) the Post-Closing Reorganisation, the "Controlling Company" (as defined below) will mean the relevant New Intermediate Holdco and its successors or (ii) a Spin-Off in which the Common Holding Company and its successors is no longer a Parent of the Company and any Permitted Affiliate Parent, the "Controlling Company" will mean a common Parent of the Company and any Permitted Affiliate Parent designated by the Company and any successors of such Parent."

34. **Reporting:**

- (a) Delete the definition of GAAP in Clause 1.1 (*Definitions*) and replace it with the following:

"GAAP" means generally accepted accounting principles in the United States as in effect as of the date on which the Original Financial Statements were prepared (the "OFS Date"); *provided* that at any date after the OFS Date, the Company may make an election to establish that "GAAP" shall mean GAAP as in effect on a date that is on or prior to the date of such election; *provided further* that for purposes of Clause 19.1 (*Financial Statements*) GAAP means generally accepted accounting principles in the United States as in effect from time to time.

- (b) Delete the definition of IFRS in Clause 1.1 (*Definitions*) and replace it with the following:

"IFRS" means the accounting standards issued by the International Accounting Standards Board and its predecessors as in effect as of the OFS Date; *provided* that at any date after the OFS Date, the Company may make an election to establish that "IFRS" shall mean IFRS as in effect on a date that is on or prior to the date of such election; *provided further* that for purposes of Clause 19.1 (*Financial Statements*) IFRS means the accounting standards issued by the International Accounting Standards Board and its predecessors as in effect from time to time.

- (c) Delete Clause 19.5 (*Change in Accounting Principles*) in its entirety and replace it with the following:

"(a) Except as otherwise expressly provided below or in this Agreement, all ratios and calculations based on IFRS contained in this Agreement shall be computed in conformity with IFRS.

(b) At any time after the OFS Date, the Company may elect to apply for all purposes of this Agreement, in lieu of IFRS, GAAP and, upon such election, references to IFRS herein will be construed to mean GAAP; *provided* that:

- (i) all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of GAAP as in effect from time to time (including that, upon first reporting its financial year results under GAAP, the financial statements of the Reporting Entity shall be restated on the basis of GAAP for the year ending immediately prior to the first financial year for which financial statements have been prepared on the basis of GAAP); and

- (ii) from and after such election, all ratios, computations and other determinations based on GAAP contained in this Agreement shall, at the Company's option:
 - (A) continue to be computed in conformity with GAAP (*provided that*, following such election, the annual and quarterly information required by paragraphs (a)(i) and (a)(ii) of Clause 19.1 (*Financial Statements*) shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such GAAP presentation to the corresponding GAAP presentation of such financial information); or
 - (B) be computed in conformity with GAAP with retroactive effect being given thereto assuming that such election had been made on the OFS Date, subject to any further election in accordance with the definition of GAAP.

Thereafter, the Company may, at its option, elect to apply IFRS or GAAP and compute all ratios, computations and other determinations based on IFRS or GAAP, as applicable, all on the basis of the foregoing provisions of this clause."

- (d) Amend paragraphs (a)(i) and (a)(ii) of Clause 19.1 (*Financial Statements*) to provide that the relevant financial statements or accounts (as applicable) shall be prepared in accordance with IFRS.

35. **Business Division Transactions and Joint Ventures:**

- (a) In Clause 1.1 (*Definitions*):
 - (i) amend the definition of "Business Division Transaction" to delete the words " , in each case, where such transaction has the prior approval of the Majority Lenders"; and
 - (ii) add the following new definitions:

"Permitted Business Division Transaction" means a Business Division Transaction provided that after giving pro forma effect thereto, an Obligor could incur at least €1.00 of additional Financial Indebtedness pursuant to paragraph (v) of the definition of Permitted Financial Indebtedness.

"Acceptable Joint Venture" means a joint venture, partnership or similar arrangement formed by a member of the Group (a) by the contribution of some or all of the assets of the Group pursuant to a Business Division Transaction to such joint venture, partnership or similar arrangement with one or more persons and/or (b) for the purposes of network and/or infrastructure sharing with one or more Joint Ventures.
- (b) Amend the definition of Permitted Payments and Clause 21.13 (*Loans and Guarantees*) to include the following additional carve outs in each such clause:
 - (i) "in relation to any Permitted Business Division Transaction; and
 - (ii) in relation to any Acceptable Joint Venture."
- (c) Amend paragraph (m) of the definition of Permitted Disposal and paragraph (s)(iv) of the definition of Permitted Payment such that the word "Permitted" is added before the words "Business Division Transaction".

36. **Permitted Security Interest:** amend the definition of "Permitted Security Interest" in Clause 1.1 (*Definitions*):

- (a) to include in addition to the existing "Permitted Security Interests":

"any Security Interests attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business;"
- (b) include the following additional limb:

"any Security Interest over Non-Distribution Business Assets referred to in paragraph [] of the definition of Permitted Financial Indebtedness, securing Financial Indebtedness described therein or any other obligation in respect of such Non-Distribution Business Assets;"

37. **Permitted Acquisitions and Permitted Joint Ventures:** delete sub-paragraph (e)(iii) of the definition of Permitted Acquisition in Clause 1.1 (*Definitions*) and delete sub-paragraph (b)(ii) of the definition of Permitted Joint Venture in Clause 1.1 (*Definitions*).
38. **Auditors:** delete the definition of “Auditors” in Clause 1.1 (*Definitions*) and replace it with the following:
“Auditors” means KPMG LLP or any other firm appointed by the Company to act as its auditors.
39. **Additional Facilities:** amend paragraph (g) and sub-paragraph (g)(i) of Clause 2.2 (*Telenet Additional Facility*) to read as follows:
 “(g) Subject to paragraph (h) below, the aggregate principal amount of any proposed Telenet Additional Facility shall not, at the election of the Company acting in its sole discretion (x) on the date that the Telenet Additional Facility becomes effective (giving pro forma effect to the intended use of proceeds of such Telenet Additional Facility and assuming that the entire amount of that Telenet Additional Facility is drawn on such date, and provided that an election that this sub-paragraph (x) shall apply may not be made in relation to that Telenet Additional Facility if an election that sub-paragraph (y) shall apply has previously been made in relation to that Telenet Additional Facility) or (y) on the date of each Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)) of that Telenet Additional Facility (giving pro forma effect to the use of proceeds of such Utilisation but not assuming that the entire amount of that Telenet Additional Facility is drawn) exceed the aggregate of the sum of:
 (i) an unlimited amount provided that on a pro forma basis Net Senior Debt to Consolidated Annualised EBITDA is equal to or less than 4.50:1;
 ...”
40. **Construction:**
- (a) Amend Clause 1.2(a) (*Construction*) to add the following additional limbs:
- (i) **“fair market value”** unless otherwise specified, wherever such term is used in this Agreement, may be conclusively established by means of an officer’s certificate or a resolution of the board of directors of the Company, any Permitted Affiliate Parent or any Affiliate Subsidiary setting out such fair market value as determined by such officer or such board of directors in good faith;
 - (ii) any matter being **“permitted”** under this Agreement or any other Finance Document shall include references to such matters not being prohibited or otherwise being approved under this Agreement or any other such Finance Document; and
 - (iii) **“consolidated”** in connection with the financial position of, financial statements of or accounts of or financial definitions in relation to, the Group shall be construed to mean that the accounts of any Affiliate Subsidiary shall be combined for the purpose of determining such financial position, financial statements, accounts or financial definitions.
- (b) Amend Clause 1.2 (*Construction*) to add the following additional paragraphs:
- “(x) No personal liability shall attach to any director, officer or employee of any member of the Wider Group or Group for any representation or statement made by that member of the Wider Group or Group (as applicable) in a certificate signed by such director, officer or employee; and
 - (y) No Default, Event of Default or breach of any representation and warranty or undertaking under the Finance Documents shall arise merely as a result of a subsequent change in the Euro equivalent of any relevant amount due to fluctuations in exchange rates.”
- (c) Amend Clause 1.2 (*Construction*) to include the following wording at the start of sub-paragraph (a)(xvii)(C) of Clause 1.2 (*Construction*):
“if requested by the relevant L/C Bank or Ancillary Facility Lender,”

- (d) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
“**“European interbank market”** means the interbank market for Euro operating in Participating Member States;”
 - (e) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
“a **“guarantee”** includes a reference to an indemnity or other assurance against financial loss including, without limitation, an obligation to purchase assets or services as a consequence of a default by any other person to pay any indebtedness and **“guaranteed”** and **“guarantor”** shall be construed accordingly;”
 - (f) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
“**“determines”** or **“determined”** means, save as otherwise provided herein, a determination made in the absolute discretion of the person making the determination;”
 - (g) Amend Clause 1.2 (*Construction*) to delete limb (v) of paragraph (a) and replace it with the following:
“**“indebtedness”** is a reference to any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;”
 - (h) Amend Clause 1.2 (*Construction*) to delete limb (viii) of paragraph (a) and replace it with the following:
“a **“regulation”** includes any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law but, if not having the force of law, only if compliance therewith is in accordance with the general practice of the relevant persons to whom it is intended to apply or, in the case of Clause 14 (*Increased Costs*) only, the relevant Finance Party or its Holding Company) of any agency, authority, central bank or government department or any self-regulatory or other national or supra-national authority;”
 - (i) Amend Clause 1.2 (*Construction*) to include an additional limb of Clause 1.2 as follows:
“Where paragraph or clause numbers have changed in this Agreement as a result of the amendments to this Agreement implemented on the 2015 Amendment Effective Date and the 2017 Amendment Effective Date, and such paragraph and clause numbers are referred to in any Finance Document in force on the 2015 Amendment Effective Date or the 2017 Amendment Effective Date (as applicable), such paragraph or clause numbers shall be read and construed in this Agreement, for the purposes of the relevant Finance Document only, so that the relevant equivalent provision in this Agreement is referred to in each such Finance Document.”
 - (j) Amend Clause 1.2 (*Construction*) to include an additional limb of Clause 1.2 as follows:
“(a) This Agreement is entered into subject to, and with the benefit of, the terms of the Intercreditor Agreement.
(b) Notwithstanding anything to the contrary in this Agreement, the terms of the Intercreditor Agreement will prevail if there is a conflict between the terms of this Agreement and the terms of the Intercreditor Agreement.”
 - (k) Where relevant in the Credit Agreement, amend references to “company” or “entity” to “person” in accordance with paragraph (a)(vii) of Clause 1.2 (*Construction*).
41. **Increase:** amend Clause 2.1 (*Increase*) to:
- (a) delete sub-paragraphs (a)(i) and (a)(ii); and
 - (b) delete sub-paragraph (a)(iii) and replace it with the following:
“(iii) at the election of the Company acting in its sole discretion, it shall be a condition:
 - (A) that the aggregate principal amount of any proposed increase in the Commitments shall not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date that such increase in the Commitments becomes effective (giving pro forma effect to the intended use of proceeds of such increased Commitment and assuming that the entire amount of that increased Commitment is drawn on

such date, and provided that an election that this paragraph (A) shall apply may not be made in relation to that increased Commitment if an election that paragraph (B) shall apply has previously been made in relation to that increased Commitment); or

- (B) to any Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)) of that increased Commitment that the aggregate principal amount of that increased Commitment to be drawn would not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date of that Utilisation (giving pro forma effect to the use of proceeds of such Utilisation but not assuming that the entire amount of that increased Commitment is drawn); and”

42. **Increased Costs:**

- (a) Amend the first paragraph of Clause 14.1 (*Increased Costs*) to add “within ten Business Days of demand by the Facility Agent,” after “the Company must” in the first line.
- (b) Delete paragraph (a) of Clause 14.3 (*Claims*) and replace it with the following:
- “(a) A Finance Party intending to make a claim pursuant to Clause 14.1 (*Increased Costs*) shall, as soon as is reasonably practicable after that Finance Party becomes aware that circumstances have arisen which entitle it to make such claim, notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Company.”

43. **Springing Financial Covenant:** amend the covenant set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) so that it reads as follows:

- “(a) Subject to Clause 22.5 (*Cross-default and Cross-acceleration*), in the event that on the last day of a Measurement Period the aggregate of the Telenet Additional Facility Outstandings under any Revolving Facility (in each case, other than Documentary Credits that are cash collateralised or undrawn) and the net indebtedness outstanding under each Ancillary Facility less Cash of the Group exceeds an amount equal to 40 per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment (the “**Financial Ratio Test Condition**”), the Company shall procure that the ratio of Net Total Debt to Consolidated Annualised EBITDA on that day (the “**Financial Ratio**”) shall not exceed 6.00:1 unless otherwise agreed in writing by the Composite Revolving Facility Instructing Group and the Company.
- (b) If the financial covenant set out in paragraph (a) has been breached for a Measurement Period but is complied with on the last day of the next Measurement Period (either because the Financial Ratio Test Condition is not met for that next Measurement Period or because the Financial Ratio does not exceed 6.00:1 for that next Measurement Period), then, the prior breach of such financial covenant or any Event of Default arising therefrom shall not (or shall be deemed to not) directly or indirectly constitute, or result in, a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or an Event of Default unless the Facility Agent has taken any action under Clause 22.18 (*Maintenance Covenant Revolving Facility Acceleration*) before the delivery of the certificate referred to at Clause 19.3(a) (*Compliance Certificate*) in respect of that next Measurement Period.”

44. **Financial Information:** amend paragraph (a) of Clause 19.3 (*Compliance Certificate*) so that it reads as follows:

- “(a) The Company must supply to the Facility Agent a Compliance Certificate with each set of its financial statements sent to the Facility Agent under this Agreement if, as at the last day of the Measurement Period ending on the date of such financial statements, the Financial Ratio Test Condition is met.”

45. **Cure Provisions:** delete Clause 20.4 (*Cure Provisions*) and replace it with the following:

“20.4 Cure Provisions

- (a) The Company may cure a breach of the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) by procuring that:
 - (i) additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or greater than the amount which if it had been deducted from Net Total Debt for the Measurement Period in respect of which the breach arose, would have avoided the breach; or
 - (ii) additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or greater than the amount which if it had been added to Consolidated Annualised EBITDA for the Measurement Period in respect of which the breach arose, would have avoided the breach; or
 - (iii) any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility are prepaid (from any source selected by the Company in its sole discretion) in an amount which if such prepayment had occurred immediately prior to the calculation on the last day of the Measurement Period in respect of which the breach arose, the Financial Ratio Test Condition as at the last day of that Measurement Period would not have been met and therefore the financial ratio would not have been required to be tested.
- (b) A cure under this Clause 20.4 will not be effective unless:
 - (i) in the case of paragraph (a)(i) or (a)(ii) above, an amount equal to or greater than the required amount of additional equity or the proceeds of any Subordinated Shareholder Loans is received by one or more members of the Group; or
 - (ii) in the case of paragraph (a)(iii) above, the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are required to be prepaid are so prepaid,

in each case, within 30 Business Days of delivery of the financial statements delivered under Clause 19.1 (*Financial Statements*) which show that Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) has been breached (the “**Cure Period**”).
- (c) No cure may be made under this Clause 20.4 (*Cure Provisions*)
 - (i) in respect of more than five Measurement Periods during the life of the Telenet Additional Facilities; or
 - (ii) in respect of consecutive Measurement Periods.
- (d) The Company shall make an election (at its sole discretion) by notice to the Facility Agent prior to the end of the Cure Period as to whether a breach of the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) shall be cured pursuant to a recalculation as described in either sub-paragraph (a)(i), (a)(ii) or (a)(iii) above.
- (e) If the Company makes an election for a recalculation as described in sub-paragraphs (a)(i) or (a)(ii) above, it shall be under no obligation to apply the amount of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group in prepayment of the Facilities or for any other specific purpose and such amount will be deemed to be deducted from Net Total Debt or added to Consolidated Annualised EBITDA for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) (as applicable) as at the last day of the relevant Measurement Period.
- (f) If the Company makes an election for a recalculation as described in sub-paragraph (a)(iii) above, the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are prepaid shall be deemed to be deducted in the calculation of the Financial Ratio Test Condition for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) as at the last day of the relevant Measurement Period.

- (g) For the purpose of ascertaining compliance with Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*), the Financial Ratio Test Condition and the ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) will be tested or retested, as applicable, giving effect to the elections and adjustments referred to in paragraph (d), (e) and (f) above. If, after giving effect to such elections and adjustments, the requirements of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) are met, then the requirements under Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) shall be deemed to have been satisfied as at the relevant original date of determination.
- (h) Where a cure is exercised under this Clause 20.4 in respect of a breach of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) for any financial quarter and the Company makes an election for a recalculation as described in sub-paragraph (a)(ii) above, the amount of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group shall also be added in calculating Consolidated EBITDA for any future Measurement Period that includes such financial quarter. Any adjustments pursuant to this paragraph will not be treated as a separate cure.”
46. **Permitted Disposal:** amend the definition of Permitted Disposal to add a new limb as follows:
- “disposals which constitute the concurrent purchase and sale or exchange of related business assets (including, without limitation, securities of any business that is the same as or related, ancillary or complementary to any of the businesses of any member of the Group on [*the amendment and restatement date*]) or a combination of such assets, cash and Cash Equivalent Investments between any member of the Group and another person provided that the relevant member of the Group receives consideration at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such disposal) for the assets subject to that disposal;”.
47. **Permitted Financial Indebtedness:**
- (a) Amend Clause 21.7 (*Financial Indebtedness*) to add a new paragraph (d) as follows:
- “In the event that any member of the Group enters into or increases commitments under a revolving credit facility, enters into any commitment to incur or issue Financial Indebtedness or commits to incur any Security Interest pursuant to any leverage based incurrence test in the definition of “Permitted Security Interest,” the incurrence or issuance thereof for all purposes under this Agreement, including without limitation for purposes of calculating any leverage ratio or usage in any of the paragraphs in the definition of Permitted Financial Indebtedness for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers’ acceptances thereunder) will, at the Company’s option, either (i) be determined on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof has been borrowed as of such date) or other Financial Indebtedness, and, if such leverage ratio test or other provision of this Agreement is satisfied with respect thereto at such time, any borrowing or re-borrowing thereunder (and the issuance and creation of letters of credit and bankers’ acceptances thereunder) will be permitted under this covenant irrespective of the leverage ratio or other provision of this Agreement at the time of any borrowing or re-borrowing (or issuance or creation of letters of credit or bankers’ acceptances thereunder) (the committed amount permitted to be borrowed or re-borrowed (and the issuance and creation of letters of credit and bankers’ acceptances) on a date pursuant to the operation of this paragraph (i) shall be the “**Reserved Indebtedness Amount**” and, to the extent of the usage in the paragraphs in the definition of Permitted Financial Indebtedness (if any), shall be deemed to be incurred and outstanding under such paragraphs) or (ii) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment, and in the case of sub-paragraph (i) above, the Company may revoke any such determination at any time and from time to time.”
- (b) Amend the definitions of “Senior Debt” and “Total Debt” in Clause 1.1 (*Definitions*) to include an additional limb as follows:
- “the Reserved Indebtedness Amount;”

48. **Related Fund:** amend:

- (a) Clause 1.1 (*Definitions*) to include a new definition of “Related Fund” as follows:

“**Related Fund**” in relation to a fund or account that, in each case, invests in commercial loans (the “**first fund**”), means any other fund or account that, in each case, invests in commercial loans which is managed or administered directly or indirectly by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund or account that, in each case, invests in commercial loans whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.”
- (b) Clause 29.3 (*Transfers by Lenders*) at paragraph (c), to add the words “or, if applicable, a Related Fund” after the words “an Affiliate”.

49. **Share Capital:**

- (a) Amend Clause 21.16 (*Share Capital*) to add a new sub-paragraph (i) at the end as follows: “relates to the cancellation of the share capital of any member of the Group or any Obligor”.
- (b) Amend Clause 21.16 (*Share Capital*) to add the words “or a solvent liquidation under Clause 21.23 (*Internal Reorganisation*)” after the words “Clause 21.9(b)(iii) (*Acquisitions and Mergers*)”.

50. **Stamp Taxes:** delete Clause 12.7 (*Stamp Taxes*) in its entirety and replace it with the following:

“The Company shall pay and, within 10 Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Tax liabilities payable in respect of any Finance Document except for:

- (a) any such Tax liabilities payable in connection with any Transfer Certificate or other document relating to the assignment or transfer by any Lender of any of its rights and/or obligations under any Finance Document; or
- (b) any registration duties and any Tax liability payable due to a registration, submission or filing by a Finance Party of any Finance Document where such registration, submission or filing is or was not required to maintain or preserve the rights of that Finance Party under the applicable Finance Documents.”

51. **Increased Costs:** Amend Clause 14.2 (*Exceptions*) to include the following additional limbs:

- “(i) attributable to a change (whether of basis, timing or otherwise) in the Tax liability on the overall net income of the Finance Party (or any Affiliate of it) or of the branch or office through which it lends any Advance;
- (j) attributable to any penalty having been imposed by the relevant central bank or monetary or fiscal authority upon the Finance Party (or any Affiliate of it) by virtue of its having exceeded any country or sector borrowing limits or breached any directives imposed upon it;
- (k) attributable to a breach of a Finance Document by the Finance Party claiming such Increased Cost.”

52. **Representations:**

- (a) Delete Clause 18.12 (*Security Interests*) in its entirety.
- (b) Delete paragraph (b) of Clause 18.6 (*No Event of Default*).
- (c) Amend paragraph (a) of Clause 18.7 (*Authorisations*) to include the words “(other than the Licences)” after the word “licenses”.
- (d) Amend paragraph (b) of Clause 18.10 (*Litigation and Insolvency Proceedings*) to replace the words “member of the Group” with the words “Obligor or Material Subsidiary”.
- (e) Amend Clause 18.18 (*Anti-Terrorism Laws*) to delete the words “It and each of its Affiliates have taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws” and to replace them with “It has taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws.”

53. **Defaulting Lender Disenfranchisement:** in addition to paragraph 10 of Schedule 4, provide in the Credit Agreement as follows:
- “In ascertaining the Majority Lenders, affected Lenders, all Lenders or any other class of Lenders (as applicable) or whether any given percentage (including, for the avoidance of doubt, unanimity) of any of the Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, a Defaulting Lender’s Commitments and participations will be deemed to be zero.”
54. **Consolidated EBITDA:**
- (a) Amend paragraph (y) of the definition of Consolidated EBITDA in order that the following words are deleted:

“to the extent that such fees or other amounts:

 - (i) are not included in the Company’s externally reported operating cash flow or equivalent measure; or
 - (ii) are deemed to be exception of unusual items”.
 - (b) Amend paragraph (g) of the definition of Consolidated EBITDA to add the words “or other equity based” after the words “any stock based”.
55. **80% Security Test:** add the following words at the end of the definition of 80% Security Test in Clause 1.1 (*Definitions*):
- “and provided that to the extent any Guarantor generates negative earnings before interest, tax, depreciation and amortisation, such Guarantor shall be deemed for the purposes of calculating the 80% Security Test numerator to have zero earnings before interest, tax, depreciation and amortisation.”
56. **Insolvency Event:** amend the definition of Insolvency Event in Clause 1.1 (*Definitions*) to replace the words “in relation to a Finance Party means that the Finance Party:” with the words “in relation to a Finance Party means that the Finance Party or a Holding Company of it (as applicable):”.
57. **Notes Refinancing:** amend the definitions of Senior Secured Notes Refinancing and Senior Unsecured Refinancing in Clause 1.1 (*Definitions*) to delete the word “reasonable” before the words “fees, costs and expenses”.
58. **Optional Currency:** amend the definition of “Optional Currency” in Clause 1.1 (*Definitions*) in order that the words “in relation to that Advance” are included after the words “acting on the instructions of all the Lenders”.
59. **Permitted Acquisition:** amend the definition of Permitted Acquisition in Clause 1.1 (*Definitions*):
- (a) at paragraph (d) to replace the words “less than a 50 per cent. interest” with the words “an interest of 50 per cent. or less”; and
 - (b) at paragraph (j) to replace the words “10 Business Days” with the words “60 days”.
60. **Finance Document:**
- (a) Amend the definition of “Finance Document” in Clause 1.1 (*Definitions*) to delete the words “a Transfer Certificate;” and include the words “any Increase Confirmation;”.
 - (b) Amend the definition of “Finance Document” in Clause 1.1 (*Definitions*) to include the following wording at the end of the definition:

“**provided that** where the term “Finance Document” is used in, and construed for the purposes of, this Agreement or the Intercreditor Agreement, a Hedging Agreement shall be a Finance Document only for the purposes of Clause 17 (*Guarantee and Indemnity*).”
61. **Finance Party:** amend the definition of “Finance Party” in Clause 1.1 (*Definitions*) to include the following wording at the end of the definition:
- “**provided that** where the term “Finance Party” is used in, and construed for the purposes of, this Agreement or the Intercreditor Agreement, a Hedge Counterparty shall be a Finance Party only for the purposes of Clause 17 (*Guarantee and Indemnity*).”

62. **Term of Advance:** add a new clause 1.4 as follows:
- “1.4 Term of Advance**
- The determination of the extent to which a rate is **“for a period equal in length”** to a Term shall disregard any inconsistency arising from the last day of that Term being determined pursuant to the terms of this Agreement.”
63. **Exchange Rates:** add a new clause 1.5 as follows:
- “1.5 Exchange Rates**
- When applying any monetary limits, thresholds and other exceptions to the representations and warranties, undertakings and Events of Default under the Finance Documents, the equivalent to an amount in Euro shall be calculated at a rate for the conversion of the relevant non-Euro currency into Euro which is, at the election of the Company (a) a rate selected by the Company (acting reasonably and in good faith) or (b) the Agent’s Spot Rate of Exchange, in each case, as at the time of any relevant action.”
64. **Increase:** amend paragraph (b) of Clause 2.1 (*Increase*) to add a new limb (iii) as follows:
- “the Commitments of a Lender in accordance with Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*),”
65. **Additional Facility:** amend paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) to:
- (a) delete sub-paragraphs (h)(ii)(A), (h)(ii)(B) and (h)(ii)(C); and
 - (b) delete sub-paragraphs (h)(iii)(B), (h)(iii)(C) and (h)(iii)(D).
66. **Prepayments:** amend Clause 10.10 (*Miscellaneous Provisions*) to delete paragraph (g) and replace it with the following:
- “Other than in relation to any prepayment under Clause 10.1 (*Mandatory Prepayment—Illegality*) or 10.8 (*Right of Repayment and Cancellation of a Single Lender*), any prepayment in part of any Advance shall be applied against the participations of the Lenders in that Advance *pro rata*.”
67. **Tax Indemnity:** amend paragraph (b)(ii) of Clause 12.4 (*Tax Indemnity*) to add an additional limb as follows:
- “has been compensated for by a payment under Clause 12.7 (*Stamp Taxes*) or would have been compensated for by such a payment, but for the application of any exception in such Clause;”
68. **Representations:** amend Clause 18 (*Representations and Warranties*) by inserting the word “substantially” after the word “business” at Clause 18.2(b) (*Status*).
69. **Share Capital:** amend Clause 21.16 (*Share Capital*) to add words “that is a member of the Group” after the words “Each Obligor” and before the words “will not”.
70. **Obligor Accession:** amend Clause 21.22 (*Further Assurances*) in order that the words “10 Business Days” at paragraph (b)(i) are replaced with “60 days”.
71. **Breach of obligations EOD:** amend Clause 22.3(a) (*Breach of Other Obligations*) to add the following language at the end:
- “, unless the non-compliance:
- (i) is capable of remedy; and
 - (ii) is remedied within 30 days of the earlier of the Facility Agent giving notice of the breach to the Company and any Obligor becoming aware of the non-compliance.”
72. **Cross Default EOD:** amend Clause 22.5 (*Cross-default and Cross-acceleration*):
- (a) by deleting the words “is placed on demand;” at paragraph (b)(ii);
 - (b) by deleting limb (c);
 - (c) at paragraph (d)(v), by deleting the words “is not placed on demand, becomes” and replacing them with the words “does not become” and adding the word “not” before the words “otherwise accelerated during that period”; and

- (d) by adding the following additional limb to paragraph (d):
- “if the relevant Financial Indebtedness is covered by a Documentary Credit or a letter of credit, bank guarantee, indemnity or other documentary credit under an Ancillary Facility”.
73. **Defaulting Lenders:** amend Clause 29.3 (*Transfers by Lenders*) in order that the following is included as a new Clause 29.3(h):
- “(h) Notwithstanding any other provision of this Agreement, no Lender shall be entitled to assign or transfer any of its rights, benefits or obligations under the Finance Documents to a New Lender that is a Defaulting Lender.”
74. **Amendments:** add a new paragraph (d) to Clause 28.2 (*Exceptions*) as follows:
- “No amendment or waiver of a term of any Ancillary Facility Document shall require the consent of any Finance Party other than the relevant Ancillary Facility Lender.”
75. **Measurement Period:** delete the definition of Measurement Period and replace it with the following:
- “‘**Measurement Period**’ means each period of approximately six months covering two quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (**‘L2QA Test Period’**), provided that the Company may make an election to establish that ‘Measurement Period’ means each period of approximately 12 months covering four quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (**‘LTM Test Period’**) (and if such an LTM Test Period election has been made, the Company may not elect to change from LTM Test Period back to the L2QA Test Period).”
76. **Consolidated Annualised EBITDA:** delete the definition of “Consolidated Annualised EBITDA” in Clause 1.1 (*Definitions*) and replace it with the following:
- “‘**Consolidated Annualised EBITDA**’ means if the L2QA Test Period applies in accordance with the definition of ‘Measurement Period’, two times Consolidated EBITDA of the Group for that Measurement Period, and if the Company has made an LTM Test Period election in accordance with the definition of ‘Measurement Period’, Consolidated EBITDA of the Group for that Measurement Period.”
77. **Telenet Additional Facility:**
- (a) Amend paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) and paragraphs (a) and (b) of Clause 2.3 (*Overall Facility Limits*) to amend each reference from “Advances” and “advances” to “Utilisations”.
- (b) Amend limb (ii)(D) and (iii)(E) of paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) to delete the word “reasonable” before the word “fees”.
- (c) Add an additional limb to Clause 2.2 (*Telenet Additional Facility*) as follows:
- “With the prior written consent of the Company, the Facility Agent is authorised and instructed to enter into such documentation as is reasonably required to amend this Agreement and any other Finance Document (in accordance with terms of this Clause 2.2 (*Telenet Additional Facility*)) to reflect the terms of each Telenet Additional Facility without the consent of any Lender other than the applicable Telenet Additional Facility Lender.”
78. **Amount of Advance:** amend paragraph (b) of Clause 5.3 (*Amount of Advance or Documentary Credit*) to include the words “under that Facility” after the words “on behalf of the Lenders”.
79. **Revaluation of Documentary Credits:**
- (a) Amend paragraph (a) of Clause 6.4 (*Revaluation of Documentary Credits*) to replace the words “at six monthly intervals after the date of the Documentary Credit” with the words “on the last Business Day of each financial year”.
- (b) Amend paragraph (b) of Clause 6.4 (*Revaluation of Documentary Credits*) to replace the words “three Business Days” with the words “ten Business Days”.

80. **Affiliates of Borrowers:** amend paragraph (c) of Clause 7.7 (*Affiliates of Borrowers*) to include the words “, provided that such Affiliate is not an Affiliate of any other Obligor, ” after the words “its Affiliate”.
81. **Right of Repayment and Cancellation of a Single Lender:** amend paragraph (a)(iii) of Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*) to include the words “or Clause 15 (*Illegality and Mitigation*)” after the words “Clause 10.1 (*Mandatory Prepayment—Illegality*)” and to replace the reference to “or” before the reference to “Clause 10.1” with a comma.
82. **Selection:**
- (a) Amend paragraph (d)(ii) of Clause 11.5 (*Selection—Term Facility*) to replace the word “Facility” with “Term Facility Advance” throughout such paragraph and to replace the words “Lenders whose commitments under the relevant Facility then aggregate two thirds or more of the aggregate Commitments under that Facility” with “Majority Lenders under the relevant Facility”.
 - (b) Amend paragraph (c) of Clause 11.6 (*Selection—Revolving Facility*) to replace the words “under that Revolving Facility” with “under the relevant Advance under that Revolving Facility” throughout such paragraph and to replace the words “Lenders whose Commitments under that Revolving Facility then aggregate two thirds or more of the aggregate Commitments under that Revolving Facility” with “the Majority Lenders under that Revolving Facility”.
83. **Payments:** amend Clause 16.4 (*Currency*) to include the following additional limbs and to re-number limb (c) to limb (e):
- “(c) A repayment or prepayment of an Advance is payable in the currency in which the Advance is denominated.
 - (d) All interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.”
84. **Information:** amend Clause 19.4 (*Information—Miscellaneous*) to delete paragraph (c) in its entirety.
85. **Change of Business:** delete Clause 21.8 (*Change of Business*) and replace it with the following:
- “21.8 Change of Business**
- No Obligor shall (and the Company shall procure that no member of the Group shall), without the prior written consent of the Majority Lenders or save as otherwise permitted by the terms of this Agreement, make any change in the nature of its business as carried on immediately prior to the Signing Date, which would give rise to a substantial change in the business of the Group taken as a whole from that set forth in the definition of Business, provided that this Clause 21.8 (*Change of Business*) shall not be breached by an Obligor or any member of the Group making a Permitted Disposal, Permitted Acquisition or entering into any Permitted Joint Venture.”
86. **Acquisitions:** amend paragraph (b)(iii)(B) of Clause 21.9 (*Acquisitions and Mergers*) to replace the words “for the period commencing on the date of merger and ending on the earlier of the date that falls 3 years from the date of merger and the longest dated Final Maturity Date” with “on a pro forma basis following such merger or consolidation.”
87. **Insurance:** amend Clause 21.12 (*Insurance*) to delete the words “procure that each member of the Group will” and replace them with “procure that each of its Material Subsidiaries which is a member of the Group will”.
88. **Shareholder Loans:** amend paragraph (a) of Clause 21.14 (*Shareholder Loans*) to replace the words “30 days” with “60 days”.

89. **Share Security:**

- (a) delete Clause 21.17 (*Share security*) and replace it with the following:

“21.17 Share Security

Each Obligor will not, and will procure that no member of the Group will, issue any shares of any class provided that:

- (a) notwithstanding paragraph (b) below, an Obligor may issue shares to any person other than a member of the Group and shall not be required to procure that such shares are charged or pledged in favour of the Beneficiaries, provided that such share issue does not result in a Change of Control;
 - (b) any member of the Group may issue shares to or otherwise acquire additional rights from any other member of the Group so long as (if any of the existing shares in the relevant member of the Group are charged or pledged in favour of any Beneficiary) such shares are charged or pledged in favour of the Beneficiaries pursuant to the terms of a Security Document and there are delivered at the same time to the Security Agent the relevant share certificates and blank stock transfer forms (or equivalent documents) in respect thereof together with such other documents and evidence and legal opinions as the Security Agent may reasonably require;
 - (c) the Company may issue shares to Telenet Group BVBA provided that such shares are charged or pledged in favour of the Beneficiaries pursuant to the terms of a Security Document and there are delivered at the same time to the Security Agent the relevant share certificates and blank stock transfer forms (or equivalent documents) in respect thereof together with such other documents and evidence and legal opinions as the Security Agent may reasonably require;
 - (d) any member of the Group may issue shares pursuant to the exercise of Approved Stock Options;
 - (e) a member of the Group may issue shares as part of an Acquisition or merger or consolidation permitted by Clause 21.9 (*Acquisitions and Mergers*), provided that the issue of such shares does not cause a Change of Control;
 - (f) a member of the Group (other than an Obligor) may issue shares to all the holders of the share capital of such member of the Group *pro rata* to their interests in such share capital provided that, if any existing shares in that member of the Group are charged or pledged in favour of any Beneficiary under any Security Document, upon issue the shares that are issued to any other member of the Group are charged or pledged in favour of the Beneficiaries as provided in paragraph (b) above; and
 - (g) any member of the Group (other than the Company) may issue shares to any person pursuant to any agreement or other legally binding arrangement existing, and disclosed to the Facility Agent in writing, on or before the Signing Date, provided that such share issue does not result in a Change of Control.”
- (b) Add the following additional definition to Clause 1.1 (*Definitions*):
- ““**Beneficiaries**” has the meaning given to the term Senior Secured Creditors in the Intercreditor Agreement.”

90. **Group Redesignation:** delete Clause 21.25 (*Group Redesignation*) and replace it with the following:

“21.25 Group Redesignation

The Company may at any time deliver a notice (a “**Group Redesignation Notice**”) to the Facility Agent designating any Holding Company of the Company and/or any Holding Company of any Permitted Affiliate Parent as a “New Group Topco” for the purposes of this Agreement provided that taking into account any actions to be taken by the Company for the benefit of the Lenders, it would not be materially prejudicial to the interests of the Lenders in the opinion of the Facility Agent (acting reasonably).”

91. **Clean Up Period:**
- (a) Amend the definition of Clean Up Period in Clause 22.3 (*Breach of Other Obligations*) to replace the words “120 days” with the words “180 days”.
 - (b) Delete the words “(other than Clause 22.3(a) (*Breach of Other Obligations*)) to the extent it refers to Clause 20 (*Financial Covenant*))” in paragraph (c) of Clause 22.3 (*Breach of Other Obligations*).
92. **Intercreditor Agreement:** amend paragraph (a) of Clause 22.12 (*Intercreditor Agreement*) to include the word “material” before the word “obligations”.
93. **Acceleration:** amend Clause 22.17 (*Acceleration*) to replace the words “may, and must if so instructed by the Majority Lenders” with the words “the Facility Agent shall, if the Majority Lenders so direct”.
94. **Indemnity:**
- (a) Amend paragraph (a) of Clause 26.1 (*Currency Indemnity*) to include the words “, within 10 Business Days of demand” after the words “Obligor must”.
 - (b) Amend paragraph (a)(i) of Clause 26.2 (*Other Indemnities*) to replace the word “Default” with the words “Event of Default”.
 - (c) Amend paragraph (a) of Clause 26.3 (*Break Costs*) to include the words “, within ten Business Days of demand by a Lender, ” after the words “Each Borrower must”.
 - (d) Amend paragraph (b) of Clause 26.3 (*Break Costs*) to include the words “, as soon as reasonably practicable after a demand by the Facility Agent, ” after the words “Each Lender must”.
95. **Amendments and waivers:**
- (a) Amend Clause 28.2 (*Exceptions*) to add an additional limb (d) as follows:
 - “(d) Notwithstanding any other provision of this Clause 28 (*Amendments and Waivers*), the Facility Agent may at any time without the consent or sanction of the Lenders, concur with the Company in making any modifications to any Finance Document, which in the opinion of the Facility Agent would be proper to make provided that the Facility Agent is of the opinion that such modification:
 - (i) would not be materially prejudicial to the position of any Lender and in the opinion of the Facility Agent such modification is of a formal, minor or technical nature or is to correct a manifest error;
 - (ii) relates to the increase in the principal amount of a Commitment of a Lender in relation to any Facility and such increased Commitment has been requested by the Company to fund any original issue discount required to be paid to that Lender in relation to that Facility under any Finance Document;
 - (iii) is of a minor, operational or technical nature; or
 - (iv) which relates to the implementation of any alternative basis for the calculation of interest that is binding on all Parties in accordance with paragraph (c) of Clause 13.4 (*Cost of Funds*).

Any modification made in accordance with this paragraph (d) shall be made on such terms as the Facility Agent may determine, shall be binding upon the Lenders, and shall be notified by the Company to the Lenders as soon as practicable thereafter.”
 - (b) Amend Clause 28.2 (*Exceptions*) to include the words “Subject to Clause 28.6 (*Structural Adjustments*) below,” at the beginning of paragraph (a).
 - (c) Amend paragraph (a) of Clause 28.3 (*Non Consenting Lenders*) to delete limb (iii) in its entirety.
 - (d) Add an additional provision to Clause 28.2 (*Exceptions*) as follows:
 - “A waiver of issuance or the release of any Guarantor from any of its obligations under Clause 17 (*Guarantee and indemnity*) or a release of any Security under the Security

Documents, in each case, other than in accordance with the terms of any Finance Document shall require the prior written consent of affected Lenders whose share in the outstanding Utilisations and whose undrawn Commitments amount in aggregate to more than 75 per cent. of all of the outstanding Utilisations and undrawn Commitments.”

96. **Changes to the Parties:**

- (a) Amend Clause 29.2 (*Assignment or Transfers by Obligors*) to include the words “except to the extent permitted by this Agreement” at the end of the paragraph.
- (b) Amend paragraph (a) of Clause 29.9 (*Additional Borrowers*) to delete the words “(following consultation with the Facility Agent)”.
- (c) Amend paragraph (b) of Clause 29.9 (*Additional Borrowers*) to include the words “under the relevant Facility” after the words “all the Lenders”.
- (d) Amend paragraph (b)(ii) of Clause 29.11 (*Resignation of an Obligor (other than the Company)*) to replace the words “a Default” with the words “an Event of Default”.

97. **Governing law:**

- (a) Delete Clause 38 (*Governing law*) and replace it with the following:

“38. GOVERNING LAW

This Agreement, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with English law.”

- (b) Amend the governing law provisions of the schedules to the Credit Agreement to refer to “non-contractual obligations” in conformity with paragraph (a) above.

98. **Order of Application:** amend Clause 10.4 (*Order of application*) by deleting sub-paragraph (e).

99. **Affiliate:** amend the definition of Affiliate in Clause 1.1 (*Definitions*) such that it reads as follows:

“**Affiliate**” means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company provided that in relation to any clause, reference or provision that uses such term:

- (a) an Affiliate of the Company that issues any notes, bonds or other securities for the purpose of on-lending the proceeds of such issuances under a Facility and to a Borrower under this Agreement and which acts in accordance with the terms of any indentures or other documents governing such issuances (a “**Designated Notes Issuer**”) shall not be an Affiliate of the Company or any of its Affiliates; and
- (b) a Designated Notes Issuer shall be deemed not to be managed by, or under the control of, the Company or any of its Affiliates.”

100. **Change of L/C Bank:** add the words “in relation to the Facility in respect of which such Documentary Credits are issued” after the words “Majority Lenders” in paragraph (c) of Clause 6.11 (*Appointment and Change of L/C Bank*).

101. **Restricted Person:** amend the definition of Restricted Person in Clause 1.1 (*Definitions*) such that it reads as follows:

““**Restricted Person**” means any Affiliate of a Borrower and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of the Joint Venture Parent and any Parent Joint Venture Holders (in each case, other than a member of the Group) provided that any Designated Notes Issuer (as defined in the definition of Affiliate) that is not a member of the Group shall, notwithstanding the proviso to the definition of “Affiliate”, be a “Restricted Person” except for the purposes of:

- (a) the definition of “Pledge of Subordinated Shareholder Loans”;
- (b) the definition of “Subordinated Creditor”; and
- (c) Clause 21.14 (Shareholder Loans).”

102. **Permitted Affiliate Group Designation:** amend limb (iv)(c) of Clause 29.8 (*Permitted Affiliate Group Designation*) to include the words “if available,” at the start of the limb.

103. **Permitted Payment:** add a new limb to the definition of Permitted Payment in Clause 1.1 (*Definitions*) as follows:

“to any Designated Notes Issuer (as defined in the definition of Affiliate) in connection with any fees, costs, indemnity claims or other expenses payable to it in connection with transactions related to the issuance of any notes, bonds or other securities;”

SCHEDULE 11

TELENET ADDITIONAL FACILITY AK-B ACCESSION AGREEMENT

TERM LOAN AK-B FACILITY

To: The Bank of Nova Scotia as Facility Agent and KBC Bank NV as Security Agent

From: The Telenet Additional Facility AK-B Lender

Date: [●]

TELENET BVBA—Credit Agreement dated 1 August 2007, as amended from time to time (the Credit Agreement)

1. In this Agreement:

Borrower in relation to the Term Loan AK-B Facility means *[Insert Telenet BVBA or the name of any other entity incorporated under the laws of Belgium that has acceded to the Credit Agreement as a Borrower]*.

Existing Security Provider means each of Telenet BVBA (the “**Company**”), the Borrower, Telenet Financing USD LLC, Telenet Group Holding NV, having its registered office at Neerveldstraat 105, B-1200 Sint-Lambrechts-Woluwe, Belgium and registered with the Crossroads Bank for Enterprises under number 0477.702.333 (RPR/RPM Brussels), Telenet Group BVBA, having its registered office at Neerveldstraat 105, B-1200 Sint-Lambrechts-Woluwe, Belgium and registered with the Crossroads Bank for Enterprises under number 0462.925.669 (RPR/RPM Brussels) and Telenet Vlaanderen NV, having its registered office at Liersesteenweg 4, 2800 Mechelen, Belgium and registered with the Crossroads Bank for Enterprises under number 0458.840.088 (RPR/RPM Mechelen).

Indenture means the indenture, dated December 13, 2017, among, *inter alia*, Telenet Finance Luxembourg Notes S.à r.l., as issuer, and The Bank of New York Mellon, London Branch as trustee, as amended pursuant to an accession agreement dated [●] whereby the Telenet Additional Facility AK-B Lender acceded thereto as issuer and assumed all of Telenet Finance Luxembourg Notes S.à r.l.’s rights and obligations thereunder and as may be further amended from time to time.

Liberty Global Reference Agreement means any or all of (i) the credit agreement dated 19 April 2017 between, among others, Virgin Media Investment Holdings Limited as company and The Bank of Nova Scotia as facility agent; (ii) the credit agreement dated 24 July 2014 between (among others) Unitymedia Hessen GmbH & Co. KG as borrower and The Bank of Nova Scotia as facility agent; (iii) the credit agreement dated 27 January 2014 between (among others) Ziggo B.V. as borrower and The Bank of Nova Scotia as facility agent; (iv) the credit agreement dated 28 September 2006 between (among others) All3Media Finance Limited as borrower and The Royal Bank of Scotland PLC as facility agent; (v) the credit agreement dated 5 March 2015 between (among others) Ziggo Secured Finance B.V. as SPV borrower and The Bank of Nova Scotia as facility agent; (vi) the indenture dated 23 December 2015 in respect of the €420,000,000 4.625% senior secured notes due 2026 issued by Unitymedia Hessen GMBH & Co KG and Unitymedia NRW GmbH; (vii) Annex I (Additional Definitions) and Annex II (Covenants) of the credit agreement dated 16 May 2016 entered into between, among others, LGE Coral Holdco Limited as finco, Sable International Finance Limited and Coral-US Co-Borrower LLC as initial borrowers and The Bank of Nova Scotia as administrative agent and (to the extent not covered in the Annexes) the specific provisions relating to that credit agreement set out in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*), Schedule 5 (*Further Amendments, Waivers, Consents and Other Modifications*), Schedule 6 (*Additional Amendments, Waivers, Consents and Other Modifications*), Schedule 7 (*Fourth Amendments, Waivers, Consents and Other Modifications*), Schedule 8 (*Fifth Amendments, Waivers, Consents and Other Modifications*) Schedule 9 (*Sixth Amendments, Waivers, Consents and Other Modifications*) and Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; (viii) the facilities agreement dated 6 October 2016 in respect of the advance of certain proceeds of the £350,000,000 5.5% receivables financing notes due 2024 issued by Virgin Media Receivables Financing Notes I Designated Activity Company; (ix) the indenture dated 23 September 2016 in respect of the \$2,000,000,000 5.5% senior secured notes due

2027 and the €775,000,000 4.25% senior secured notes due 2027 issued by Ziggo Secured Finance B.V.; (x) the indenture dated 1 February 2017 in respect of the £675,000,000 5% senior secured notes due 2027 issued by Virgin Media Secured Finance PLC; (xi) the indenture dated 21 June 2017 in respect of the €635,000,000 3⅞% senior notes due 2029 issued by UPC Holding B.V.; (xii) the credit agreement dated 16 December 2016 between (among others) UPC Broadband Holding B.V. as borrower and The Bank of Nova Scotia as facility agent, (xiii) the indenture dated 16 August 2017 in respect of the \$700,000,000 6.875% senior notes due in 2027 issued by C&W Senior Financing Designated Activity Company and (xiv) the indenture dated 18 October 2017 in respect of the \$550,000,000 million 5.500% senior notes due 2028 issued by UPC Holding B.V. (in each case as amended from time to time up to the date of this Agreement).

Notes means the €600,000,000 aggregate principal amount of 3.500% fixed rate notes due 2028 and originally issued on December 13, 2017 by Telenet Finance Luxembourg Notes S.à r.l. pursuant to the Indenture as such notes were amended pursuant to an accession agreement dated [●], 2017 whereby the Telenet Additional Facility AK-B Lender acceded thereto as issuer and assumed all of Telenet Finance Luxembourg Notes S.à r.l.'s rights and obligations thereunder.

Proposed Amendments means the amendments, waivers, consents and other modifications contemplated by Clauses 25 and 26 of this Agreement.

Telenet Additional Facility AK Accession Agreement means the Telenet Additional Facility AK-B Accession Agreement dated [●] 2017 between, among others, Telenet International Finance S.à r.l. as borrower and Telenet Finance Luxembourg Notes S.à r.l. as original lender.

Telenet Additional Facility AK-B Lender means *[Insert name of Belgian incorporated SPV]*.

Term Loan AK Facility means the €600,000,000 term loan facility made available by Telenet Finance Luxembourg Notes S.à r.l. under the Telenet Additional Facility AK Accession Agreement.

Term Loan AK Facility Loan means a euro denominated loan made to the Borrower by Telenet Finance Luxembourg Notes S.à r.l. under the Term Loan AK Facility.

Term Loan AK-B Facility Commitment means, in relation to the Telenet Additional Facility AK-B Lender, the amount in euros set opposite its name under the heading "Term Loan AK-B Facility Commitment" in Schedule 1 of this Agreement, and any such Term Loan AK-B Commitment transferred to or assumed by it under the Credit Agreement, in each case, to the extent not cancelled, transferred, or reduced under the Credit Agreement.

Term Loan AK-B Facility means the €600,000,000 term loan facility made available by the Telenet Additional Facility AK-B Lender under this Agreement.

Term Loan AK-B Facility Loan means a euro denominated loan made to the Telenet Facility AK-B Borrower by the Telenet Additional Facility AK-B Lender under the Term Loan AK-B Facility.

2. Unless otherwise defined in this Agreement, terms defined in the Credit Agreement shall have the same meaning in this Agreement and a reference to a Clause is a reference to a Clause of the Credit Agreement. The principles of construction set out in Clause 1.2 (*Construction*) of the Credit Agreement apply to this Agreement as though they were set out in full in this Agreement.
3. We refer to Clause 2.2 (*Telenet Additional Facility*) of the Credit Agreement. This is a Finance Document.
4. This Agreement will take effect on the date on which the Facility Agent notifies the Borrower and the Telenet Additional Facility AK-B Lender that it has received the documents and evidence set out in Schedule 2 to this Agreement, in each case in form and substance satisfactory to it (acting reasonably) or, as the case may be, the requirement to provide any of such documents or evidence has been waived by the Facility Agent (acting on the instructions of the Term Loan AK-B Facility Lender) (the "**Effective Date**").
5. The Telenet Additional Facility AK-B Lender agrees:
 - (a) to become party to and to be bound by the terms of the Credit Agreement as a Lender in accordance with Clause 2.2 (*Telenet Additional Facility*) of the Credit Agreement; and
 - (b) to become party to the Intercreditor Agreement as a Senior Lender for the purposes of the Intercreditor Agreement and confirm that, as from the date of this Agreement, it intends to be

party to the Intercreditor Agreement as a Senior Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

6. The Telenet Additional Facility Commitment in relation to the Telenet Additional Facility AK-B Lender (for the purpose of the definition of Telenet Additional Facility Commitment in Clause 1.1 (*Definitions*) of the Credit Agreement) is its Term Loan AK-B Facility Commitment.
7. The Facility Agent will, for the purposes of any determination to be made under the Credit Agreement or this Agreement (other than with respect to the Proposed Amendments in respect of which consent has been given in accordance with Clauses 25 and 26 hereof), apply the votes of the Telenet Additional Facility AK-B Lender in accordance with a written direction to be provided by the Telenet Additional Facility AK-B Lender. The Telenet Additional Facility AK-B Lender agrees that it will give any such direction in accordance with the provisions of Section [9.01] of the Indenture. For the avoidance of doubt, the Facility Agent may rely on any such directions received and shall have no duty to enquire or monitor as to whether such direction complies with Section [9.01] of the Indenture.
8. The Term Loan AK-B Facility may be drawn by one Advance (subject to the provisions of Clause 9 below) on the Effective Date and such date will constitute the Availability Period for the Term Loan AK-B Facility. No more than one Request may be made in respect of the Term Loan AK-B Facility under the Credit Agreement, and such Request may only be in a principal amount of the Telenet Additional Facility Commitment in relation to the Term Loan AK-B Facility as set out in Clause 6 above.
9. Provided that any upsizing of the Term Loan AK-B Facility permitted under this Clause 9 will not breach any term of the Credit Agreement, the Term Loan AK-B Facility may be upsized by any amount, by the signing of one or more further Telenet Additional Facility AK-B Accession Agreements, that specify (along with the other terms specified therein) [*Insert Telenet BVBA or the name of any other entity incorporated under the laws of Belgium that has acceded to the Credit Agreement as a Borrower*] as sole Borrower and which specify Telenet Additional Facility Commitments denominated in euros, to be drawn in euros, with the same Final Maturity Date and Margin as specified in this Agreement.
 - (a) For the purposes of this Clause 9 (unless otherwise specified), references to the Term Loan AK-B Facility shall include Advances made under any such further Telenet Additional Facility AK-B Accession Agreement.
 - (b) Where any Term Loan AK-B Facility Loan has not already been consolidated with any other Term Loan AK-B Facility Loan, on the last day of any Term for such Term Loan AK-B Facility Loan, that Term Loan AK-B Facility Loan shall be consolidated with any other Term Loan AK-B Facility Loan which has a Term ending on the same day as that Term Loan AK-B Facility Loan and all such Term Loan AK-B Facility Loans will then be treated as one Advance.
10. The Final Maturity Date in respect of the Term Loan AK-B Facility is March 1, 2028. Any outstanding Advance under the Term Loan AK-B Facility shall be repaid in full on the Final Maturity Date.
11. The interest rate in relation to the Term Loan AK-B Facility will be a fixed rate of 3.500 per cent. per annum. Such interest rate will be calculated in accordance with Clause 11.1 (*Calculation of Interest*) of the Credit Agreement as being the sum of EURIBOR and the applicable Margin where in order to achieve the fixed rate referred to above, the applicable Margin will be:
 - (a) 3.500 per cent. per annum, calculated on the basis of a 365 day or 366 day year (as applicable) and payable for the actual number of days elapsed;
minus
 - (b) EURIBOR.

For the avoidance of doubt, for the purpose of this calculation, the applicable Margin may be a negative number. Further, the interest rate for this Term Loan AK-B Facility will never exceed 3.500 per cent. per annum (save to the extent that Clause 11.3 (*Interest on Overdue Amounts*) of the Credit Agreement may apply).

12. The first Term to apply to the Term Loan AK-B Facility Loan will be a period equal to the period running from the first day following the end of the most recently completed Term with respect to which interest was paid under the Term Loan AK Facility Loan up to and including *[Insert date that is the last day of the Term for the Term Loan AK Facility Loan]* in order that the first Term under the Term Loan AK-B Facility Loan is aligned with the existing Term under the Term Loan AK Facility Loan. The Borrower agrees that each subsequent Term under the Term Loan AK-B Facility will be 6 months.
13. Upon the occurrence of a mandatory prepayment of the Term Loan AK-B Facility following a Change of Control, as defined under Clause 10.2 (*Mandatory Prepayment – Change of Control*) of the Credit Agreement, the Borrower under the Term Loan AK-B Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AK-B Lender) an amount equal to 1 per cent. of the principal amount of the Term Loan AK-B Facility, plus accrued and unpaid interest to the due date of mandatory prepayment. Such payment shall be due and payable by the Borrower to the Facility Agent (for the account of the Telenet Additional Facility AK-B Lender) under the Term Loan AK-B Facility on the actual date of such mandatory prepayment.
14. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of any of the Term Loan AK-B Facility by the Borrower under Clause 10.5 (*Voluntary prepayment*) of the Credit Agreement (other than a voluntary prepayment complying with Clauses 17 or 18 below) in an amount not to exceed 10% of the original principal amount of the Term Loan AK-B Facility during each twelve-month period commencing on the date of this Agreement, the Borrower under the Term Loan AK-B Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AK-B Lender) an amount equal to 3.0% of the principal amount of the Term Loan AK-B Facility being prepaid, plus accrued and unpaid interest then due on the amount of the Term Loan AK-B Facility Loan prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower under the Term Loan AK-B Facility to the Facility Agent (for the account of the Telenet Additional Facility AK-B Lender) on the actual date of such prepayment. Prior to December 1, 2022, to the extent that during any twelve-month period commencing on the date of this Agreement, the principal amount of the Term Loan AK-B Facility prepaid in any one or more voluntary prepayments is greater than an amount equal to 10% of the original principal amount of the Term Loan AK-B Facility (any such amount, the “**Excess Early Redemption Proceeds**”), the Borrower will apply the Excess Early Redemption Proceeds to a voluntary prepayment of the Term Loan AK-B Facility as described in Clause 15 below.
15. At any time prior to December 1, 2022 upon the occurrence of any voluntary prepayment of any or all of the Term Loan AK-B Facility by the Borrower under the Term Loan AK-B Facility under Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement with any Excess Early Redemption Proceeds (other than a voluntary prepayment complying with Clauses 17 or 18 below), the Borrower under the Term Loan AK-B Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AK-B Lender) an amount equal to the Additional Amount (as defined below) (calculated as of a date no more than three Business Days prior to the date of the relevant prepayment notice), plus accrued and unpaid interest on the amount of the Term Loan AK-B Facility Loan prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower under the Term Loan AK-B Facility to the Facility Agent (for the account of the Telenet Additional Facility AK-B Lender) on the actual date of such prepayment.

For the purposes of this Clause 15:

Additional Amount means, with respect to the Term Loan AK-B Facility on any prepayment date applicable to the voluntary prepayment of any or all of the Term Loan AK-B Facility, the excess of:

- (i) the present value at such prepayment date of (i) the amount that would be payable in accordance with Clause 16 below in respect of the principal amount of the Term Loan AK-B Facility being prepaid if such amount were prepaid on December 1, 2022 pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement, plus (ii) the principal amount of the Term Loan AK-B Facility being prepaid plus (iii) all required interest payments due on the principal amount of the Term Loan AK-B Facility being prepaid through December 1, 2022 (excluding accrued but unpaid interest to the prepayment date and assuming such interest payments are calculated at the rate of interest on the Term Loan AK-B Facility in effect on such prepayment date), computed using a discount rate equal to the Bund Rate plus 50 basis points; over

- (ii) the principal amount of the Term Loan AK-B Facility being prepaid.

Bund Rate means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (i) **“Comparable German Bund Issue”** means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such prepayment date to December 1, 2022, and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to December 1, 2022; provided, however, that, if the period from such prepayment date to December 1, 2022 is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such prepayment date to December 1, 2022 is less than one year, a fixed maturity of one year shall be used;
- (ii) **“Comparable German Bund Price”** means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Telenet Additional Facility AK Lender obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (iii) **“Reference German Bund Dealer”** means any dealer of German Bundesanleihe securities appointed by the Telenet Additional Facility AK Lender in good faith; and
- (iv) **“Reference German Bund Dealer Quotations”** means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Telenet Additional Facility AK Lender in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Telenet Additional Facility AK Lender by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany, time on a day no earlier than the third business day in Frankfurt preceding the relevant date.
16. On or after December 1, 2022 upon the occurrence of a voluntary prepayment of any or all of the Term Loan AK-B Facility by the Borrower under the Term Loan AK-B Facility under Clause 10.5 (*Voluntary prepayment*) of the Credit Agreement (other than a voluntary prepayment complying with Clause 17 or 18 below), the Borrower under the Term Loan AK-B Facility agrees to pay to the Facility Agent (for the account of the Telenet Additional Facility AK-B Lender) an amount equal to the relevant percentages of the principal amount of the Term Loan AK-B Facility being prepaid as set forth in the table below on, plus accrued and unpaid interest then due on the amount of the Term Loan AK-B Facility prepaid to, the due date of prepayment, if prepaid during the twelve-month period beginning on December 1 of the years indicated below:

<u>Year</u>	<u>Prepayment Price expressed as a percentage of the principal amount of the Term Loan AK-B Facility</u>
2022	1.750%
2023	0.875%
2024	0.438%
2025 and thereafter	0.000%

Such payment shall be due and payable by the Borrower under the Term Loan AK-B Facility to the Facility Agent (for the account of the Telenet Additional Facility AK-B Lender) on the actual date of such prepayment.

17. Notwithstanding Clauses 14, 15 and 16:
- (a) if the Telenet Additional Facility AK-B Lender purchases any Notes in connection with any tender offer or other offer to purchase for the Notes (a **“Tender Offer”**), the Borrower will

prepay an aggregate principal amount of the Term Loan AK-B Facility, pro rata based on the aggregate principal amount of Notes tendered in such Tender Offer and at a prepayment price of par plus any premium paid or less any discount received by the Telenet Additional Facility AK-B Lender in connection with the purchase of the Notes in such Tender Offer, plus any accrued and unpaid interest to the due date of such prepayment; and

- (b) if following any Tender Offer, the Telenet Additional Facility AK-B Lender is entitled to, and elects to, redeem any remaining Notes at a price equal to the price paid to each other holder in such Tender Offer, then the Borrower will prepay the remaining principal amount of the Term Loan AK-B Facility at a prepayment price of par plus any premium paid or less any discount received by the Telenet Additional Facility AK-B Lender in connection with the purchase of the Notes in such Tender Offer, plus any accrued and unpaid interest to the date that any interest accrues under the Notes in connection with such redemption.
18. At any time prior to December 1, 2022, upon the occurrence of any voluntary prepayment of the Term Loan AK Facility by the Borrower pursuant to Clause 10.5 (*Voluntary Prepayment*) of the Credit Agreement with the Net Cash Proceeds of one of more Equity Offerings (the “**Equity Offering Early Redemption Proceeds**”) in an amount of up to 40% of the Term Loan AK-B Facility Loan, the Borrower shall upon not less than 10 days nor more than 60 days’ notice make a payment to the Facility Agent (for the Account of the Telenet Additional Facility AK-B Lender in an amount (the “**Equity Claw Prepayment Premium**”) equal to 3.500 per cent. of the principal amount of the Term Loan AK-B Facility prepaid, together with any amounts due to the Telenet Additional Facility AK-B Lender in respect of a Tax Deduction plus accrued interest then due on the amount of the Term Loan AK-B Facility prepaid to the due date of prepayment. Such payment shall be due and payable by the Borrower to the Facility Agent (for the account of the Telenet Additional Facility AK-B Lender) under the Term Loan AK-B Facility on the actual date of such prepayment provided that:
- (a) at least 50% of the principal amount of the Term Loan AK-B Facility remains outstanding immediately after any such prepayment; and
 - (b) such prepayment is made not more than 180 days after the consummation of any Equity Offering.

For the purpose of this Clause 18:

“**Capital Stock**” of any person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of interests in (however designated) equity of such person, including any preferred stock, but excluding any debt securities convertible into such equity.

“**Disqualified Stock**” means, with respect to any person, any Capital Stock of such person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (b) is convertible or exchangeable for Financial Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of Telenet Group BVBA, the Borrower or a Subsidiary of Telenet Group BVBA); or
- (c) is redeemable at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of the date (a) of the stated maturity of the Term Loan AK Facility or (b) on which there are no amounts under the Term Loan AK Facility outstanding, *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further* that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Telenet Group BVBA to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in the Credit Agreement) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that Telenet Group BVBA may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by Telenet Group BVBA with any provisions of the Credit Agreement.

“**Equity Offering**” means (1) the distribution of Capital Stock of the Spin Holdco in connection with any Spin-Off or (2) a sale of (a) Capital Stock of Telenet Group BVBA or the Borrower (other than Disqualified Stock), (b) Capital Stock the proceeds of which are contributed as equity share capital to Telenet Group BVBA or the Borrower or as Subordinated Shareholder Loans or (3) Subordinated Shareholder Loans.

“**Net Cash Proceeds**” means, with respect to any issuance or sale of Capital Stock, Subordinated Shareholder Loans and other capital contributions, the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

19. On the Effective Date, the Telenet Additional Facility AK-B Lender will make to the Borrower a Term Loan AK-B Facility Loan in an amount equal to the Term Loan AK-B Facility Commitment by [●]¹.
20. The Borrower agrees that it will not request or require the transfer of all of the rights and obligations of the Telenet Additional Facility AK-B Lender (or cancel or reduce any of such Lender’s Commitments or repay or prepay the Term Loan AK-B Facility Loan) pursuant to Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*), Clause 10.9 (*Right of Cancellation in Relation to a Defaulting Lender*) or Clause 28.3 (*Non-Consenting Lenders*) of the Credit Agreement.
21. On the first Utilisation Date in respect of the Term Loan AK-B Facility, the Borrower confirms, on behalf of itself and the Company confirms on behalf of itself and each other Obligor, that the representations and warranties set out in Clause 18 (*Representations and Warranties*) of the Credit Agreement (except for Clauses 18.5 (*Non –conflict*), 18.6 (*No Event of Default*), 18.7 (*Authorisations*), 18.9 (*No Material Adverse Change*), 18.10 (*Litigation and Insolvency Proceedings*), 18.11 (*Tax Liabilities*), 18.12 (*Security Interests*), 18.13 (*Intellectual Property Rights*), 18.14 (*Environmental Laws*), 18.15 (*Ownership of Assets*), 18.16 (*ERISA*), 18.17 (*United States Regulations*) and 18.18 (*Anti-Terrorism Laws*)) are true and correct in all material respects as if made at the first Utilisation Date in respect of the Term Loan AK-B Facility with reference to the facts and circumstances then existing, and as if each reference to the Finance Documents includes a reference to this Agreement.
22. Each of the Guarantors confirms that its obligations under Clause 17 (*Guarantee and Indemnity*) of the Credit Agreement, and each of the Existing Security Providers confirms that the Security Interests created pursuant to the Security Documents and its obligations under the Finance Documents, shall continue unaffected and that such obligations extend to the Total Commitments as increased by the addition of the Term Loan AK-B Facility and that such obligations shall be owed to each Finance Party including the Telenet Additional Facility AK-B Lender.
23. The Telenet Additional Facility AK-B Lender confirms to each Finance Party (unless such Finance Party is an Obligor) that:
 - (a) it has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Credit Agreement and has not relied on any information provided to it by a Finance Party in connection with any Finance Document; and
 - (b) it will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Credit Agreement or any Telenet Additional Facility Commitment is in force.

¹ Clause 19 will reflect the funding mechanics for the Term Loan AD Facility Loan, which will consist of, at the election of the Borrower, one or more of the following:

- (a) transferring all of its rights, title and obligations under the Term Loan AD Facility to the Borrower pursuant to a transfer certificate executed by each of the Telenet Additional Facility AE Lender, the Borrower and the Facility Agent in accordance with Clause 27.4 (Procedure for transfer by way of novations) of the Credit Agreement;
- (b) cash settling with (or netting against) proceeds received (or payable) in respect of prepayment and cancellation of the Term Loan AD Facility Loan; and/or
- (c) any other means that may be permitted under the Finance Documents and applicable law provided that the Telenet Additional Facility AD Lender shall cease to have any rights or obligations under the Telenet Additional Facility AD Accession Agreement following the entry into the Telenet Additional Facility AE Accession Agreement.

24. In the event that the Term Loan AK-B Facility Loan is made by way of cash settlement, the proceeds shall be used by the Borrower for general corporate purposes.
25. Subject to Clause 26 below and the provisions of the Indenture, for the purposes of any amendment or waiver, consent or other modification (including, with respect to any existing Default or Event of Default) that may be sought by the Company under the Credit Agreement or any other Finance Document on or after the date of this Agreement, the Telenet Additional Facility AK-B Lender hereby consents to:
- (a) any and all of the items set out in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; and
 - (b) any consequential amendment, waiver, consent or other modification, whether effected by one instrument or through a series of amendments, to the Credit Agreement or any other Finance Document to be made either to implement the changes envisaged in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement or to conform any Finance Document to Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement; and/or
 - (c) any other amendment, waiver, consent or modification, whether effected by one instrument or through a series of amendments, to the Credit Agreement or any other Finance Document to be made to conform any Finance Document to any Liberty Global Reference Agreement (provided that any amendment, waiver, consent or modification to conform the Credit Agreement or any other Finance Document to any Liberty Global Reference Agreement referred to at paragraphs (vi) to (xi), (xiii) and (xiv) and in respect of the schedules in relation to covenants, events of default or definitions in the Liberty Global Reference Agreements referred to at paragraphs (ii), (iii) and (v) of that definition, shall be limited to those that are mechanical in nature unless specifically referenced in Schedule 4 (*Amendments, Waivers, Consents and Other Modifications*) to Schedule 10 (*Seventh Amendments, Waivers, Consents and Other Modifications*) of this Agreement and, in each case, any consequential amendments, waivers, consents or modifications),

and this Agreement shall constitute the Telenet Additional Facility AK-B Lender's irrevocable and unconditional written consent in respect of such amendments, waivers, consents or other modifications to the Finance Documents for the purposes of Clause 28 (*Amendments and Waivers*) of the Credit Agreement and Clause 28 (*Consents, Amendments and Override*) of the Intercreditor Agreement (as applicable), and any clause in any other Finance Document relating to amendments of that Finance Document, without any further action required on the part of any party thereto.

26. Following receipt of an amendment request from the Company and/or the Facility Agent in connection with all or any of the proposed amendments set out under Clause 25 above (the "**Requested Amendments**"), the Telenet Additional Facility AK-B Lender shall confirm whether, having regard to the relevant provisions of the Indenture, it is required to consent to the Requested Amendments. If the Telenet Additional Facility AK-B Lender is required to give such consent, it hereby acknowledges and agrees that the Facility Agent and/or the Security Agent may, but shall not be required to, send to the Telenet Additional Facility AK Lender any further formal amendment request in connection with all, or any of the Requested Amendments and the Facility Agent and/or the Security Agent shall be authorised to consent on behalf of the Telenet Additional Facility AK Lender, as a Lender under one or more Telenet Additional Facilities, to any such Requested Amendments (and the Facility Agent and/or the Security Agent shall be authorised to enter into any necessary documentation in connection with the same) and such consent shall be taken into account in calculating whether the Majority Lenders, or the relevant requisite Lenders, have consented to the relevant amendment, waiver or other modification to the Finance Documents in accordance with Clause 28 (*Amendments and Waivers*) of the Credit Agreement and Clause 28 (*Consents, Amendments and Override*) of the Intercreditor Agreement (as applicable), and any clause relating to amendments in any other Finance Document.
27. The Telenet Additional Facility AK-B Lender hereby waives receipt of any fee in connection with the consent in Clause 26 above, notwithstanding that other consenting Lenders under the Credit

Agreement may be paid a fee in consideration of such Lenders' consent to any or all of the foregoing amendments, waivers or other modifications.

28. The Telenet Additional Facility AK-B Lender and the Facility Agent agree to waive the notice period in respect of drawdown requests under Clause 5.1 (*Delivery of Requests*) of the Credit Agreement in respect of this Term Loan AK-B Facility.
29. The Borrower and the Company agree that, notwithstanding the provisions of Clause 12 (*Taxes*) of the Credit Agreement in connection with any payment required to be made by an Obligor to the Telenet Additional Facility AK-B Lender:
 - (a) Clause 12.2 (*Tax gross-up*) of the Credit Agreement shall continue to apply as if a Tax Deduction includes a FATCA Deduction; and
 - (b) Clause 12.4(a) (*Tax Indemnity*) of the Credit Agreement shall continue to apply to any Tax that relates to a FATCA Deduction required to be made by a Party,

in each case, other than to the extent that such FATCA Deduction arises from any non-compliance with any law or regulation by a holder of the Notes.

In this paragraph 30:

“**FATCA**” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“**FATCA Deduction**” means a deduction or withholding from a payment under a Finance Document required by FATCA.

30. The parties to this Agreement acknowledge and agree that (a) in the event that the Term Loan AK-B Facility Loan is made by way of cash settlement pursuant to Clause 24, it shall be made by the Telenet Additional Facility AK-B Lender directly to the Borrower to an account notified by the Borrower to the Additional Facility AK-B Lender, rather than through the Facility Agent, (b) in respect of any other payments of principal, interest or other amounts due under Term Loan Facility AK-B, (i) the Borrower shall make payments payable by it to the Telenet Additional Facility AK-B Lender directly to the Additional Facility AK-B Lender (or to such account as the Additional Facility AK-B Lender may specify), and (ii) the Additional Facility AK-B Lender shall make payments payable by it to the Borrower directly to the Borrower (or to such account as the Borrower may specify). The Additional Facility AK-B Lender agrees that it shall promptly notify the Facility Agent if the Borrower fails to make any payment under subclause (b)(i) of this Clause 30 when due, and the Borrower agrees that it shall promptly notify the Facility Agent if the Additional Facility AK-B Lender fails to make any payment under subclause (b)(ii) of this Clause 30 when due.
31. The Telenet Additional Facility AK-B Lender agrees that without prejudice to Clause 29.4 (*Procedure for Transfer by Way of Novation*) of the Credit Agreement, each New Lender (as defined in the Transfer Certificate referred to below) shall become, by the execution by the Facility Agent of a Transfer Certificate substantially in the form of Schedule 3 (*Transfer Certificate (Cash)*) to this Agreement, bound by the terms of this Agreement as if it were an original party hereto as a Telenet Additional Facility AK-B Lender and shall acquire the same rights, grant the same consents and assume the same obligations towards the other parties to this Agreement as would have been acquired, granted and assumed had the New Lender been an original party to this Agreement as a Telenet Additional Facility AK-B Lender.
32. The Facility Office and address for notices of the Telenet Additional Facility AK-B Lender for the purposes of Clause 36.2 (*Contact Details*) of the Credit Agreement will be that notified by the Telenet Additional Facility AK-B Lender to the Facility Agent.

33. For the purposes of the Term Loan AK-B Facility and any Term Loan AK-B Facility Loan, and notwithstanding any provision of a Finance Document to the contrary:
- (a) The following defined terms shall have the following meanings in the Finance Documents:
- Luxembourg** means the Grand Duchy of Luxembourg;
- Luxembourg Guarantor** means a Guarantor incorporated in Luxembourg; and
- Luxembourg Obligor** means an Obligor incorporated in Luxembourg.
- Qualifying Lender** means a Lender which is beneficially entitled to a payment of interest under a Finance Document and which is:
- (i) a Lender which qualifies as a professional investor within the meaning of Article 105, 3° of the Royal Decree implementing the Belgian Income Tax Code;
 - (ii) a Lender which is entitled to a payment of interest under a Finance Document without a Tax Deduction, pursuant to a double taxation agreement in force with Belgium (subject to the completion of any necessary procedural formalities);
 - (iii) a Lender which is a credit institution established in a country of the European Economic Area or in a country with which the Kingdom of Belgium has concluded a Double Tax Treaty; or
 - (iv) a Lender which qualifies as a non-resident saver within the meaning of Article 105, 50 of the Royal Decree implementing the Belgian Income Tax Code 1992 if, upon payment of such interest, the Borrower qualifies as a “listed holding company” or “intragroup bank” within the meaning of Article 105, 1°, b) or c) of the Royal Decree implementing the Belgian Income Tax Code 1992.
- (b) Where they relate to a Luxembourg company, references in the Finance Documents to:
- (i) a **winding-up, administration or dissolution** includes, without limitation, bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors, reorganisation or similar laws affecting the rights of creditors generally;
 - (ii) a **receiver, administrative receiver, administrator** or the like includes, without limitation, a *juge délégué, commissaire, juge-commissaire, liquidateur or curateur*;
 - (iii) a **security interest** includes any *hypothèque, nantissement, gage, privilege, sûreté réelle, droit de rétention* and any type of real security or agreement or arrangement having a similar effect and any transfer of title by way of security; and
 - (iv) a person being **unable to pay its debts** includes that person being in a state of cessation of payments (*cessation de paiements*).
- (c) Any guarantee given by any Luxembourg Guarantor does not constitute a suretyship (*cautionnement*) in the sense of articles 2011 and subsequent of the Luxembourg civil code.
- (d) The maximum liability of any Luxembourg Guarantor under the Finance Documents shall be limited so that the maximum amount payable by the relevant Luxembourg Guarantor for the obligations of any Obligor, which is not a direct or indirect Subsidiary of such Luxembourg Guarantor, hereunder shall at no time exceed the Maximum Amount.
- Maximum Amount** of any Luxembourg Guarantor means the sum of an amount equal to the aggregate (without duplication) of:
- (i) all moneys received by that Luxembourg Guarantor or direct or indirect Subsidiaries of that Luxembourg Guarantor (which are direct or indirect Subsidiaries of that Luxembourg Guarantor on the date hereof or which will be direct or indirect Subsidiaries of that Luxembourg Guarantor hereafter) as borrower under or pursuant to the Finance Documents; and
 - (ii) the aggregate amount of the outstanding intercompany loans made to the Luxembourg Guarantor or direct or indirect Subsidiaries of that Luxembourg Guarantor (which are

direct or indirect Subsidiaries of that Luxembourg Guarantor on the date hereof or which will be direct or indirect Subsidiaries of that Luxembourg Guarantor hereafter) by other members of the Group which have been funded with moneys received by the Borrowers under the Finance Documents (the **Loan Amount**); and

- (iii) an amount equal to 95% of the greater of:
 - (A) the market value of the assets of the Luxembourg Guarantor at the time the guarantee is called less the Liabilities, other than the Loan Amount, at the time the guarantee is called; and
 - (B) the market value of the assets of the Luxembourg Guarantor at the date of this Agreement less the Liabilities, other than the Loan Amount, at the time the guarantee is called.

Liabilities means all existing liabilities (other than any liabilities owed to the direct or indirect shareholders of the Luxembourg Guarantor) incurred, from time to time, by the Luxembourg Guarantor and as reflected, from time to time, in the books of the Luxembourg Guarantor.

If the Parties fail to reach an agreement as to the market value of the assets as referred to under paragraph (iii) above, such market value shall be determined, at the sole costs of the Luxembourg Guarantor (provided such costs are properly and reasonably incurred), by (1) an independent investment bank appointed for this purpose by the Finance Parties or (2) a Luxembourg *réviseur d'entreprises agréé* appointed upon the request of any of the Finance Parties.

- (e) Telenet International Finance S.à r.l. hereby expressly accepts and confirms, for the purposes of Articles 1278 and 1281 of the Luxembourg Civil Code, that notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the provisions of this Agreement or the Finance Documents, the guarantee given by it guarantees all obligations of each Luxembourg Obligor (including without limitation, all obligations with respect to all rights and/or obligations so assigned, transferred or novated) and any security created under this Agreement or the Finance Documents shall be preserved for the benefit of any New Lender and each Luxembourg Obligor hereby accepts and confirms the aforementioned.
 - (f) **Qualifying Lender** means, in the case of a Luxembourg Borrower, a Lender which is entitled to receive interest payments free of withholding tax levied pursuant to the Luxembourg law of 23 December 2005, as amended, introducing a withholding tax of 20% on payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg or, in the case of a Belgian Borrower, has the meaning given to that term in the Credit Agreement.
34. Each Existing Security Provider (other than the Company) irrevocably appoints the Company to act as its agent:
- (a) to give and receive all communications under the Finance Documents;
 - (b) to supply all information concerning itself to any Finance Party; and
 - (c) to sign all documents under or in connection with the Finance Documents.
- Any communication given to the Company in connection with a Finance Document will also be deemed to have been given to the other Existing Security Providers and each Finance Party may assume that any communication made by the Company is made with the consent of the other Existing Security Providers.
35. If a term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:
- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement; or
 - (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.

36. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
37. This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Agreement by e-mail (PDF) or telecopy shall be as effective as delivery of a manually executed counterpart of this Agreement. In relation to each counterpart, upon confirmation by or on behalf of the signatory that the signatory authorises the attachment of such counterpart signature page to the final text of this Agreement, such counterpart signature page shall take effect together with such final text as a complete authoritative counterpart.
38. Clause 39.1 (*Jurisdiction*) of the Credit Agreement is incorporated into this Agreement as if set out in full and as if references in that clause to “the Finance Documents” is to this Agreement.
39. This Agreement is a Creditor Accession Undertaking as defined in the Intercreditor Agreement.
40. The Borrower under the Term Loan AK-B Facility hereby agrees that the Telenet Additional Facility AK-B Lender may disclose confidential information supplied to it by or on behalf of any Obligor in connection with the Finance Documents to the extent such disclosure is required by the terms of the Notes.
41. For the purposes of any assignment, transfer or novation of rights and/or obligations (in whole or in part) by the Telenet Additional Facility AK-B Lender under Clause 29.3 (*Transfers by Lenders*) of the Credit Agreement, each of the Company and the Borrower hereby irrevocably consents to any assignment, transfer or novation made by the Telenet Additional Facility AK-B Lender (i) by way of security in favour of The Bank of New York Mellon, London Branch (as security trustee under the Indenture) and (ii) following an Event of Default under and as defined in the Indenture. The Telenet Additional Facility AK-B Lender may only deliver to the Facility Agent a completed Transfer Certificate if at that time it confirms to the Facility Agent in writing that an assignment, transfer or novation of the interest in the Term Loan AK-B Facility to be assigned, transferred or novated is not prohibited under the terms of any agreement that is binding on it or any of its assets.
42. The parties acknowledge that this Agreement is a Finance Document.

[Signature Pages Follow]

SCHEDULE 1

**TELENET ADDITIONAL FACILITY AK-B LENDER AND TERM LOAN AK-B FACILITY
COMMITMENTS**

<u>Telenet Additional Facility AK-B Lender</u>	<u>Term Loan AK-B Facility Commitment</u>
	(€)
[Insert name of Belgian SPV]	600,000,000
Total	600,000,000

SCHEDULE 2
CONDITIONS PRECEDENT DOCUMENTS

1. Obligors

- (a) A copy of the articles of association or equivalent constitutional documents of each Obligor and each Existing Security Provider.
- (b) A copy of a resolution of the board of directors or equivalent of each Obligor and each Existing Security Provider approving the terms of, and the transactions contemplated by, this Agreement and any other Finance Documents to which it is, or will become, a party.
- (c) A specimen of the signature of each person authorised on behalf of each Obligor and each Existing Security Provider to execute or witness the execution of this Agreement and any other Finance Document or to sign or send any document or notice in connection with this Agreement and any other Finance Document.
- (d) An up-to-date extract from the Luxembourg Trade and Companies Register in respect of each Obligor and each Existing Security Provider incorporated in Luxembourg or, to the extent such Obligor or Existing Security Provider is not registered with the Luxembourg Trade and Companies Register, a certificate from a notary residing in Luxembourg.
- (e) An up-to-date negative certificate (*certificat de non-inscription d'une decision judiciaire*) issued by the Luxembourg Trade and Companies register in respect of each Obligor and each Existing Security Provider incorporated in Luxembourg or, to the extent such Obligor or Existing Security Provider is not registered with the Luxembourg Trade and Companies Register, a certificate on solvency of an authorised signatory of the relevant Obligor or Existing Security Provider (as applicable).
- (f) A copy of the minutes of the shareholders' meeting of each Belgian Obligor and each Belgian Existing Security Provider in the form of a limited liability company (*naamloze vennootschap*) (except for Telenet Group Holding NV):
 - (i) approving for the purposes of article 556 of the Belgian Companies Act, the terms of and transactions contemplated by this Agreement; and
 - (ii) authorising named persons to fulfil the formalities with the Registry of the Commercial Court of the registered office of such Obligor or Existing Security Provider following the decision taken in accordance with the above.
- (g) A certificate of an authorised signatory of the Company:
 - (i) confirming that utilising the Total Commitments (including the Term Loan AK-B Facility Commitment) in full would not breach any limit binding on any Obligor; and
 - (ii) certifying that each copy document specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
- (h) A copy of the most recent annual accounts of the Borrower or, in the absence thereof, a copy of the opening balance sheet of the Borrower.
- (i) Evidence required by the Finance Parties for the purpose of any applicable money laundering regulations.

2. Legal opinions

- (a) A legal opinion of Allen & Overy LLP, English legal advisers to the Facility Agent, addressed to the Finance Parties and to the security trustee under the Indenture (in substantially the same form as the opinion delivered in respect of the Telenet AK Additional Facility).
- (b) A legal opinion of Allen & Overy (Belgium) LLP, Belgian legal advisers to the Facility Agent, addressed to the Finance Parties and to the security trustee under the Indenture (in substantially the same form as the opinion delivered in respect of the Telenet AK Additional Facility).
- (c) A legal opinion of Allen & Overy *société en commandite simple*, Luxembourg legal advisers to the Facility Agent, addressed to the Finance Parties and to the security trustee under the Indenture (in substantially the same form as the opinion delivered in respect of the Telenet AK Additional Facility).

3. Other Documents

- (a) Evidence that the agent of the Borrower under the Finance Documents for service of process in England has accepted its appointment.

SCHEDULE 3
TRANSFER CERTIFICATE (CASH)

To: The Bank of Nova Scotia as Facility Agent and Telenet International Finance S.à r.l. as Borrower
From: [THE EXISTING LENDER] and [THE NEW LENDER]

Date: 2017

Telenet BVBA²—credit facilities agreement originally dated August 1, 2007 (as amended and restated from time to time), by and among Telenet BVBA and The Bank of Nova Scotia (originally BNP Paribas and then Toronto Dominion (Texas) LLC) as facility agent and KBC Bank NV as security agent (the Credit Agreement)

Terms defined in the Credit Agreement have the same meanings when used in this Transfer Certificate, or, if not defined in the Credit Agreement, the Telenet Additional Facility AK-B Accession Agreement (as defined below), have the same meaning in this Transfer Certificate.

We refer to:

- (a) Clause 29.4 (*Procedure for Transfer by Way of Novations*) of the Credit Agreement;
 - (b) Clause 22.3 (*Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders*) of the Intercreditor Agreement; and
 - (c) the Telenet Additional Facility Accession Agreement dated [●] 2017, pursuant to which a €600,000,000 term loan facility is made available to the Borrower as a Telenet Additional Facility (**Term Loan AK-B Facility**) under the Credit Agreement (the **Telenet Additional Facility AK-B Accession Agreement**).
1. We, [] (the **Existing Lender**) agree to novate and we, [] (the **New Lender**) agree to accept novation of all the Existing Lender's rights and obligations referred to in the Schedule on and from the Effective Date in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement and Clause 22.3 (*Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders*) of the Intercreditor Agreement.
 2. The New Lender confirms that it is bound by the terms of the Telenet Additional Facility AK-B Accession Agreement from the Effective Date as if it were an original party thereto as a Telenet Additional Facility AK-B Lender and shall acquire the same rights, grant the same consents and assume the same obligations towards the other parties to the Telenet Additional Facility AK-B Accession Agreement as would have been acquired, granted and assumed had the New Lender been an original party to the Telenet Additional Facility AK-B Accession Agreement as a Telenet Additional Facility AK-B Lender.
 3. For the purposes of Articles 1278 and 1281 of the Luxembourg Civil Code and Article 1278 of the Belgian Civil Code, each of the Existing Lender, the Facility Agent and the New Lender agree and each of the Existing Security Providers and Guarantors acknowledge and accept that the Security Documents will be preserved for the benefit of the New Lender in accordance with Clause 29.4 (*Procedure for transfer by way of novations*) of the Credit Agreement.
 4. The New Lender represents on the date of this Transfer Certificate that:
 - (a) it is a Qualifying Lender; and
 - (b) it is not a Lender that has met the conditions described in any of paragraphs (a) to (c) of Clause 12.6 (*U.S. Taxes*) of the Credit Agreement.
 5. This Transfer Certificate shall take effect on the date of this Transfer Certificate.
 6. For the purposes of this Transfer Certificate, "**Effective Date**" means the date specified under the Facility Agent's name in the relevant signature page to this Transfer Certificate.
 7. Each party to this document agrees, the Facility Agent agrees on behalf of each Finance Party, and Telenet BVBA agrees on behalf of each Obligor, that this document is a Transfer Certificate notwithstanding that its form is different to that required by the Credit Agreement.

² Formerly known as Telenet Bidco NV and subsequently Telenet NV following the merger of Telenet NV into Telenet Bidco and subsequently Telenet BVBA following the conversion into a BVBA.

8. The New Lender, agrees to become party to the Intercreditor Agreement as a Senior Lender for the purposes of the Intercreditor Agreement and confirm that, as from the date of this Transfer Certificate, it intends to be party to the Intercreditor Agreement as a Senior Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
9. This Transfer Certificate is a Finance Document.
10. *This Transfer Certificate may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Transfer Certificate by e-mail (PDF) or telecopy shall be as effective as delivery of a manually executed counterpart of this Transfer Certificate.*
11. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

THE SCHEDULE

Rights and obligations to be novated:

EXISTING LENDER

Existing Lender's Term Loan AK-B Facility Commitment: €[●]

Assignee: New Lender

NEW LENDER

Facility Office []

Address for notices for administrative purposes []

Address for notices for credit purposes []

[*The Existing Lender*], as the Existing Lender

By: _____
Name:
Title

EXECUTED AS A DEED

[*The New Lender*], as the New Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

TELENET BVBA, as Obligors agent

By: _____
Name:
Title:

TELENET BVBA, as Existing Security Providers agent

By: _____
Name:
Title:

THE BANK OF NOVA SCOTIA, as Facility Agent

By: _____
Name:
Title:
Date:

The Facility Agent confirms that the Effective Date is the date on which it and the Security Agent countersigns this Transfer Certificate.

KBC BANK NV, as Security Agent

By: _____
Name:
Title:
Date:

SCHEDULE 4

AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

All references to Clauses, Paragraphs, Schedules and definitions contained in this Schedule 4 are to Clauses, Paragraphs, Schedules and definitions of the Credit Agreement and the Intercreditor Agreement (as applicable). All capitalised terms used in this Schedule but not defined shall have the meanings given to such terms in the Credit Agreement and the Intercreditor Agreement (as applicable).

In this Schedule, references to “recent Liberty precedent” shall be construed to mean any Liberty Global Reference Agreement.

1. **Majority Lenders:** amend Clause 1.1 (*Definitions*) of the Credit Agreement to reduce the fractions specified in the definitions of Majority Lenders, from two thirds or more (for any or all purposes under the Credit Agreement or any other Finance Document (including for the purposes of any Telenet Additional Facility)) to more than 50.00% and to exclude the available commitments of defaulting lenders for the purposes of amendments or waivers.
2. **Super Majority Lenders:** amend Credit Agreement to provide for a definition of Super Majority Lenders so that amendments and waivers in respect of the release of any guarantee or security only requires the consent of Lenders representing 90.00% of Commitments.
3. **Tax:** amend Clause 12 (*Taxes*) to include any provisions (which are not materially adverse to the interests of the Lenders) required to accommodate an acceding Additional Borrower incorporated in a jurisdiction other than Belgium, the Netherlands, Luxembourg and the United States.
4. **Market Disruption:** amend the Credit Agreement to include market disruption provisions and the provision of alternative interest rates in accordance with recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan market.
5. **Geographic restrictions:** amend Clause 29.9 (*Additional Borrowers*) to provide that, in addition to the existing ability for an Additional Borrower incorporated in Benelux and the US to accede (without requiring any Lender consent), to provide an ability to accede Additional Borrowers incorporated in any other jurisdictions with the consent of the Majority Lenders.
6. **Holding Companies:** amend Clause 21.9(b)(iii) to expressly permit a merger of Telenet Group Holding NV, Telenet BVBA or Telenet Vlaanderen NV or any of their intermediate holding companies subject to compliance with the merger regime in recent Liberty precedents.
7. **Changes to Thresholds:** in the definition of Permitted Security Interest, permit the Company to secure Financial Indebtedness on a *pari passu* or junior ranking basis provided that (other than in the case of a refinancing of other secured Financial Indebtedness in the same or a lesser principal amount) the Net Total Debt to Consolidated Annualised EBITDA ratio on a pro forma basis would not be greater than 5.50:1.00 and provided that such Financial Indebtedness is subject to an intercreditor agreement on terms which are satisfactory to the Security Agent (acting on the instructions of the Majority Lenders) and where (in the case of such Financial Indebtedness being secured on a junior ranking basis) the rights of the holders of such Financial Indebtedness in respect of any payment will be contractually subordinated to the rights of the Lenders on terms comparable to the Loan Market Association’s form of intercreditor agreement at such time for mezzanine debt, as referred to in recent Liberty precedent.
8. **Security and Guarantee Release:** amend the relevant provisions of the Credit Agreement (in particular Clauses 21.17 (*Share Security*) and 29.11 (*Resignation of an Obligor (other than the Company)*)) to provide that, subject to certain thresholds being met no Obligor nor any other member of the Group is required to provide any Security or guarantee other than Security over the shares that it holds in any Obligor, Security required under the terms of the Credit Agreement in respect of Subordinated Shareholder Loans and a guarantee from the Obligors under the terms of the Credit Agreement and include a provision to authorise the Security Agent to release any other Security or guarantees other than the aforementioned and to release Security in respect of Permitted Disposals and to permit relevant Security to be released if a Guarantor resigns in accordance with Clause 29.11 (*Resignation of an Obligor (other than the Company)*) provided that the guarantor coverage test would still be met notwithstanding such release.
9. **Defaulting Lender:** include standard defaulting lender provisions used in recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan

market so as the commitments of a defaulting lender may be cancelled and it will have no rights to vote in respect of such cancelled commitments. Clarify that no commitment fee will be payable to a defaulting lender.

10. **Assignments/Transfers of Lenders:** clarify that the Company should have the right to withhold consent in respect of an assignment/transfer of the Revolving Facility to an entity which is not a lender under a revolving facility to the wider Liberty group (subject to no consent being required in the case of transfers to other Lenders or affiliates of Lenders or following an event of default which is continuing). There should be no unreasonableness qualifier on this right (in respect of the Revolving Facility only). Remove requirement of deemed consent within 10 Business Days in respect of each Revolving Facility.
11. **Assignments/Transfers of Obligors:** amend Clause 29.2 (*Assignment or Transfer by Obligors*) so that any Benelux Borrower may assign or transfer any of its rights and obligations under the Revolving Facility or the Term Loans to another Benelux Borrower and so that any US Borrower may do the same to another US Borrower, in each case, without the prior consent of the Lenders provided that a solvency opinion and legal opinion are provided, if requested, in accordance with recent Liberty precedents in respect of an equivalent provision.
12. **Amendments:**
 - (a) amend Clause 28 (*Amendments and waivers*) to introduce a class exception, whereby any amendment or waiver that relates only to the rights or obligations of a particular Utilisation or Facility and does not materially and adversely affect the rights or interests of Lenders in respect of other Utilisations or Facilities only requires the consent of the relevant proportion of Lenders participating in such Utilisation or Facility;
 - (b) amend Clause 28.2 (*Exceptions*) to require the consent of affected Lenders only and not all Lenders (and make any consequential changes by amending for example, all references to matters requiring all Lender consent to only requiring affected Lender consent); and
 - (c) include a new paragraph (d) to Clause 28.2 (*Exceptions*), to permit the Facility Agent to make technical, minor, operational and OID amendments without consent from any Lenders, on terms consistent with recent Liberty precedent as at the date of implementation of the amendments.
13. **Joint Ventures and solvent reorganisations:** amend the Credit Agreement to permit Telenet BVBA to contribute freely pledged loan and guarantee receivables to the Permitted Joint Venture's share capital without requiring a release from the Security Agent (subject to confirmation or re-taking of security over such pledged loan and guarantee receivables).
14. **Accession Agreements:** amend each Accession Agreement to remove the restriction which prevents:
 - (d) Telenet BVBA from arranging an Additional Facility if after giving effect to a utilisation thereunder, the ratio of Net Total Senior Debt to Consolidated Annualised EBITDA would be greater than 4.50:1; and
 - (e) the Company from requesting the transfer of an Additional Facility pursuant to Clause 28.3 (*Non-Consenting Lenders*).
15. **Non-Consenting Lenders:** remove the timing window of 90 days during which the Company may effect the provisions set out in Clause 28.3 (*Non-Consenting Lenders*).

SCHEDULE 5

FURTHER AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Super Majority Lenders:** delete paragraph (a)(vii) of Clause 28.2 (*Exceptions*).
2. **Market Disruption:** amend the Credit Agreement to include provisions for the protection of reference banks and their officers in accordance with recent Liberty precedents and/or, to the extent not inconsistent with recent Liberty precedent, the European leverage loan market.
3. **Amendments:**
 - (a) include a new clause such that where a request for a waiver of, or an amendment to, any provision of any Finance Document has been sent by the Facility Agent to the Lenders at the request of an Obligor, each Lender that does not respond to such request for waiver or amendment within 10 Business Days after receipt by it of such request (or within such other period as the Facility Agent and the Company shall specify), shall be excluded from the calculation in determining whether the requisite level of consent to such waiver or amendment was granted, and delete the proviso to the definition of Majority Lenders; and
 - (b) delete paragraph (a)(vi) of Clause 28.2 (*Exceptions*) and provide that guarantees and security can be released with the consent of the Lenders representing 90% of Commitments.
4. **Additional Borrowers:** Additional Borrowers may be incorporated in the Kingdom of Belgium, Netherlands, Luxembourg or, in relation to any new Additional Facilities, in the United Kingdom.
5. **Mandatory Costs:** delete all references in each Additional Facility Accession Agreement to Mandatory Costs and any related provisions.
6. **Permitted Disposals:**
 - (a) amend the definition of Permitted Disposal to include in addition to the existing “Permitted Disposals”:
 - (i) disposals by one member of the Group to another member of the Group provided that, if such assets subject to the disposal are subject to existing security, the Borrower within 15 Business Days of such disposal ensures that the assets remain subject to security; and
 - (ii) disposals of shares or other interests in project companies, entities excluded from the Group which are subsidiaries of the Company or joint venture companies (each as defined in recent Liberty precedent) or the assignment of any Financial Indebtedness owed to a member of the Group by any project companies, entities excluded from the Group which are subsidiaries of the Company or a joint venture company.

SCHEDULE 6

ADDITIONAL AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Ancillary Facilities:** amend the Credit Agreement to provide that (i) a date specified in a conversion notice as the effective date for an ancillary facility commitment may be a date not less than 3 Business Days after the date such conversion notice is received by the Facility Agent, (ii) any proposed increase or reduction or extension of the ancillary facility commitment shall only take effect from a date not less than 3 Business Days after the date the Facility Agent has received notice of the relevant modification or variation or extension and (iii) an ancillary facility lender may demand repayment or prepayment of any amounts under its ancillary facility if the ancillary facility outstandings under that ancillary facility can be repaid by a revolving facility advance (and not less than 7 Business Days notice (or such shorter period as agreed to by the Company) is given to the relevant Borrower before payment becomes due).
2. **Defaulting Lender:** amend the Credit Agreement to include the right to replace a Lender (in whole and at par) if that Lender becomes a Defaulting Lender.

SCHEDULE 7

FOURTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Transfers:** amend clause 29.3 (*Transfers by Lenders*) of the Credit Agreement to provide that the consent of the Company is not required for any assignment or transfer by a Lender if an Event of Default is outstanding pursuant to any of clauses 22.2 (*Non-payment*), 22.6 (*Insolvency*), 22.7 (*Insolvency Proceedings*), 22.8 (*Creditors' Process*) or 22.9 (*Similar Proceedings*) only (rather than if any Event of Default is outstanding).
2. **New RCF Maintenance Covenant:** amend the Credit Agreement to provide that amendments and waivers of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) to 20.4 (*Cure provisions*) and the new acceleration clause at (d) above shall only be made with the consent of the Company and the Composite Revolving Facility Instructing Group and shall not require the consent of any other Finance Party.

SCHEDULE 8

FIFTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Lender Assignments:** amend Clause 29 (*Changes to Parties*) of the Credit Agreement to provide that Lenders may transfer their rights and obligations under the Credit Agreement by way of assignment (subject to equivalent conditionality (including as set out in Clause 29.3 (*Transfers by Lenders of the Credit Agreement*))) as applies to the regime for transfers by Lenders of their rights and obligations by way of novation under the Credit Agreement and otherwise in accordance with recent Liberty precedent).

SCHEDULE 9

SIXTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

1. **Solvent Liquidation:** Amend the Credit Agreement to provide for releases of Security as a result of, and in connection with, any solvent liquidation or dissolution that complies with Clause 21.24 (*Internal Reorganisations*) of the Credit Agreement.
2. **Non-Consenting Lenders:** Remove the timing window of 90 days during which the Company may exercise its rights as set out in Clause 28.3 (*Non Consenting Lenders*) such that the Company may exercise such rights at any time.
3. **Waivers:** Add a new limb to Clause 28.1 (*Procedure*) as follows:

“Notwithstanding anything to the contrary in the Finance Documents, a Finance Party may unilaterally waive, relinquish or otherwise irrevocably give up all or any of its rights under any Finance Document with the consent of the Company.”
4. **Transfers:** Delete paragraph (b) of Clause 29.3 (*Transfers by Lenders*) in its entirety and replace it with the following:

“Any transfer under paragraph (a) above shall be for an amount of not less than €2,000,000 or \$2,000,000 (in the case of participations in Advances denominated in euro or Dollars, respectively) (or if less, the aggregate of the Commitments of that Existing Lender).”

SCHEDULE 10

SEVENTH AMENDMENTS, WAIVERS, CONSENTS AND OTHER MODIFICATIONS

All references to Clauses, Paragraphs, Schedules and definitions contained in this Schedule 10 are to Clauses, Paragraphs, Schedules and definitions of the Credit Agreement. All capitalised terms used in this Schedule but not defined shall have the meanings given to such terms in the Credit Agreement.

References in this Schedule 10 to “recent Liberty precedents” shall be construed to mean any Liberty Global Reference Agreement.

1. **Agent’s Spot Rate of Exchange:** delete the definition of Agent’s Spot Rate of Exchange and replace it with the following:

“**Agent’s Spot Rate of Exchange**” means, in relation to two currencies, the Facility Agent’s spot rate of exchange for the purchase of the first-mentioned currency in the London foreign exchange market at or about 11.00 am on a particular day.”

2. **Ancillary Facility Lender:** delete the definition of Ancillary Facility Lender and replace it with the following:

“**Ancillary Facility Lender**” means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 7 (*Ancillary Facilities*).

3. **Consolidated EBITDA:** amend the definition of Consolidated EBITDA to:

- (a) amend limb (l) to move the words “any Holding Company Expenses paid to the extent that they were permitted to be paid under this Agreement for such Measurement Period” to a new paragraph (m) and to delete the word “and” before “any Holding Company Expenses”; and
- (b) amend limb (n) to include the words “or transfer of assets” after the words “sale of assets”.

4. **Distribution Business:** include the following new definition:

“**Distribution Business**” means:

- (a) the business of upgrading, constructing, creating, developing, acquiring, operating, owning, leasing and maintaining cable television networks (including for the avoidance of doubt master antenna television, satellite master antenna television, single and multi-channel microwave single or multi-point distribution systems and direct-to-home satellite systems) for the transmission, reception and/or delivery of multi-channel television and radio programming, telephony and internet and/or data services to the residential markets; or
- (b) any business which is incidental to or related to and, in either case, material to such business.”

5. **Excess Capacity Network Service:** include the following new definition:

“**Excess Capacity Network Service**” means the provision of network services, or agreement to provide network services, by a member of the Group in favour of one or more other members of the Wider Group where such network services are only provided in respect of the capacity available to such member of the Group in excess of that network capacity it requires to continue to provide current services to its existing and projected future customers and to allow it to provide further services to both its existing and projected future customers.”

6. **Financial Indebtedness:** amend the definition of Financial Indebtedness to:

- (a) delete limb (e); and
- (b) delete limb (d) and replace it with the following:

“(for the purposes of Clause 22.5 (*Cross-default and Cross-acceleration*) only) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark-to-market value (or, if any actual amount is due as a result of the termination or close-out of all or part of that derivative transaction, that amount together with the mark-to-market value of any part of that derivative transaction in respect of which no amount is due as a result of a termination or close-out) shall be taken into account);”

7. **Guarantor:** delete the definition of Guarantor and replace it with the following:
 ““**Guarantor**” means an Original Guarantor and each Additional Guarantor and “**Guarantor**” means any one of them as the context requires, provided that in either case, such person has not been released from its rights and obligations as a Guarantor hereunder pursuant to Clause 29.11 (*Resignation of an Obligor (other than the Company)*).”
8. **Impaired Agent:** amend limb (c) of the definition of Impaired Agent to include the words “or (c)” before the words “of the definition of “**Defaulting Lender**”” and to replace the word “or” between the words “paragraph (a)” and “(b)” with a comma.
9. **Majority Lenders:** delete the final proviso paragraph of the definition of Majority Lenders and provide that it is subject to the snooze and lose provision to be included pursuant to paragraph 21 of Schedule 5 and Clause 10.7(d).
10. **Permitted Acquisition:** amend the definition of Permitted Acquisition to:
 - (a) include an additional limb as follows:
 “any acquisition by a member of the Group for the purposes of a solvent reorganization of the Group where the Acquisition is of share capital or equivalent of a person which:
 - (i) has not traded and does not own any assets; or
 - (ii) is a dormant subsidiary of the Ultimate Parent,
 and, in each case, which has no liabilities;”
 - (b) amend limb (m) to include the words “, within 60 days of the date of such conversion,” after the words “ensure that the Security Agent is”;
 - (c) delete the proviso at the end of the definition after paragraph (u); and
 - (d) include an additional limb as follows:
 “any acquisition by any member of the Group of any Senior Unsecured Notes provided that an amount equal to the purchase price paid for the acquisition of any such Senior Unsecured Notes could have been used by such member of the Group to fund a Permitted Payment and provided further that to the extent any such acquisition is made in reliance on any basket amount provided for under the definition of “**Permitted Payments**”, such amount shall be reduced by an amount equal to the consideration paid for such acquisition;”
11. **Permitted Disposal:** amend the definition of Permitted Disposal to:
 - (a) amend limb (t) to delete “€50,000,000” and replace it with “€150,000,000” and to delete “1%” and replace it with “three per cent.”;
 - (b) amend limb (t) to add the following to the end of limb (t) of the definition of Permitted Disposal:
 “(with unused amounts in any financial year being carried over to the next succeeding financial year subject to a maximum of the greater of €150,000,000 and three per cent. of Total Assets of carried over amounts for any financial year and with any such carried over amounts being used first in the next succeeding financial year)”;
 - (c) amend limb (hh) to delete each reference to “€50,000,000” and replace it with “€150,000,000”;
 - (d) amend limb (ii) to:
 - (i) include, at the end of the limb, the words “and any disposal of assets pursuant to sale and leaseback transactions constituting Financial Indebtedness to the extent such Financial Indebtedness is permitted under this Agreement” after “in any financial year”;
 - (ii) delete “2%” and replace it with “3%”; and
 - (iii) delete “€100,000,000” and replace it with “€150,000,000”;
 - (e) include an additional limb as follows:
 “disposals of undertakings, assets, rights or revenues comprising interests in the share capital of persons not holding or engaged in the Distribution Business of the Group or other

undertakings, assets, rights or revenues not constituting part of the Distribution Business of the Group (“**Non-Distribution Business Assets**”);

For the avoidance of doubt and without limiting the generality of paragraph [] above, Non-Distribution Business Assets shall include:

- (A) undertakings, assets, rights and revenues comprising interests in the share capital of any person engaged solely in the competitive local exchange carrier (CLEC) business, including without limitation, the business of providing traditional voice and data services and services based on Transmission Control Protocol/Internet Protocol (RCP/IP) technology and other undertakings, assets, rights or revenues constituting a part of such businesses; and
 - (B) undertakings, assets, rights and revenues comprising interests in the share capital of any person engaged solely in the business of television and radio programming, including without limitation, the business of creating and distributing special interest television channels, radio programmes, pay per view programmes and near video on demand services and other undertakings, assets, rights or revenues constituting a part of such businesses;” and
- (f) delete limb (ww)(iii).

12. **Permitted Financial Indebtedness:** amend the definition of Permitted Financial Indebtedness to:

- (a) include an additional limb as follows:

“any Financial Indebtedness incurred in connection with the Hedging Agreements and any other hedging arrangements permitted by this Agreement;”
- (b) include an additional limb as follows:

“any Financial Indebtedness of any member of the Group, in respect of which the person or persons to whom such Financial Indebtedness is or may be owed has or have no recourse whatever to any member of the Group for any payment or repayment in respect thereof other than recourse to such member of the Group for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness in an enforcement of any Security Interest given by any member of the Group over Non-Distribution Business Assets, provided that:

 - (A) the extent of such recourse to such member of the Group is limited solely to the amount of any recoveries made on any such enforcement;
 - (B) such person or persons are not entitled, pursuant to the terms of any agreement evidencing any right or claim arising out of or in connection with such Financial Indebtedness, to commence proceedings for the winding up, dissolution or administration of any member of the Group (or proceedings having an equivalent effect) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of any member of the Group or any of its assets (save only for the Non-Distribution Business Assets the subject of that Security Interest) until after the Commitments have been reduced to zero and all amounts outstanding under the Finance Documents have been repaid or paid in full; and
 - (C) the aggregate outstanding amount of all such Financial Indebtedness of all members of the Group does not exceed €100,000,000 (or its equivalent in other currencies);”
- (c) amend limb (i) to delete the words “under paragraph (jj), (kk) and (ll) of that definition”; and
- (d) amend limb (r) to delete the words “no Default or”.

13. **Permitted Joint Venture:** delete the words “provided that no Event of Default has occurred and is continuing at the time of such proposed acquisition”.

14. **Construction:**

- (a) Add a new limb to Clause 1.2 (*Construction*) as follows:

“Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Advances in connection with any

refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Company, the Facility Agent and such Lender, and any such exchange, continuation or rollover shall be deemed to comply with any requirement hereunder or under any other Finance Document that any payment be made “in Euros” (or any other relevant currency), “in immediately available funds”, “in cash” or any other similar requirements.”

15. **Permitted Payments:**

- (a) Amend Clause 21.11 (*Restricted Payments*) to include an additional limb (c) as follows:

“(c) The restriction contained in paragraph (a) on the payment by any member of the Group of Management Fees shall cease to apply during such period as the applicable ratio for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) is 3.50:1 (or less), provided that no Management Fees may be paid by any member of the Group at any time after a Relevant Event has occurred or if a Relevant Event would result from such payment.”

- (b) Include the following new definition:

“**“Relevant Event”** means a Default in relation to:

- (a) Clause 22.2 (*Non-payment*); or
(b) Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*).”

- (c) Include the following additional limb to the definition of Permitted Payment:

“by way of transfer to any Restricted Person of any Non-Distribution Business Assets (as defined in paragraph [] of the definition of Permitted Disposal) permitted in accordance with paragraph [] of the definition of Permitted Disposal.”

- (d) Amend limb (j) of the definition of Permitted Payment to delete the words “paragraph (s)” and replace them with “paragraph (jj)”.

- (e) Amend limb (cc) of the definition of Permitted Payment to delete “€10,000,000” and replace it with “€50,000,000”.

- (f) Delete limb (ll) of the definition of Permitted Payment and replace it with the following:

“any other distribution, dividend, transfer of assets, loan, other payment or transfer of tax losses not falling within the other paragraphs of this definition and not exceeding at any time, in an aggregate amount, the amount equal to the greater of:

- (A) €150,000,000 in aggregate (or its equivalent); and
(B) three per cent. of Total Assets,

in any financial year, with any unused amounts in any financial year being carried over to the next succeeding financial year subject to a maximum of the aggregate amount of the greater of €150,000,000 and three per cent. of Total Assets of carried over amounts for any financial year and with any such carried over amounts being used first in the next succeeding financial year.”

- (g) Delete “2%” and replace it with “3%” at limb (kk) of the definition of Permitted Payment.

- (h) Amend limb (r)(i) of the definition of Permitted Payment to replace the words “three days” with the words “three Business Days”.

16. **Signing Date:** amend all references to “the date of this Agreement” to “the Signing Date”.

17. **Wider Group:** amend paragraph (b) of the definition of Wider Group to add the words “(other than a member of the Group)” at the end.

18. **Spin-Off:** delete the existing definition of Spin-Off at Clause 10.2(c)(xi) (*Mandatory Prepayment—Change of Control*) and replace it with the following:

“**Spin Off**” means a transaction by which all outstanding ordinary and or equity shares of the Common Holding Company or any Holding Company of the Common Holding Company directly or

indirectly owned by the Ultimate Parent are distributed to (i) all of the Ultimate Parent's shareholders or (ii) all of the shareholders comprising one or more groups of the Ultimate Parent's shareholders as provided by the Ultimate Parent's articles of association, in each case, either directly or indirectly through the distribution of the Common Holding Company's shares or any such Holding Company's shares.

19. **Borrower:** delete the existing definition of Borrower and replace it with the following:

"Borrower" means the Original Borrower and any Additional Borrower, in each case, unless it has ceased to be a Borrower in accordance with Clause 29.11 (*Resignation of an Obligor (other than the Company)*) and, in respect of an Ancillary Facility only, any Affiliate of a Borrower that becomes a borrower of that Ancillary Facility with the approval of the relevant Ancillary Facility Lender pursuant to Clause 7.7 (*Affiliates of Borrowers*).

20. **Sub-participations:**

- (a) Include a new definition of Sub-participation as follows:

"Sub-participation" means any sub-participation or sub-contract (whether written or oral) or any other agreement or arrangement having an economically substantially similar effect, including any credit default or total return swap or derivative (whether disclosed or undisclosed, risk or funded) by a Lender of or in relation to any of its rights or obligations under, or its legal, beneficial or economic interest in relation to, the Facilities and/or Finance Documents to a counterparty and **"sub-participate"** shall be construed accordingly.

- (b) Amend Clause 29.3 (*Transfers by Lenders*) in order that this clause includes a restriction on Sub-participations of rights and obligations and is subject to the same consent regime as for assignments and transfers in accordance with recent Liberty precedent.

- (c) Add a new clause as follows:

"[29.14] Sub-participation"

Notwithstanding anything to the contrary in Clause 29.3 (*Transfers by Lenders*) there shall be no restrictions on Sub-participations by a Lender provided that:

- (a) such Lender remains a Lender under this Agreement with all rights and obligations pertaining thereto and remains liable under the Finance Documents for any such obligation;
- (b) such Lender retains exclusive control over all rights and obligations in relation to the participations and Commitments that are the subject of the relevant agreement or arrangement, including all voting rights (for the avoidance of doubt, free of any agreement or understanding pursuant to which it is required to or will consult with any other person in relation to the exercise of any such rights and/or obligations), unless:
- (i) the proposed sub-participant is a person to whom the relevant rights and obligations could have been assigned or transferred in accordance with the terms of this Clause 29; and
- (ii) prior to entering into the relevant agreement or arrangement, the relevant Lender provides the Company with full details of that proposed sub-participant and any voting, consultation or other rights to be granted to the sub-participant;
- (c) the relationship between the Lender and the proposed sub-participant is that of a contractual debtor and creditor (including in the bankruptcy or similar event of the Lender or an Obligor);
- (d) the proposed sub-participant will have no proprietary interest in the benefit of this Agreement or any of the Finance Documents or in any monies received by the relevant Lender under or in relation to this Agreement or any of the Finance Documents (in its capacity as sub-participant under that arrangement); and
- (e) the proposed sub-participant will under no circumstances: (i) be subrogated to, or be substituted in respect of, the relevant Lender's claims under this Agreement or any of the Finance Documents; or (ii) otherwise have any contractual relationship with, or rights against, the Obligors under or in relation to this Agreement or any of the Finance Documents (in its capacity as sub-participant under that arrangement)."

- (d) Include the additional provision as follows:

“Clause [29.15] Sub-participant Register

- “(a) In the case of a Sub-participation (in each case, other than any non-voting derivatives (which are not participations) which would otherwise be caught by the definition of “Sub-participation”), the person granting the Sub-participation (or similar right) shall, acting solely for these purposes as non-fiduciary agent for the Company, maintain a register (a “**Sub-Participant Register**”) on which it enters the name and address of each sub-participant (or person holding the similar right) and the Commitment and obligations (including principal and stated interest) in which each sub-participant (or other person) has an interest or obligation.
- (b) Notwithstanding anything to the contrary hereunder, including without limitation Clause 24 (*Evidence and Calculations*), the entries in the Sub- Participant Register shall be conclusive absent manifest error, and such person maintaining the Sub-Participant Register shall treat each person whose name is recorded in the Sub-Participant Register as the owner of such Sub-participation (or similar right) for all purposes of a Finance Document notwithstanding any notice to the contrary.
- (c) Without prejudice to the other provisions of this Clause 29, no Lender shall have any obligation to disclose all or any portion of the Sub-Participant Register to any person (including the identity of any sub-participant or any information relating to a sub-participant’s interest in any Advance, Commitments or other obligations under any Finance Documents) except to the extent that such disclosure is to a tax authority and is necessary to establish that such Advance, Commitment or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or is otherwise required thereunder.”
- (e) Amend Clause [23.14 (*Relationship with Lenders*)] to include an additional sub-paragraph as follows:
- “Without limitation of any other provision of this Agreement, no transfer of an interest in an Advance or Commitment hereunder shall be effective unless and until recorded in the register referred to in this Clause 23.14.”

21. Additional Facilities:

- (a) Add a new paragraph (i) to Clause 2.2 (*Telenet Additional Facility*) as follows:
- “Each Telenet Additional Facility Lender shall become a party to this Agreement and be entitled to share in the Security in accordance with the terms of the Intercreditor Agreement and the Security Documents *pari passu* with the Lenders under the other Facilities provided that the Company and the relevant Telenet Additional Facility Lenders may agree that a Telenet Additional Facility shares in the Security on a junior basis to the other Facilities or shall not be entitled to share in the Security either in accordance with the terms of the Intercreditor Agreement or pursuant to ancillary intercreditor arrangements.”
- (b) Amend the Additional Facilities Cap as defined in Clause 2.2(g) (*Telenet Additional Facility*) such that:
- (i) it includes an additional limb for the aggregate amount of any voluntary prepayments of (A) Term Facility Advances that are secured on a *pari passu* basis with the other Facilities or (B) Advances under Revolving Facilities (to the extent accompanied by a corresponding permanent cancellation of the relevant Revolving Facility Commitments), in each case, to the extent the relevant prepayment or cancellation is not funded or effected with any long-term Financial Indebtedness (including Financial Indebtedness in the form of a bridge or other interim credit facility intended to be refinanced with long-term Financial Indebtedness); and
- (ii) the Company shall have the ability to classify such amounts of Financial Indebtedness on the date of their incurrence and shall only be required to include the amount and type of such Financial Indebtedness in one of such sub-paragraphs and will be permitted on the date of such incurrence to divide and classify an item of such

Financial Indebtedness in more than one of the types of Financial Indebtedness described in such paragraphs, and, from time to time, may reclassify all or a portion of such Financial Indebtedness, in any manner.

22. **Consolidated EBITDA:** amend the definition of Consolidated EBITDA under the Credit Agreement to provide that any adjustments to reduce the impact of the cumulative effect of a change in accounting principles or policies and changes as a result of the adoption or modification of accounting principles or policies can be added (at the Company's option) to the operating income of the Group for that Measurement Period.
23. **Additional Obligors:** Amend the Credit Agreement to provide that any Affiliate of the Company may accede to the Credit Agreement as a Guarantor in accordance with Clause 29.10 (*Additional Guarantors*) (provided that Security has been granted in form and substance satisfactory to the Facility Agent (acting reasonably) in favour of the Security Agent over 100% of its shares and all rights in relations to loans from members of the Wider Group to it) and that such Affiliate shall be a member of the Group and an Additional Guarantor. Add a new definition of "Affiliate Subsidiary" to Clause 1.1 (*Definitions*) such that it means any Affiliate of the Company that accedes to the Credit Agreement as a Guarantor pursuant to the amendments described in this paragraph and provided that it has not resigned as a Guarantor in accordance with the terms of the Credit Agreement.
24. **Right of Repayment and Cancellation in Relation to a Single Lender:** delete Clause 10.8(c)(i) and replace it with the following:

"in the case of paragraphs (a)(i) and (a)(ii) above, if the circumstances giving rise to the requirement for indemnification continues; and"
25. **Alternative Benchmarks:**
 - (a) Add the following new definitions to Clause 1.1 (*Definitions*) as follows:

"**Alternative Benchmark Commencement Date**" means any Business Day on which the Facility Agent and the Company agree upon an Alternative Benchmark Rate.

"**Alternative Benchmark Rate**" means any alternative benchmark rate agreed in writing between the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company (in each case, acting reasonably) from time to time, provided that the Facility Agent and the Company shall consider the benchmark rates being used at that time in the then prevailing market for syndicated debt financings of a similar size to, and in the same currencies as, the Facilities.
 - (b) Replace the definition of "Screen Rate" in Clause 1.1 (*Definitions*) with the following:

"**Screen Rate**" means:

 - (a) in relation to LIBOR:
 - (i) at any time prior to an Alternative Benchmark Commencement Date in relation to LIBOR, the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); or
 - (ii) at any time on or following an Alternative Benchmark Commencement Date in relation to LIBOR, the Alternative Benchmark Rate for the relevant currency and period displayed on any page of any screen of an information service as the Facility Agent may specify after consultation with the Company on or about the relevant Alternative Benchmark Commencement Date; and
 - (b) in relation to EURIBOR:
 - (i) at any time prior to an Alternative Benchmark Commencement Date in relation to EURIBOR, the Euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page

EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); or

- (ii) at any time on or following an Alternative Benchmark Commencement Date in relation to EURIBOR, the Alternative Benchmark Rate for Euro for the relevant period displayed on any page of any screen of an information service as the Facility Agent may specify after consultation with the Company on or about the relevant Alternative Benchmark Commencement Date,

provided that, in each case, if such page is replaced or service ceases to be available, the Facility Agent may specify another page or service displaying the relevant rate after consultation with the Company.

26. **ERISA:**

- (a) Replace the definition of “ERISA Affiliate” in Clause 1.1 (*Definitions*) with the following:
“**ERISA Affiliate**” means any person treated as a single employer with any Obligor under section 414 of the Code.
- (b) Replace the definition of “Plan” in Clause 1.1 (*Definitions*) with the following:
“**Plan**” means an “employee benefit plan” as defined in section 3(3) of ERISA, which is subject to Title IV of ERISA:
 - (a) maintained by any Obligor or any ERISA Affiliate; or
 - (b) to which any Obligor or any ERISA Affiliate is required to make any payment or contribution.
- (c) Replace the definition of “Reportable Event” in Clause 1.1 (*Definitions*) with the following:
“**Reportable Event**” means:
 - (a) an event specified as such in section 4043 of ERISA or any regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation; or
 - (b) a failure to meet the minimum funding standard under section 412 or 430 of the Code or section 302 of ERISA, whether or not waived.
- (d) Amend Clause 18.16 (*ERISA*) to delete the words “member of the Group or”.
- (e) Delete paragraph (c) of Clause 19.6 (*Notification of Default*).
- (f) Delete Clause 21.19 (*ERISA*) and replace it with the following:
“**21.19 ERISA**
 - (a) Each Obligor must as soon as reasonably practicable upon becoming aware of it notify the Facility Agent of:
 - (i) any Reportable Event;
 - (ii) the termination of or withdrawal from, or any circumstances reasonably likely to result in the termination of or withdrawal from, any Plan; and
 - (iii) any material non-compliance with any law or regulation relating to any Plan which is or is reasonably likely to have a Material Adverse Effect.
 - (b) Each Obligor and its ERISA Affiliates must be, and remain, in compliance in all material respects with all laws and regulations relating to each of its Plans.
 - (c) Each of the Obligors and its ERISA Affiliates must ensure that no event or condition exists at any time in relation to a Plan which is reasonably likely to result in the imposition of a lien or other encumbrance on any of its assets or which is reasonably likely to have a Material Adverse Effect.”
- (g) Delete Clause 22.15 (*ERISA*).

27. **Limited Condition Transaction:** amend the definition of “Limited Condition Transaction” in Clause 1.1 (*Definitions*) to include a third sub-paragraph as follows:
- “any Restricted Payment”
28. **Rollover:** Add a new definition of “Rollover Loan” in Clause 1.1 (*Definitions*) as follows:
- (a) **“Rollover Loan”** means:
 - (a) a Rollover Advance that is for an amount which is equal to or less than the Maturing Advance in respect of which that Rollover Advance is being drawn to refinance; and
 - (b) an Advance in relation to a Revolving Facility:
 - (i) made or to be made on the same day that a demand by the Facility Agent pursuant to a drawing in respect of a Documentary Credit is due to be met;
 - (ii) the aggregate amount of which is equal to or less than the amount of the relevant claim in respect of that Documentary Credit;
 - (iii) in the same currency as the relevant claim in respect of that Documentary Credit; and
 - (iii) made or to be made for the purpose of satisfying the relevant claim in respect of that Documentary Credit.
 - (b) Amend paragraph (a) of Clause 4.2 (*Further Conditions Precedent*) to delete the reference to “Rollover Advance” and replace it with a reference to “Rollover Loan”.
 - (c) Amend paragraph (c) of Clause 4.2 (*Further Conditions Precedent*), to delete the following words “Rollover Advance provided that the amount of the Maturing Advance is equal to or greater than the amount of that Rollover Advance” and to replace them with the words “Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)”.
 - (d) Amend Clause 8.2(a) (*Unavailability of Optional Currency*) to delete the reference to “Rollover Advance” and replace it with a reference to “Rollover Loan”.
 - (e) Amend the title to Clause 9.2 (*Rollover Advances*) (and all other references in the Credit Agreement to that title) to refer to “(*Rollover*)” and further amend it so that the words “and in an amount which is equal to or less than” on the 6th line are deleted.
29. **Cost of Funds:**
- (a) Amend paragraph (b) of Clause 13.4 (*Cost of Funds*) such that it also applies if LIBOR or EURIBOR is to be determined by reference to a Reference Bank Rate or an Alternative Reference Bank Rate and to provide that, in entering into negotiations with the Company with a view to agreeing a substitute basis for determining the rate of interest, the Facility Agent may act in its sole discretion and will not be required to consult with or seek any consent or instruction from the Lenders or any other Finance Party.
 - (b) Delete paragraph (c) of Clause 13.4 (*Cost of Funds*) and replace it with the following:

“Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company, be binding on all Parties.”
 - (c) Amend paragraph (e) of Clause 13.4 (*Cost of Funds*) to provide that if a Lender does not supply a quotation by the given time period in paragraph (a)(ii), the rate of interest for that Lender will be the weighted average of the quotations notified to the Facility Agent by the other Lenders.
30. **US Regulations:**
- (a) Add a new definition of Regulation U in Clause 1.1 (*Definitions*) as follows:

““**Regulation U**” means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or any portion thereof.”

- (b) Replace Clause 18.17 (*United States Regulation*) with the following:
 “No Obligor is required to be registered as an “investment company” under the United States Investment Company Act of 1940.”
- (c) Delete Clause 18.19 (*Margin stock*) and replace it with the following:
 “No Obligor is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System of the United States), or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any borrowings will be used for any purpose that violates Regulation U.”

31. **Amendments and Waivers:**

Add a new Clause 28.8 (*Screen Rate*) as follows:

“28.8 Screen Rate

If any Screen Rate is not available for a currency which can be selected for an Advance, any amendment or waiver which relates to providing for another benchmark rate to apply in relation to that currency in place of that Screen Rate (or which relates to aligning any provision of a Finance Document to the use of that other benchmark rate) may be made with the consent of the Facility Agent (acting in its sole discretion and, for the avoidance of doubt, without any requirement to consult with or seek any consent or instruction from the Lenders or any other Finance Party) and the Company (in each case, acting reasonably) from time to time, provided that the Facility Agent and the Company shall consider the benchmark rates being used at that time in the then prevailing market for syndicated debt financings of a similar size to, and in the same currencies as, the Facilities.”

32. **Guarantees:** amend Clause 21.13 (*Loans and Guarantees*) to:

- (a) add the words “in respect of Financial Indebtedness only” after the words “no member of the Group will make any loans, grant any credit or give any guarantee”;
- (b) add a new paragraph as a carve out as follows:
 “any guarantee of any Financial Indebtedness of any Parent that is given by an Affiliate Subsidiary provided that (i) on the date of incurrence of such guarantee the ratio of Net Total Debt (including any Holdco Debt) to Consolidated Annualised EBITDA on a pro forma basis would not exceed 6.00:1 (provided that outstanding Net Total Debt (including Holdco Debt) for the purpose of calculating such ratio under this paragraph shall include any Financial Indebtedness represented by guarantees by any member of the Group of Financial Indebtedness of any Parent), (ii) such guarantee is expressed to be subordinated to the liabilities of such Affiliate Subsidiary under the Finance Documents and (iii) no Event of Default is continuing or occurs as a result of such Financial Indebtedness of that Parent being raised or issued;”;
- (c) delete “€100,000,000” and replace it with “€150,000,000” and delete “2%” and replace it with “3%” at Clause 21.13(bb) (*Loans and Guarantees*);
- (d) amend paragraph (g) to include an additional limb (v) as follows:
 “(v) by an Obligor in respect of the liabilities of any other member of the Group which is not an Obligor provided that that other member of the Group must become an Additional Guarantor in accordance with Clause 29.10 (*Additional Guarantors*) within 30 days of the granting of the guarantee made pursuant to this paragraph (v);”
- (e) amend paragraph (z) to delete “€10,000,000” and replace it with “€25,000,000”; and
- (f) to include additional limbs as follows:
 - (i) “any loans or guarantees relating to Excess Capacity Network Services provided that the price payable to any member of the Group in relation to such Excess Capacity Network Services is no less than the Cost incurred by the relevant member of the Group in providing such Excess Capacity Network Services;”;

- (ii) “any guarantees or similar undertakings granted by any member of the Group in favour of any tax authority in respect of any obligations of a member of the Group in respect of tax in order to facilitate the winding up of any member of the Group provided that the Facility Agent shall have first received confirmation from the Company that based on discussions with such tax authority and the Company’s reasonable assumptions, the Company does not believe that the liability under such guarantee will exceed €15,000,000 (such confirmation to be supported by a letter from the Company’s auditors for the time being, confirming that based on the Company’s calculations of such tax liability the Company’s confirmation is a reasonable assessment of such tax liability);”
33. **Spin Parent:** delete the following sentence in paragraph (b) of Clause 10.2 (*Mandatory Prepayment – Change of Control*):
- “Notwithstanding the foregoing, upon consummation of (i) the Post-Closing Reorganisation, “Controlling Company” will mean New Intermediate Holdco and its successors or (ii) a Spin-Off, “Controlling Company” will mean the Spin Holdco and its successors.”
- and replace it with the following:
- “Notwithstanding the other provisions of this Clause, upon consummation of (i) the Post-Closing Reorganisation, the “Controlling Company” (as defined below) will mean the relevant New Intermediate Holdco and its successors or (ii) a Spin-Off in which the Common Holding Company and its successors is no longer a Parent of the Company and any Permitted Affiliate Parent, the “Controlling Company” will mean a common Parent of the Company and any Permitted Affiliate Parent designated by the Company and any successors of such Parent.”
34. **Reporting:**
- (a) Delete the definition of GAAP in Clause 1.1 (*Definitions*) and replace it with the following:
- “GAAP” means generally accepted accounting principles in the United States as in effect as of the date on which the Original Financial Statements were prepared (the “OFS Date”); *provided* that at any date after the OFS Date, the Company may make an election to establish that “GAAP” shall mean GAAP as in effect on a date that is on or prior to the date of such election; *provided further* that for purposes of Clause 19.1 (*Financial Statements*) GAAP means generally accepted accounting principles in the United States as in effect from time to time.
- (b) Delete the definition of IFRS in Clause 1.1 (*Definitions*) and replace it with the following:
- “IFRS” means the accounting standards issued by the International Accounting Standards Board and its predecessors as in effect as of the OFS Date; *provided* that at any date after the OFS Date, the Company may make an election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election; *provided further* that for purposes of Clause 19.1 (*Financial Statements*) IFRS means the accounting standards issued by the International Accounting Standards Board and its predecessors as in effect from time to time.
- (c) Delete Clause 19.5 (*Change in Accounting Principles*) in its entirety and replace it with the following:
- “(a) Except as otherwise expressly provided below or in this Agreement, all ratios and calculations based on IFRS contained in this Agreement shall be computed in conformity with IFRS.
- (b) At any time after the OFS Date, the Company may elect to apply for all purposes of this Agreement, in lieu of IFRS, GAAP and, upon such election, references to IFRS herein will be construed to mean GAAP; *provided* that:
- (i) all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of GAAP as in effect from time to time (including that, upon first reporting its financial year results under GAAP, the financial statements of the Reporting Entity shall be restated on the basis of GAAP for the year ending immediately prior to the first financial year for which financial statements have been prepared on the basis of GAAP); and

- (ii) from and after such election, all ratios, computations and other determinations based on GAAP contained in this Agreement shall, at the Company's option:
 - (A) continue to be computed in conformity with GAAP (*provided that*, following such election, the annual and quarterly information required by paragraphs (a)(i) and (a)(ii) of Clause 19.1 (*Financial Statements*) shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such GAAP presentation to the corresponding GAAP presentation of such financial information); or
 - (B) be computed in conformity with GAAP with retroactive effect being given thereto assuming that such election had been made on the OFS Date, subject to any further election in accordance with the definition of GAAP.

Thereafter, the Company may, at its option, elect to apply IFRS or GAAP and compute all ratios, computations and other determinations based on IFRS or GAAP, as applicable, all on the basis of the foregoing provisions of this clause."

- (d) Amend paragraphs (a)(i) and (a)(ii) of Clause 19.1 (*Financial Statements*) to provide that the relevant financial statements or accounts (as applicable) shall be prepared in accordance with IFRS.

35. **Business Division Transactions and Joint Ventures:**

- (a) In Clause 1.1 (*Definitions*):
 - (i) amend the definition of "Business Division Transaction" to delete the words " , in each case, where such transaction has the prior approval of the Majority Lenders"; and
 - (ii) add the following new definitions:

"Permitted Business Division Transaction" means a Business Division Transaction provided that after giving pro forma effect thereto, an Obligor could incur at least €1.00 of additional Financial Indebtedness pursuant to paragraph (v) of the definition of Permitted Financial Indebtedness.

"Acceptable Joint Venture" means a joint venture, partnership or similar arrangement formed by a member of the Group (a) by the contribution of some or all of the assets of the Group pursuant to a Business Division Transaction to such joint venture, partnership or similar arrangement with one or more persons and/or (b) for the purposes of network and/or infrastructure sharing with one or more Joint Ventures.
- (b) Amend the definition of Permitted Payments and Clause 21.13 (*Loans and Guarantees*) to include the following additional carve outs in each such clause:
 - (i) "in relation to any Permitted Business Division Transaction; and
 - (ii) in relation to any Acceptable Joint Venture."
- (c) Amend paragraph (m) of the definition of Permitted Disposal and paragraph (s)(iv) of the definition of Permitted Payment such that the word "Permitted" is added before the words "Business Division Transaction".

36. **Permitted Security Interest:** amend the definition of "Permitted Security Interest" in Clause 1.1 (*Definitions*):

- (a) to include in addition to the existing "Permitted Security Interests":

"any Security Interests attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business;"
- (b) include the following additional limb:

"any Security Interest over Non-Distribution Business Assets referred to in paragraph [] of the definition of Permitted Financial Indebtedness, securing Financial Indebtedness described therein or any other obligation in respect of such Non-Distribution Business Assets;"

37. **Permitted Acquisitions and Permitted Joint Ventures:** delete sub-paragraph (e)(iii) of the definition of Permitted Acquisition in Clause 1.1 (*Definitions*) and delete sub-paragraph (b)(ii) of the definition of Permitted Joint Venture in Clause 1.1 (*Definitions*).
38. **Auditors:** delete the definition of “Auditors” in Clause 1.1 (*Definitions*) and replace it with the following:
“Auditors” means KPMG LLP or any other firm appointed by the Company to act as its auditors.
39. **Additional Facilities:** amend paragraph (g) and sub-paragraph (g)(i) of Clause 2.2 (*Telenet Additional Facility*) to read as follows:
 “(g) Subject to paragraph (h) below, the aggregate principal amount of any proposed Telenet Additional Facility shall not, at the election of the Company acting in its sole discretion (x) on the date that the Telenet Additional Facility becomes effective (giving pro forma effect to the intended use of proceeds of such Telenet Additional Facility and assuming that the entire amount of that Telenet Additional Facility is drawn on such date, and provided that an election that this sub-paragraph (x) shall apply may not be made in relation to that Telenet Additional Facility if an election that sub-paragraph (y) shall apply has previously been made in relation to that Telenet Additional Facility) or (y) on the date of each Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)) of that Telenet Additional Facility (giving pro forma effect to the use of proceeds of such Utilisation but not assuming that the entire amount of that Telenet Additional Facility is drawn) exceed the aggregate of the sum of:
 (i) an unlimited amount provided that on a pro forma basis Net Senior Debt to Consolidated Annualised EBITDA is equal to or less than 4.50:1;
 ...”
40. **Construction:**
- (a) Amend Clause 1.2(a) (*Construction*) to add the following additional limbs:
- (i) **“fair market value”** unless otherwise specified, wherever such term is used in this Agreement, may be conclusively established by means of an officer’s certificate or a resolution of the board of directors of the Company, any Permitted Affiliate Parent or any Affiliate Subsidiary setting out such fair market value as determined by such officer or such board of directors in good faith;
 - (ii) any matter being **“permitted”** under this Agreement or any other Finance Document shall include references to such matters not being prohibited or otherwise being approved under this Agreement or any other such Finance Document; and
 - (iii) **“consolidated”** in connection with the financial position of, financial statements of or accounts of or financial definitions in relation to, the Group shall be construed to mean that the accounts of any Affiliate Subsidiary shall be combined for the purpose of determining such financial position, financial statements, accounts or financial definitions.
- (b) Amend Clause 1.2 (*Construction*) to add the following additional paragraphs:
- “(x) No personal liability shall attach to any director, officer or employee of any member of the Wider Group or Group for any representation or statement made by that member of the Wider Group or Group (as applicable) in a certificate signed by such director, officer or employee; and
 - (y) No Default, Event of Default or breach of any representation and warranty or undertaking under the Finance Documents shall arise merely as a result of a subsequent change in the Euro equivalent of any relevant amount due to fluctuations in exchange rates.”
- (c) Amend Clause 1.2 (*Construction*) to include the following wording at the start of sub-paragraph (a)(xvii)(C) of Clause 1.2 (*Construction*):
“if requested by the relevant L/C Bank or Ancillary Facility Lender,”

- (d) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
“**“European interbank market”** means the interbank market for Euro operating in Participating Member States;”
 - (e) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
“a **“guarantee”** includes a reference to an indemnity or other assurance against financial loss including, without limitation, an obligation to purchase assets or services as a consequence of a default by any other person to pay any indebtedness and **“guaranteed”** and **“guarantor”** shall be construed accordingly;”
 - (f) Amend Clause 1.2 (*Construction*) to include an additional limb in paragraph (a) as follows:
“**“determines”** or **“determined”** means, save as otherwise provided herein, a determination made in the absolute discretion of the person making the determination;”
 - (g) Amend Clause 1.2 (*Construction*) to delete limb (v) of paragraph (a) and replace it with the following:
“**“indebtedness”** is a reference to any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;”
 - (h) Amend Clause 1.2 (*Construction*) to delete limb (viii) of paragraph (a) and replace it with the following:
“a **“regulation”** includes any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law but, if not having the force of law, only if compliance therewith is in accordance with the general practice of the relevant persons to whom it is intended to apply or, in the case of Clause 14 (*Increased Costs*) only, the relevant Finance Party or its Holding Company) of any agency, authority, central bank or government department or any self-regulatory or other national or supra-national authority;”
 - (i) Amend Clause 1.2 (*Construction*) to include an additional limb of Clause 1.2 as follows:
“Where paragraph or clause numbers have changed in this Agreement as a result of the amendments to this Agreement implemented on the 2015 Amendment Effective Date and the 2017 Amendment Effective Date, and such paragraph and clause numbers are referred to in any Finance Document in force on the 2015 Amendment Effective Date or the 2017 Amendment Effective Date (as applicable), such paragraph or clause numbers shall be read and construed in this Agreement, for the purposes of the relevant Finance Document only, so that the relevant equivalent provision in this Agreement is referred to in each such Finance Document.”
 - (j) Amend Clause 1.2 (*Construction*) to include an additional limb of Clause 1.2 as follows:
“(a) This Agreement is entered into subject to, and with the benefit of, the terms of the Intercreditor Agreement.
(b) Notwithstanding anything to the contrary in this Agreement, the terms of the Intercreditor Agreement will prevail if there is a conflict between the terms of this Agreement and the terms of the Intercreditor Agreement.”
 - (k) Where relevant in the Credit Agreement, amend references to “company” or “entity” to “person” in accordance with paragraph (a)(vii) of Clause 1.2 (*Construction*).
41. **Increase:** amend Clause 2.1 (*Increase*) to:
- (a) delete sub-paragraphs (a)(i) and (a)(ii); and
 - (b) delete sub-paragraph (a)(iii) and replace it with the following:
“(iii) at the election of the Company acting in its sole discretion, it shall be a condition:
(A) that the aggregate principal amount of any proposed increase in the Commitments shall not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date that such increase in the Commitments becomes effective (giving pro forma effect to the intended use of proceeds of such increased Commitment

and assuming that the entire amount of that increased Commitment is drawn on such date, and provided that an election that this paragraph (A) shall apply may not be made in relation to that increased Commitment if an election that paragraph (B) shall apply has previously been made in relation to that increased Commitment); or

- (B) to any Utilisation (other than a Rollover Loan or a Documentary Credit which is being renewed pursuant to Clause 6.2 (*Renewal of Documentary Credits*)) of that increased Commitment that the aggregate principal amount of that increased Commitment to be drawn would not exceed, *mutatis mutandis*, the Additional Facilities Cap on the date of that Utilisation (giving pro forma effect to the use of proceeds of such Utilisation but not assuming that the entire amount of that increased Commitment is drawn); and”

42. **Increased Costs:**

- (a) Amend the first paragraph of Clause 14.1 (*Increased Costs*) to add “within ten Business Days of demand by the Facility Agent,” after “the Company must” in the first line.
- (b) Delete paragraph (a) of Clause 14.3 (*Claims*) and replace it with the following:
- “(a) A Finance Party intending to make a claim pursuant to Clause 14.1 (*Increased Costs*) shall, as soon as is reasonably practicable after that Finance Party becomes aware that circumstances have arisen which entitle it to make such claim, notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Company.”

43. **Springing Financial Covenant:** amend the covenant set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) so that it reads as follows:

- “(a) Subject to Clause 22.5 (*Cross-default and Cross-acceleration*), in the event that on the last day of a Measurement Period the aggregate of the Telenet Additional Facility Outstandings under any Revolving Facility (in each case, other than Documentary Credits that are cash collateralised or undrawn) and the net indebtedness outstanding under each Ancillary Facility less Cash of the Group exceeds an amount equal to 40 per cent. of the aggregate of the Revolving Facility Commitments and each Ancillary Facility Commitment (the “**Financial Ratio Test Condition**”), the Company shall procure that the ratio of Net Total Debt to Consolidated Annualised EBITDA on that day (the “**Financial Ratio**”) shall not exceed 6.00:1 unless otherwise agreed in writing by the Composite Revolving Facility Instructing Group and the Company.
- (b) If the financial covenant set out in paragraph (a) has been breached for a Measurement Period but is complied with on the last day of the next Measurement Period (either because the Financial Ratio Test Condition is not met for that next Measurement Period or because the Financial Ratio does not exceed 6.00:1 for that next Measurement Period), then, the prior breach of such financial covenant or any Event of Default arising therefrom shall not (or shall be deemed to not) directly or indirectly constitute, or result in, a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or an Event of Default unless the Facility Agent has taken any action under Clause 22.18 (*Maintenance Covenant Revolving Facility Acceleration*) before the delivery of the certificate referred to at Clause 19.3(a) (*Compliance Certificate*) in respect of that next Measurement Period.”

44. **Financial Information:** amend paragraph (a) of Clause 19.3 (*Compliance Certificate*) so that it reads as follows:

- “(a) The Company must supply to the Facility Agent a Compliance Certificate with each set of its financial statements sent to the Facility Agent under this Agreement if, as at the last day of the Measurement Period ending on the date of such financial statements, the Financial Ratio Test Condition is met.”

45. **Cure Provisions:** delete Clause 20.4 (*Cure Provisions*) and replace it with the following:

“20.4 Cure Provisions

- (a) The Company may cure a breach of the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) by procuring that:
 - (i) additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or greater than the amount which if it had been deducted from Net Total Debt for the Measurement Period in respect of which the breach arose, would have avoided the breach; or
 - (ii) additional equity is injected into, and/or additional Subordinated Shareholder Loans is provided to, one or more members of the Group in an aggregate amount equal to or greater than the amount which if it had been added to Consolidated Annualised EBITDA for the Measurement Period in respect of which the breach arose, would have avoided the breach; or
 - (iii) any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility are prepaid (from any source selected by the Company in its sole discretion) in an amount which if such prepayment had occurred immediately prior to the calculation on the last day of the Measurement Period in respect of which the breach arose, the Financial Ratio Test Condition as at the last day of that Measurement Period would not have been met and therefore the financial ratio would not have been required to be tested.
- (b) A cure under this Clause 20.4 will not be effective unless:
 - (i) in the case of paragraph (a)(i) or (a)(ii) above, an amount equal to or greater than the required amount of additional equity or the proceeds of any Subordinated Shareholder Loans is received by one or more members of the Group; or
 - (ii) in the case of paragraph (a)(iii) above, the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are required to be prepaid are so prepaid,

in each case, within 30 Business Days of delivery of the financial statements delivered under Clause 19.1 (*Financial Statements*) which show that Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) has been breached (the “**Cure Period**”).
- (c) No cure may be made under this Clause 20.4 (*Cure Provisions*)
 - (i) in respect of more than five Measurement Periods during the life of the Telenet Additional Facilities; or
 - (ii) in respect of consecutive Measurement Periods.
- (d) The Company shall make an election (at its sole discretion) by notice to the Facility Agent prior to the end of the Cure Period as to whether a breach of the financial ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) shall be cured pursuant to a recalculation as described in either sub-paragraph (a)(i), (a)(ii) or (a)(iii) above.
- (e) If the Company makes an election for a recalculation as described in sub-paragraphs (a)(i) or (a)(ii) above, it shall be under no obligation to apply the amount of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group in prepayment of the Facilities or for any other specific purpose and such amount will be deemed to be deducted from Net Total Debt or added to Consolidated Annualised EBITDA for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) (as applicable) as at the last day of the relevant Measurement Period.
- (f) If the Company makes an election for a recalculation as described in sub-paragraph (a)(iii) above, the amount of any Telenet Additional Facility Outstandings under any Revolving Facility and/or net indebtedness under any Ancillary Facility that are prepaid shall be deemed to be deducted in the calculation of the Financial Ratio Test Condition for the purposes of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) as at the last day of the relevant Measurement Period.

- (g) For the purpose of ascertaining compliance with Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*), the Financial Ratio Test Condition and the ratio set out in Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) will be tested or retested, as applicable, giving effect to the elections and adjustments referred to in paragraph (d), (e) and (f) above. If, after giving effect to such elections and adjustments, the requirements of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) are met, then the requirements under Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) shall be deemed to have been satisfied as at the relevant original date of determination.
 - (h) Where a cure is exercised under this Clause 20.4 in respect of a breach of Clause 20.2 (*Net Total Debt to Consolidated Annualised EBITDA*) for any financial quarter and the Company makes an election for a recalculation as described in sub-paragraph (a)(ii) above, the amount of additional equity or the proceeds of any Subordinated Shareholder Loans that are received by one or more members of the Group shall also be added in calculating Consolidated EBITDA for any future Measurement Period that includes such financial quarter. Any adjustments pursuant to this paragraph will not be treated as a separate cure.”
46. **Permitted Disposal:** amend the definition of Permitted Disposal to add a new limb as follows:
- “disposals which constitute the concurrent purchase and sale or exchange of related business assets (including, without limitation, securities of any business that is the same as or related, ancillary or complementary to any of the businesses of any member of the Group on [*the amendment and restatement date*]) or a combination of such assets, cash and Cash Equivalent Investments between any member of the Group and another person provided that the relevant member of the Group receives consideration at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such disposal) for the assets subject to that disposal;”.
47. **Permitted Financial Indebtedness:**
- (a) Amend Clause 21.7 (*Financial Indebtedness*) to add a new paragraph (d) as follows:

“In the event that any member of the Group enters into or increases commitments under a revolving credit facility, enters into any commitment to incur or issue Financial Indebtedness or commits to incur any Security Interest pursuant to any leverage based incurrence test in the definition of “Permitted Security Interest,” the incurrence or issuance thereof for all purposes under this Agreement, including without limitation for purposes of calculating any leverage ratio or usage in any of the paragraphs in the definition of Permitted Financial Indebtedness for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers’ acceptances thereunder) will, at the Company’s option, either (i) be determined on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof has been borrowed as of such date) or other Financial Indebtedness, and, if such leverage ratio test or other provision of this Agreement is satisfied with respect thereto at such time, any borrowing or re-borrowing thereunder (and the issuance and creation of letters of credit and bankers’ acceptances thereunder) will be permitted under this covenant irrespective of the leverage ratio or other provision of this Agreement at the time of any borrowing or re-borrowing (or issuance or creation of letters of credit or bankers’ acceptances thereunder) (the committed amount permitted to be borrowed or re-borrowed (and the issuance and creation of letters of credit and bankers’ acceptances) on a date pursuant to the operation of this paragraph (i) shall be the **“Reserved Indebtedness Amount”** and, to the extent of the usage in the paragraphs in the definition of Permitted Financial Indebtedness (if any), shall be deemed to be incurred and outstanding under such paragraphs) or (ii) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment, and in the case of sub-paragraph (i) above, the Company may revoke any such determination at any time and from time to time.”
 - (b) Amend the definitions of “Senior Debt” and “Total Debt” in Clause 1.1 (*Definitions*) to include an additional limb as follows:

“the Reserved Indebtedness Amount;”

48. **Related Fund:** amend:

- (a) Clause 1.1 (*Definitions*) to include a new definition of “Related Fund” as follows:

“**Related Fund**” in relation to a fund or account that, in each case, invests in commercial loans (the “**first fund**”), means any other fund or account that, in each case, invests in commercial loans which is managed or administered directly or indirectly by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund or account that, in each case, invests in commercial loans whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.”
- (b) Clause 29.3 (*Transfers by Lenders*) at paragraph (c), to add the words “or, if applicable, a Related Fund” after the words “an Affiliate”.

49. **Share Capital:**

- (a) Amend Clause 21.16 (*Share Capital*) to add a new sub-paragraph (i) at the end as follows: “relates to the cancellation of the share capital of any member of the Group or any Obligor”.
- (b) Amend Clause 21.16 (*Share Capital*) to add the words “or a solvent liquidation under Clause 21.23 (*Internal Reorganisation*)” after the words “Clause 21.9(b)(iii) (*Acquisitions and Mergers*)”.

50. **Stamp Taxes:** delete Clause 12.7 (*Stamp Taxes*) in its entirety and replace it with the following:

“The Company shall pay and, within 10 Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Tax liabilities payable in respect of any Finance Document except for:

- (a) any such Tax liabilities payable in connection with any Transfer Certificate or other document relating to the assignment or transfer by any Lender of any of its rights and/or obligations under any Finance Document; or
- (b) any registration duties and any Tax liability payable due to a registration, submission or filing by a Finance Party of any Finance Document where such registration, submission or filing is or was not required to maintain or preserve the rights of that Finance Party under the applicable Finance Documents.”

51. **Increased Costs:** Amend Clause 14.2 (*Exceptions*) to include the following additional limbs:

- “(i) attributable to a change (whether of basis, timing or otherwise) in the Tax liability on the overall net income of the Finance Party (or any Affiliate of it) or of the branch or office through which it lends any Advance;
- (j) attributable to any penalty having been imposed by the relevant central bank or monetary or fiscal authority upon the Finance Party (or any Affiliate of it) by virtue of its having exceeded any country or sector borrowing limits or breached any directives imposed upon it;
- (k) attributable to a breach of a Finance Document by the Finance Party claiming such Increased Cost.”

52. **Representations:**

- (a) Delete Clause 18.12 (*Security Interests*) in its entirety.
- (b) Delete paragraph (b) of Clause 18.6 (*No Event of Default*).
- (c) Amend paragraph (a) of Clause 18.7 (*Authorisations*) to include the words “(other than the Licences)” after the word “licenses”.
- (d) Amend paragraph (b) of Clause 18.10 (*Litigation and Insolvency Proceedings*) to replace the words “member of the Group” with the words “Obligor or Material Subsidiary”.
- (e) Amend Clause 18.18 (*Anti-Terrorism Laws*) to delete the words “It and each of its Affiliates have taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws” and to replace them with “It has taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws.”

53. **Defaulting Lender Disenfranchisement:** in addition to paragraph 10 of Schedule 4, provide in the Credit Agreement as follows:
- “In ascertaining the Majority Lenders, affected Lenders, all Lenders or any other class of Lenders (as applicable) or whether any given percentage (including, for the avoidance of doubt, unanimity) of any of the Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, a Defaulting Lender’s Commitments and participations will be deemed to be zero.”
54. **Consolidated EBITDA:**
- (a) Amend paragraph (y) of the definition of Consolidated EBITDA in order that the following words are deleted:

“to the extent that such fees or other amounts:

 - (i) are not included in the Company’s externally reported operating cash flow or equivalent measure; or
 - (ii) are deemed to be exception of unusual items”.
 - (b) Amend paragraph (g) of the definition of Consolidated EBITDA to add the words “or other equity based” after the words “any stock based”.
55. **80% Security Test:** add the following words at the end of the definition of 80% Security Test in Clause 1.1 (*Definitions*):
- “and provided that to the extent any Guarantor generates negative earnings before interest, tax, depreciation and amortisation, such Guarantor shall be deemed for the purposes of calculating the 80% Security Test numerator to have zero earnings before interest, tax, depreciation and amortisation.”
56. **Insolvency Event:** amend the definition of Insolvency Event in Clause 1.1 (*Definitions*) to replace the words “in relation to a Finance Party means that the Finance Party:” with the words “in relation to a Finance Party means that the Finance Party or a Holding Company of it (as applicable):”.
57. **Notes Refinancing:** amend the definitions of Senior Secured Notes Refinancing and Senior Unsecured Refinancing in Clause 1.1 (*Definitions*) to delete the word “reasonable” before the words “fees, costs and expenses”.
58. **Optional Currency:** amend the definition of “Optional Currency” in Clause 1.1 (*Definitions*) in order that the words “in relation to that Advance” are included after the words “acting on the instructions of all the Lenders”.
59. **Permitted Acquisition:** amend the definition of Permitted Acquisition in Clause 1.1 (*Definitions*):
- (a) at paragraph (d) to replace the words “less than a 50 per cent. interest” with the words “an interest of 50 per cent. or less”; and
 - (b) at paragraph (j) to replace the words “10 Business Days” with the words “60 days”.
60. **Finance Document:**
- (a) Amend the definition of “Finance Document” in Clause 1.1 (*Definitions*) to delete the words “a Transfer Certificate;” and include the words “any Increase Confirmation;”.
 - (b) Amend the definition of “Finance Document” in Clause 1.1 (*Definitions*) to include the following wording at the end of the definition:

“**provided that** where the term “Finance Document” is used in, and construed for the purposes of, this Agreement or the Intercreditor Agreement, a Hedging Agreement shall be a Finance Document only for the purposes of Clause 17 (*Guarantee and Indemnity*).”
61. **Finance Party:** amend the definition of “Finance Party” in Clause 1.1 (*Definitions*) to include the following wording at the end of the definition:
- “**provided that** where the term “Finance Party” is used in, and construed for the purposes of, this Agreement or the Intercreditor Agreement, a Hedge Counterparty shall be a Finance Party only for the purposes of Clause 17 (*Guarantee and Indemnity*).”

62. **Term of Advance:** add a new clause 1.4 as follows:

“1.4 Term of Advance

The determination of the extent to which a rate is **“for a period equal in length”** to a Term shall disregard any inconsistency arising from the last day of that Term being determined pursuant to the terms of this Agreement.”

63. **Exchange Rates:** add a new clause 1.5 as follows:

“1.5 Exchange Rates

When applying any monetary limits, thresholds and other exceptions to the representations and warranties, undertakings and Events of Default under the Finance Documents, the equivalent to an amount in Euro shall be calculated at a rate for the conversion of the relevant non-Euro currency into Euro which is, at the election of the Company (a) a rate selected by the Company (acting reasonably and in good faith) or (b) the Agent’s Spot Rate of Exchange, in each case, as at the time of any relevant action.”

64. **Increase:** amend paragraph (b) of Clause 2.1 (*Increase*) to add a new limb (iii) as follows:

“the Commitments of a Lender in accordance with Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*),”

65. **Additional Facility:** amend paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) to:

- (a) delete sub-paragraphs (h)(ii)(A), (h)(ii)(B) and (h)(ii)(C); and
- (b) delete sub-paragraphs (h)(iii)(B), (h)(iii)(C) and (h)(iii)(D).

66. **Prepayments:** amend Clause 10.10 (*Miscellaneous Provisions*) to delete paragraph (g) and replace it with the following:

“Other than in relation to any prepayment under Clause 10.1 (*Mandatory Prepayment—Illegality*) or 10.8 (*Right of Repayment and Cancellation of a Single Lender*), any prepayment in part of any Advance shall be applied against the participations of the Lenders in that Advance *pro rata*.”

67. **Tax Indemnity:** amend paragraph (b)(ii) of Clause 12.4 (*Tax Indemnity*) to add an additional limb as follows:

“has been compensated for by a payment under Clause 12.7 (*Stamp Taxes*) or would have been compensated for by such a payment, but for the application of any exception in such Clause;”

68. **Representations:** amend Clause 18 (*Representations and Warranties*) by inserting the word “substantially” after the word “business” at Clause 18.2(b) (*Status*).

69. **Share Capital:** amend Clause 21.16 (*Share Capital*) to add words “that is a member of the Group” after the words “Each Obligor” and before the words “will not”.

70. **Obligor Accession:** amend Clause 21.22 (*Further Assurances*) in order that the words “10 Business Days” at paragraph (b)(i) are replaced with “60 days”.

71. **Breach of obligations EOD:** amend Clause 22.3(a) (*Breach of Other Obligations*) to add the following language at the end:

“, unless the non-compliance:

- (i) is capable of remedy; and

- (ii) is remedied within 30 days of the earlier of the Facility Agent giving notice of the breach to the Company and any Obligor becoming aware of the non-compliance.”

72. **Cross Default EOD:** amend Clause 22.5 (*Cross-default and Cross-acceleration*):

- (a) by deleting the words “is placed on demand;” at paragraph (b)(ii);
- (b) by deleting limb (c);
- (c) at paragraph (d)(v), by deleting the words “is not placed on demand, becomes” and replacing them with the words “does not become” and adding the word “not” before the words “otherwise accelerated during that period”; and

- (d) by adding the following additional limb to paragraph (d):
- “if the relevant Financial Indebtedness is covered by a Documentary Credit or a letter of credit, bank guarantee, indemnity or other documentary credit under an Ancillary Facility”.
73. **Defaulting Lenders:** amend Clause 29.3 (*Transfers by Lenders*) in order that the following is included as a new Clause 29.3(h):
- “(h) Notwithstanding any other provision of this Agreement, no Lender shall be entitled to assign or transfer any of its rights, benefits or obligations under the Finance Documents to a New Lender that is a Defaulting Lender.”
74. **Amendments:** add a new paragraph (d) to Clause 28.2 (*Exceptions*) as follows:
- “No amendment or waiver of a term of any Ancillary Facility Document shall require the consent of any Finance Party other than the relevant Ancillary Facility Lender.”
75. **Measurement Period:** delete the definition of Measurement Period and replace it with the following:
- “‘**Measurement Period**’ means each period of approximately six months covering two quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (**‘L2QA Test Period’**), provided that the Company may make an election to establish that ‘Measurement Period’ means each period of approximately 12 months covering four quarterly accounting periods of the Group ending on each date to which each set of financial statements required to be delivered under Clause 19.1 (*Financial statements*) are prepared (**‘LTM Test Period’**) (and if such an LTM Test Period election has been made, the Company may not elect to change from LTM Test Period back to the L2QA Test Period).”
76. **Consolidated Annualised EBITDA:** delete the definition of “Consolidated Annualised EBITDA” in Clause 1.1 (*Definitions*) and replace it with the following:
- “‘**Consolidated Annualised EBITDA**’ means if the L2QA Test Period applies in accordance with the definition of ‘Measurement Period’, two times Consolidated EBITDA of the Group for that Measurement Period, and if the Company has made an LTM Test Period election in accordance with the definition of ‘Measurement Period’, Consolidated EBITDA of the Group for that Measurement Period.”
77. **Telenet Additional Facility:**
- (a) Amend paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) and paragraphs (a) and (b) of Clause 2.3 (*Overall Facility Limits*) to amend each reference from “Advances” and “advances” to “Utilisations”.
- (b) Amend limb (ii)(D) and (iii)(E) of paragraph (h) of Clause 2.2 (*Telenet Additional Facility*) to delete the word “reasonable” before the word “fees”.
- (c) Add an additional limb to Clause 2.2 (*Telenet Additional Facility*) as follows:
- “With the prior written consent of the Company, the Facility Agent is authorised and instructed to enter into such documentation as is reasonably required to amend this Agreement and any other Finance Document (in accordance with terms of this Clause 2.2 (*Telenet Additional Facility*)) to reflect the terms of each Telenet Additional Facility without the consent of any Lender other than the applicable Telenet Additional Facility Lender.”
78. **Amount of Advance:** amend paragraph (b) of Clause 5.3 (*Amount of Advance or Documentary Credit*) to include the words “under that Facility” after the words “on behalf of the Lenders”.
79. **Revaluation of Documentary Credits:**
- (a) Amend paragraph (a) of Clause 6.4 (*Revaluation of Documentary Credits*) to replace the words “at six monthly intervals after the date of the Documentary Credit” with the words “on the last Business Day of each financial year”.
- (b) Amend paragraph (b) of Clause 6.4 (*Revaluation of Documentary Credits*) to replace the words “three Business Days” with the words “ten Business Days”.

80. **Affiliates of Borrowers:** amend paragraph (c) of Clause 7.7 (*Affiliates of Borrowers*) to include the words “, provided that such Affiliate is not an Affiliate of any other Obligor, ” after the words “its Affiliate”.
81. **Right of Repayment and Cancellation of a Single Lender:** amend paragraph (a)(iii) of Clause 10.8 (*Right of Repayment and Cancellation of a Single Lender*) to include the words “or Clause 15 (*Illegality and Mitigation*)” after the words “Clause 10.1 (*Mandatory Prepayment – Illegality*)” and to replace the reference to “or” before the reference to “Clause 10.1” with a comma.
82. **Selection:**
- (a) Amend paragraph (d)(ii) of Clause 11.5 (*Selection – Term Facility*) to replace the word “Facility” with “Term Facility Advance” throughout such paragraph and to replace the words “Lenders whose commitments under the relevant Facility then aggregate two thirds or more of the aggregate Commitments under that Facility” with “Majority Lenders under the relevant Facility”.
 - (b) Amend paragraph (c) of Clause 11.6 (*Selection – Revolving Facility*) to replace the words “under that Revolving Facility” with “under the relevant Advance under that Revolving Facility” throughout such paragraph and to replace the words “Lenders whose Commitments under that Revolving Facility then aggregate two thirds or more of the aggregate Commitments under that Revolving Facility” with “the Majority Lenders under that Revolving Facility”.
83. **Payments:** amend Clause 16.4 (*Currency*) to include the following additional limbs and to re-number limb (c) to limb (e):
- “(c) A repayment or prepayment of an Advance is payable in the currency in which the Advance is denominated.
 - (d) All interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.”
84. **Information:** amend Clause 19.4 (*Information—Miscellaneous*) to delete paragraph (c) in its entirety.
85. **Change of Business:** delete Clause 21.8 (*Change of Business*) and replace it with the following:
- “21.8 Change of Business**
- No Obligor shall (and the Company shall procure that no member of the Group shall), without the prior written consent of the Majority Lenders or save as otherwise permitted by the terms of this Agreement, make any change in the nature of its business as carried on immediately prior to the Signing Date, which would give rise to a substantial change in the business of the Group taken as a whole from that set forth in the definition of Business, provided that this Clause 21.8 (*Change of Business*) shall not be breached by an Obligor or any member of the Group making a Permitted Disposal, Permitted Acquisition or entering into any Permitted Joint Venture.”
86. **Acquisitions:** amend paragraph (b)(iii)(B) of Clause 21.9 (*Acquisitions and Mergers*) to replace the words “for the period commencing on the date of merger and ending on the earlier of the date that falls 3 years from the date of merger and the longest dated Final Maturity Date” with “on a pro forma basis following such merger or consolidation.”
87. **Insurance:** amend Clause 21.12 (*Insurance*) to delete the words “procure that each member of the Group will” and replace them with “procure that each of its Material Subsidiaries which is a member of the Group will”.
88. **Shareholder Loans:** amend paragraph (a) of Clause 21.14 (*Shareholder Loans*) to replace the words “30 days” with “60 days”.

89. **Share Security:**

- (a) delete Clause 21.17 (*Share security*) and replace it with the following:

“21.17 Share Security

Each Obligor will not, and will procure that no member of the Group will, issue any shares of any class provided that:

- (a) notwithstanding paragraph (b) below, an Obligor may issue shares to any person other than a member of the Group and shall not be required to procure that such shares are charged or pledged in favour of the Beneficiaries, provided that such share issue does not result in a Change of Control;
 - (b) any member of the Group may issue shares to or otherwise acquire additional rights from any other member of the Group so long as (if any of the existing shares in the relevant member of the Group are charged or pledged in favour of any Beneficiary) such shares are charged or pledged in favour of the Beneficiaries pursuant to the terms of a Security Document and there are delivered at the same time to the Security Agent the relevant share certificates and blank stock transfer forms (or equivalent documents) in respect thereof together with such other documents and evidence and legal opinions as the Security Agent may reasonably require;
 - (c) the Company may issue shares to Telenet Group BVBA provided that such shares are charged or pledged in favour of the Beneficiaries pursuant to the terms of a Security Document and there are delivered at the same time to the Security Agent the relevant share certificates and blank stock transfer forms (or equivalent documents) in respect thereof together with such other documents and evidence and legal opinions as the Security Agent may reasonably require;
 - (d) any member of the Group may issue shares pursuant to the exercise of Approved Stock Options;
 - (e) a member of the Group may issue shares as part of an Acquisition or merger or consolidation permitted by Clause 21.9 (*Acquisitions and Mergers*), provided that the issue of such shares does not cause a Change of Control;
 - (f) a member of the Group (other than an Obligor) may issue shares to all the holders of the share capital of such member of the Group *pro rata* to their interests in such share capital provided that, if any existing shares in that member of the Group are charged or pledged in favour of any Beneficiary under any Security Document, upon issue the shares that are issued to any other member of the Group are charged or pledged in favour of the Beneficiaries as provided in paragraph (b) above; and
 - (g) any member of the Group (other than the Company) may issue shares to any person pursuant to any agreement or other legally binding arrangement existing, and disclosed to the Facility Agent in writing, on or before the Signing Date, provided that such share issue does not result in a Change of Control.”
- (b) Add the following additional definition to Clause 1.1 (*Definitions*):
- ““**Beneficiaries**” has the meaning given to the term Senior Secured Creditors in the Intercreditor Agreement.”

90. **Group Redesignation:** delete Clause 21.25 (*Group Redesignation*) and replace it with the following:

“21.25 Group Redesignation

The Company may at any time deliver a notice (a “**Group Redesignation Notice**”) to the Facility Agent designating any Holding Company of the Company and/or any Holding Company of any Permitted Affiliate Parent as a “New Group Topco” for the purposes of this Agreement provided that taking into account any actions to be taken by the Company for the benefit of the Lenders, it would not be materially prejudicial to the interests of the Lenders in the opinion of the Facility Agent (acting reasonably).”

91. **Clean Up Period:**
- (a) Amend the definition of Clean Up Period in Clause 22.3 (*Breach of Other Obligations*) to replace the words “120 days” with the words “180 days”.
 - (b) Delete the words “(other than Clause 22.3(a) (*Breach of Other Obligations*)) to the extent it refers to Clause 20 (*Financial Covenant*))” in paragraph (c) of Clause 22.3 (*Breach of Other Obligations*).
92. **Intercreditor Agreement:** amend paragraph (a) of Clause 22.12 (*Intercreditor Agreement*) to include the word “material” before the word “obligations”.
93. **Acceleration:** amend Clause 22.17 (*Acceleration*) to replace the words “may, and must if so instructed by the Majority Lenders” with the words “the Facility Agent shall, if the Majority Lenders so direct”.
94. **Indemnity:**
- (a) Amend paragraph (a) of Clause 26.1 (*Currency Indemnity*) to include the words “, within 10 Business Days of demand” after the words “Obligor must”.
 - (b) Amend paragraph (a)(i) of Clause 26.2 (*Other Indemnities*) to replace the word “Default” with the words “Event of Default”.
 - (c) Amend paragraph (a) of Clause 26.3 (*Break Costs*) to include the words “, within ten Business Days of demand by a Lender, ” after the words “Each Borrower must”.
 - (d) Amend paragraph (b) of Clause 26.3 (*Break Costs*) to include the words “, as soon as reasonably practicable after a demand by the Facility Agent, ” after the words “Each Lender must”.
95. **Amendments and waivers:**
- (a) Amend Clause 28.2 (*Exceptions*) to add an additional limb (d) as follows:
 - “(d) Notwithstanding any other provision of this Clause 28 (*Amendments and Waivers*), the Facility Agent may at any time without the consent or sanction of the Lenders, concur with the Company in making any modifications to any Finance Document, which in the opinion of the Facility Agent would be proper to make provided that the Facility Agent is of the opinion that such modification:
 - (i) would not be materially prejudicial to the position of any Lender and in the opinion of the Facility Agent such modification is of a formal, minor or technical nature or is to correct a manifest error;
 - (ii) relates to the increase in the principal amount of a Commitment of a Lender in relation to any Facility and such increased Commitment has been requested by the Company to fund any original issue discount required to be paid to that Lender in relation to that Facility under any Finance Document;
 - (iii) is of a minor, operational or technical nature; or
 - (iv) which relates to the implementation of any alternative basis for the calculation of interest that is binding on all Parties in accordance with paragraph (c) of Clause 13.4 (*Cost of Funds*).

Any modification made in accordance with this paragraph (d) shall be made on such terms as the Facility Agent may determine, shall be binding upon the Lenders, and shall be notified by the Company to the Lenders as soon as practicable thereafter.”
 - (b) Amend Clause 28.2 (*Exceptions*) to include the words “Subject to Clause 28.6 (*Structural Adjustments*) below,” at the beginning of paragraph (a).
 - (c) Amend paragraph (a) of Clause 28.3 (*Non Consenting Lenders*) to delete limb (iii) in its entirety.
 - (d) Add an additional provision to Clause 28.2 (*Exceptions*) as follows:
 - “A waiver of issuance or the release of any Guarantor from any of its obligations under Clause 17 (*Guarantee and indemnity*) or a release of any Security under the Security

Documents, in each case, other than in accordance with the terms of any Finance Document shall require the prior written consent of affected Lenders whose share in the outstanding Utilisations and whose undrawn Commitments amount in aggregate to more than 75 per cent. of all of the outstanding Utilisations and undrawn Commitments.”

96. **Changes to the Parties:**

- (a) Amend Clause 29.2 (*Assignment or Transfers by Obligors*) to include the words “except to the extent permitted by this Agreement” at the end of the paragraph.
- (b) Amend paragraph (a) of Clause 29.9 (*Additional Borrowers*) to delete the words “(following consultation with the Facility Agent)”.
- (c) Amend paragraph (b) of Clause 29.9 (*Additional Borrowers*) to include the words “under the relevant Facility” after the words “all the Lenders”.
- (d) Amend paragraph (b)(ii) of Clause 29.11 (*Resignation of an Obligor (other than the Company)*) to replace the words “a Default” with the words “an Event of Default”.

97. **Governing law:**

- (a) Delete Clause 38 (*Governing law*) and replace it with the following:

“38. GOVERNING LAW

This Agreement, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with English law.”

- (b) Amend the governing law provisions of the schedules to the Credit Agreement to refer to “non-contractual obligations” in conformity with paragraph (a) above.

98. **Order of Application:** amend Clause 10.4 (*Order of application*) by deleting sub-paragraph (e).

99. **Affiliate:** amend the definition of Affiliate in Clause 1.1 (*Definitions*) such that it reads as follows:

“**Affiliate**” means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company provided that in relation to any clause, reference or provision that uses such term:

- (a) an Affiliate of the Company that issues any notes, bonds or other securities for the purpose of on-lending the proceeds of such issuances under a Facility and to a Borrower under this Agreement and which acts in accordance with the terms of any indentures or other documents governing such issuances (a “**Designated Notes Issuer**”) shall not be an Affiliate of the Company or any of its Affiliates; and
- (b) a Designated Notes Issuer shall be deemed not to be managed by, or under the control of, the Company or any of its Affiliates.”

100. **Change of L/C Bank:** add the words “in relation to the Facility in respect of which such Documentary Credits are issued” after the words “Majority Lenders” in paragraph (c) of Clause 6.11 (*Appointment and Change of L/C Bank*).

101. **Restricted Person:** amend the definition of Restricted Person in Clause 1.1 (*Definitions*) such that it reads as follows:

““**Restricted Person**” means any Affiliate of a Borrower and, following any Parent Joint Venture Transaction, any Joint Venture Parent, any Subsidiary of the Joint Venture Parent and any Parent Joint Venture Holders (in each case, other than a member of the Group) provided that any Designated Notes Issuer (as defined in the definition of Affiliate) that is not a member of the Group shall, notwithstanding the proviso to the definition of “Affiliate”, be a “Restricted Person” except for the purposes of:

- (a) the definition of “Pledge of Subordinated Shareholder Loans”;
- (b) the definition of “Subordinated Creditor”; and
- (c) Clause 21.14 (Shareholder Loans).”

102. **Permitted Affiliate Group Designation:** amend limb (iv)(c) of Clause 29.8 (*Permitted Affiliate Group Designation*) to include the words “if available,” at the start of the limb.

103. **Permitted Payment:** add a new limb to the definition of Permitted Payment in Clause 1.1 (*Definitions*) as follows:

“to any Designated Notes Issuer (as defined in the definition of Affiliate) in connection with any fees, costs, indemnity claims or other expenses payable to it in connection with transactions related to the issuance of any notes, bonds or other securities;”

SIGNATORIES

AGENTS

THE BANK OF NOVA SCOTIA as Facility Agent

By:

Signature

Name

By:

Signature

Name

KBC BANK NV as Security Agent

By:

Signature

Name

By:

Signature

Name

BORROWER

[●]

EXECUTED AS A DEED

By:

Signature of Authorised Signatory

Name of Authorised Signatory

in the presence of:

Signature of Witness

Name of Witness

Address of Witness

Occupation of Witness

(Signature Page to Facility AK-B Accession Agreement)

GUARANTORS

TELENET FINANCING USD LLC

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

TELENET BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET GROUP BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET INTERNATIONAL FINANCE S.À R.L.

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

EXISTING SECURITY PROVIDERS

TELENET FINANCING USD LLC

EXECUTED AS A DEED

By:

Signature of Authorised Signatory

Name of Authorised Signatory

in the presence of:

Signature of Witness

Name of Witness

Address of Witness

Occupation of Witness

TELENET BVBA

EXECUTED AS A DEED

By:

Signature of Authorised Signatory

Name of Authorised Signatory

By:

Signature of Authorised Signatory

Name of Authorised Signatory

TELENET INTERNATIONAL FINANCE S.À R.L.

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

TELENET GROUP HOLDING NV

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET VLAANDEREN NV

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET GROUP BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET ADDITIONAL FACILITY AK-B LENDER

EXECUTED AS A DEED

[INSERT NAME OF BELGIAN SPV]

acting by its General Partner,

[●]

By: _____

Name:

Title:

By: _____

Name:

Title:

SIGNATORIES

AGENTS

THE BANK OF NOVA SCOTIA as Facility Agent

By:

_____ Signature

_____ Name

By:

_____ Signature

_____ Name

KBC BANK NV as Security Agent

By:

_____ Signature

_____ Name

By:

_____ Signature

_____ Name

BORROWER

TELENET INTERNATIONAL FINANCE S.À R.L.

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

(Signature Page to Facility AK Accession Agreement)

GUARANTORS

TELENET FINANCING USD LLC

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

TELENET BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET GROUP BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

(Signature Page to Facility AK Accession Agreement)

TELENET INTERNATIONAL FINANCE S.À R.L.

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

EXISTING SECURITY PROVIDERS

TELENET FINANCING USD LLC

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

(Signature Page to Facility AK Accession Agreement)

TELENET BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET INTERNATIONAL FINANCE S.À R.L.

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

in the presence of:

_____ Signature of Witness

_____ Name of Witness

_____ Address of Witness

_____ Occupation of Witness

TELENET GROUP HOLDING NV

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

(Signature Page to Facility AK Accession Agreement)

TELENET VLAANDEREN NV

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET GROUP BVBA

EXECUTED AS A DEED

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

By:

_____ Signature of Authorised Signatory

_____ Name of Authorised Signatory

TELENET ADDITIONAL FACILITY AK LENDER

EXECUTED AS A DEED

[●]

By: _____

Name:

Title:

By: _____

Name:

Title:

(Signature Page to Facility AK Accession Agreement)

ANNEX D—THE INTERCREDITOR AGREEMENT

INTERCREDITOR DEED

**ORIGINALLY DATED 10 OCTOBER 2007,
AS AMENDED OR AMENDED AND RESTATED FROM TIME TO TIME, INCLUDING AS
AMENDED AND RESTATED BY THE SUPPLEMENTAL DEED**

between, among others,

**THE EFFECTIVE DATE DEBTORS AND
EFFECTIVE DATE SECURITY GRANTORS
named in Schedule 7**

**THE EFFECTIVE DATE INTRA-GROUP LENDERS
named in Schedule 8**

**THE EFFECTIVE DATE SUBORDINATED CREDITORS
named in Schedule 6**

**ABN AMRO BANK N.V., BNP PARIBAS S.A., and J.P. MORGAN PLC
as Mandated Lead Arrangers**

**THE BANK OF NOVA SCOTIA
as Senior Agent**

and

**KBC BANK NV
as Security Agent**

**relating, amongst other things, to the €2,300,000,000
credit facilities for Telenet BVBA, originally dated 1 August, 2007
as amended and restated from time to time**

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THIS DEED is originally dated 10 October 2007 as amended or amended and restated from time to time, and as amended and restated by the Supplemental Deed

BETWEEN as at the Effective Date:

- (1) **THE DEBTORS** (the **Effective Date Debtors**) and **THE SECURITY GRANTORS** (the **Effective Date Security Grantors**) named in Schedule 7 (Effective Date Debtors and Effective Date Security Grantors);
- (2) **KBC BANK NV** (having its registered office at Havenlaan 2, B-1080 Brussels, Belgium, Enterprise No.: 0462.920.226, RPR Brussels) as security agent for the Secured Parties (in this capacity, the **Security Agent**).
- (3) **THE BANK OF NOVA SCOTIA** as the Senior Agent (the **Effective Date Senior Agent**);
- (4) **THE FINANCIAL INSTITUTIONS** that are Lenders (as defined in the Senior Facilities Agreement) as at the Effective Date;
- (5) **ABN AMRO BANK N.V., BNP PARIBAS S.A., and J.P. MORGAN PLC** as mandated lead arrangers (the **Mandated Lead Arrangers**);
- (6) **THE SUBORDINATED CREDITORS** (the **Effective Date Subordinated Creditors**) named in Schedule 6 (Effective Date Subordinated Creditors);
- (7) **THE EFFECTIVE DATE INTRA-GROUP LENDERS** named in Schedule 8 (Effective Date Intra-Group Lenders);
- (8) **THE HEDGE COUNTERPARTIES** as at the Effective Date;
- (9) **UPON ACCESSION**, each **Second Lien Agent**;
- (10) **UPON ACCESSION**, each **Second Lien Lender**;
- (11) **UPON ACCESSION**, each **Second Lien Notes Trustee** as trustee for the Second Lien Noteholders which such Second Lien Notes Trustee represents;
- (12) **UPON ACCESSION**, each **Hedge Counterparty** which accedes to this Deed in accordance with Clause 22.11 (Creditor Accession Undertaking);
- (13) **UPON ACCESSION**, each **Senior Secured Notes Trustee** as trustee for the Senior Secured Noteholders which such Senior Secured Notes Trustee represents;
- (14) **UPON ACCESSION**, each **High Yield Notes Trustee** as trustee for the High Yield Noteholders which such High Yield Notes Trustee represents; and
- (15) **UPON ACCESSION**, each **Pari Passu Debt Representative** as trustee or representative for the Pari Passu Creditors which such Pari Passu Debt Representative represents and, to the extent required, each Pari Passu Creditor.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

1992 ISDA Master Agreement means the Master Agreement (Multicurrency-Cross Border) as published by the International Swaps and Derivatives Association, Inc.

2002 ISDA Master Agreement means the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc.

2015 Amendment Effective Date has the meaning given to it in the Senior Facilities Agreement.

Acceleration Event means a Senior Acceleration Event, a Senior Secured Notes Acceleration Event, Pari Passu Debt Acceleration Event, a Second Lien Acceleration Event or a High Yield Notes Acceleration Event.

Acceptable Hedge Counterparty means, to the extent permitted or not prohibited by each of the Debt Documents, any credit institution.

Additional Amounts means in relation to any liabilities or debts:

- (a) any refinancing, novation, deferral or extension of any of those liabilities or debts;
- (b) any claim for damages or restitution arising out of, by reference to or in connection with those liabilities or debts;
- (c) any further advances which may be made under any agreement amending or supplemental to any Debt Document evidencing or constituting such Liabilities or debts plus all interest, fees and costs in connection therewith;
- (d) any claim flowing from any recovery by any Debtor or a receiver or liquidator (*gerechtelijk bestuurder/ administrateur judiciaire/ voorlopig bewindvoerder/ administrateur provisoire/ Judicial Commissioner Commissaris inzake opschorting/ Commissaire au sursis /sekwester/ séquestre*) of any Debtor or any other person of a payment or discharge in respect of any of those Liabilities on grounds of preference or otherwise; and
- (e) any amounts (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

Agent means each of the Senior Agent, each Senior Secured Notes Representative, each Pari Passu Debt Representative, each Second Lien Representative, each High Yield Representative and the Security Agent.

Agent Liabilities means all present and future liabilities and obligations whether actual or contingent and whether incurred solely or jointly, of any Debtor to any Agent under the Debt Documents.

Agreed Security Principles means any agreed security principles that may be agreed by the Parties hereto.

Ancillary Facility Document means each document relating to or evidencing the terms of an Ancillary Facility.

Ancillary Facility means any ancillary facility (howsoever described) made available in accordance with any Senior Facilities Agreement and/or any Pari Passu Debt Document.

Ancillary Facility Lender means each Senior Lender (or Affiliate of a Senior Lender) which makes an Ancillary Facility available pursuant to the terms of the Senior Facilities Agreement and any Pari Passu Creditor that provides an Ancillary Facility pursuant to the terms of a Pari Passu Debt Document (if applicable).

Arranger means any Mandated Lead Arranger under and as defined in the Senior Facilities Agreement or any Mandated Lead Arranger under and as defined in any Second Lien Facilities Agreement.

Arranger Liabilities means all present and future liabilities and obligations (whether actual or contingent and whether incurred solely or jointly) of any Debtor to any Arranger under the Debt Documents.

Borrower Holdco has the meaning given to such term in the Original Senior Facilities Agreement.

Borrowing Liabilities means, in relation to a Debtor, a member of the Group or a Security Grantor, the liabilities (not being Guarantee Liabilities) it may have as a principal debtor to a Creditor or a Debtor in respect of Liabilities arising under the Debt Documents (whether incurred solely or jointly and including, without limitation, liabilities as a “Borrower” (or any other term which is similar in meaning and effect) under and as defined in the Senior Finance Documents and/or the Pari Passu Debt Documents and/or the Second Lien Loan Finance Documents and/or liabilities as an “Issuer” (or any other term which is similar in meaning and effect) under and as defined in the Senior Secured Notes Finance Documents and/or the Pari Passu Debt Documents and/or the Second Lien Notes Finance Documents and/or the High Yield Notes Finance Documents).

Business Day means a day (other than a Saturday or Sunday):

- (a) on which banks generally are open for business in London, Paris and Brussels;

- (b) if such reference relates to a date for the payment or purchase of any sum denominated in euro, which is a TARGET Day;
- (c) if such reference relates to a date for the payment or purchase of any sum denominated in US\$, on which banks generally are open for business in New York; and
- (d) if such reference relates to a date for the payment or purchase of any sum denominated in:
 - (i) before the Senior Lender Discharge Date, an Optional Currency (as defined in the Senior Facilities Agreement); or
 - (ii) on and after the Senior Lender Discharge Date, an additional currency or an optional currency (howsoever defined) under the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents or any Second Lien Finance Documents,
 (in each case other than euro or US\$), the principal financial centre of the country of that currency.

Charged Property means all of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security.

Close-Out Netting means:

- (a) in respect of a Hedging Agreement or Hedging Ancillary Document based on a 1992 ISDA Master Agreement, any step involved in determining the amount payable in respect of an Early Termination Date (as defined in the 1992 ISDA Master Agreement) under section 6(e) of the 1992 ISDA Master Agreement before the application of any subsequent Set-off (as defined in the 1992 ISDA Master Agreement);
- (b) in respect of a Hedging Agreement or Hedging Ancillary Document based on a 2002 ISDA Master Agreement, any step involved in determining an Early Termination Amount (as defined in the 2002 ISDA Master Agreement) under section 6(e) of the 2002 ISDA Master Agreement; and
- (c) in respect of a Hedging Agreement or Hedging Ancillary Document not based on an ISDA Master Agreement, any step involved on a termination of the hedging transactions under that Hedging Agreement or Hedging Ancillary Document pursuant to any provision of that Hedging Agreement or Hedging Ancillary Document which has a similar effect to either provision referenced in paragraph (a) and paragraph (b) above.

Commodity Exchange Act means the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

Common Assurance means any guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, the benefit of which (however conferred) is, to the extent legally possible and subject to any Agreed Security Principles, given to all the Senior Secured Creditors and (if applicable) Second Lien Finance Parties in respect of their Senior Secured Liabilities and Second Lien Liabilities.

Company has the meaning given to it in the Original Senior Facilities Agreement.

Common Currency means Euro.

Common Currency Amount means, in relation to an amount, that amount converted (to the extent not already denominated in the Common Currency) into the Common Currency at the Security Agent's Spot Rate of Exchange on the Business Day prior to the relevant calculation.

Common Transaction Security means any Transaction Security which to the extent legally possible and subject to any Agreed Security Principles:

- (a) is created in favour of the Senior Secured Creditors and (if applicable) the Second Lien Finance Parties represented by the Security Agent as agent or trustee for the Senior Secured Creditors and (if applicable) the Second Lien Finance Parties in respect of the Senior Secured Liabilities and (if applicable) the Second Lien Liabilities;
- (b) if applicable, where it is not possible or advisable to secure the Senior Secured Liabilities and the Second Lien Liabilities in the same Transaction Security Document, which is created in favour of either the Senior Secured Creditors or the Second Lien Finance Parties, represented by the Security Agent, in respect of the Senior Secured Liabilities or, as the case may be, the Second Lien Liabilities; or

- (c) if applicable, in the case of any jurisdiction in which effective Security cannot be granted in favour of the Security Agent as agent or trustee for the Senior Secured Parties and/or the Second Lien Finance Parties is created in favour of:
 - (i) all the Senior Secured Parties and/or the Second Lien Finance Parties (as the case may be) in respect of the Senior Secured Liabilities and/or the Second Lien Liabilities (as the case may be); or
 - (ii) the Security Agent under a parallel debt or joint and several creditorship structure for the benefit of all the Senior Secured Parties and/or the Second Lien Finance Parties,

provided that Transaction Security may only be granted over an asset in favour of the Second Lien Finance Parties only (or the Security Agent as agent or trustee for the Second Lien Finance Parties only) pursuant to a Transaction Security Document if, before or simultaneously with such Transaction Security Document being executed, Transaction Security is granted over the same asset in favour of the Senior Secured Creditors (or the Security Agent as agent or trustee for the Senior Secured Creditors), and, in all cases, which ranks in the order of priority contemplated in Clause 2.2 (Transaction Security) and/or is expressed to be subject to the terms of this Deed.

Competitive Process means a public or private auction or other competitive sale process in which more than one bidder participates or is invited to participate (including, without limitation, any person invited that is a High Yield Creditor at the time of such invitation), which may or may not be conducted through a court or other legal proceeding, and which is conducted with the advice of an independent investment bank or internationally recognised firm of accountants or a reputable internationally recognised independent third party professional firm which is regularly engaged in such sale processes.

Consent means any consent, approval, release or waiver or agreement to any amendment.

Credit Related Close-Out means any Permitted Hedge Close-Out which is not a Non-Credit Related Close Out.

Creditor Conflict means:

- (a) at any time prior to the Senior Secured Discharge Date, a conflict between any of:
 - (i) the interests of any Senior Secured Creditor;
 - (ii) the interests of any Second Lien Creditor; and
 - (iii) the interests of any High Yield Creditor; and
- (b) at any time after the Senior Secured Discharge Date, a conflict between:
 - (i) the interests of any Second Lien Creditor; and
 - (ii) the interests of any High Yield Creditor.

Creditor Accession Undertaking means:

- (a) an undertaking substantially in the form set out in Schedule 2 (Form of Creditor Accession Undertaking); or
- (b) a Transfer Certificate or a Telenet Additional Facility Accession Agreement (in each case, as defined in the relevant Facilities Agreement) provided that it contains an accession to this Deed which is substantially in the form set out in Schedule 2 (Form of Creditor Accession Undertaking),

as the context may require, or

- (c) in the case of an acceding Debtor which is expressed to accede as an Intra-Group Lender in the relevant Debtor Accession Deed, that Debtor Accession Deed.

Creditors means the Senior Lenders, the Pari Passu Creditors, the Hedge Counterparties, the Agents, the Arrangers, the Senior Secured Noteholders, the Second Lien Finance Parties, the High Yield Noteholders, the Intra-Group Lenders and the other Subordinated Creditors.

Debt Document means each of this Deed, the Secured Debt Documents, the High Yield Notes Finance Documents, the Security Documents, any agreement evidencing the terms of the Subordinated Liabilities or the Intra-Group Liabilities and any other document designated as such by the Security Agent and the Company.

Debtor means each Effective Date Debtor and any person which becomes a Party as a Debtor in accordance with the terms of Clause 22 (Changes to the Parties).

Debtor Accession Deed means:

- (a) a deed substantially in the form set out in Schedule 1 (Form of Debtor Accession Deed); or
- (b) (only in the case of a member of the Group which is acceding as a borrower or guarantor under the Senior Facilities Agreement) an Accession Agreement (as defined in the Senior Facilities Agreement), provided that it contains an accession to this Deed which is substantially in the form set out in Schedule 1 (Form of Debtor Accession Deed),

in each case including any applicable limitation language agreed between the Security Agent and the Company.

Debtor Liabilities means, in relation to a Debtor, a member of the Group, a Subsidiary of a Debtor, a Holding Company of a Debtor or a Subsidiary of such Holding Company, any liabilities owed to any Debtor (whether actual or contingent and whether incurred solely or jointly) by that person.

Debtor Resignation Request means a notice substantially in the form set out in Schedule 3 (Form of Debtor Resignation Request).

Default means a High Yield Default, a Second Lien Default, a Senior Default, a Pari Passu Debt Default or a Senior Secured Notes Default, as the case may be.

Delegate means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

Designated Gross Amount means, in relation to a Multi-account Overdraft Facility, that Multi-account Overdraft Facility's "Designated Gross Amount" under and as defined in the Senior Facilities Agreement.

Designated Net Amount means, in relation to a Multi-account Overdraft Facility, that Multi-account Overdraft Facility's "Designated Net Amount" under and as defined in the Senior Facilities Agreement.

Disposal Proceeds has the meaning given to that term in Clause 16 (Proceeds of Disposals).

Distress Event means any of:

- (a) an Acceleration Event; or
- (b) the enforcement of any Transaction Security.

Distressed Disposal means a disposal of an asset of a Debtor, a Security Grantor or a member of the Group or the shares in or liabilities or obligations of a Debtor, a Security Grantor or a member of the Group which is:

- (a) being effected at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable;
- (b) being effected by enforcement of the Transaction Security; or
- (c) being effected, after the occurrence of a Distress Event, by a Debtor or Security Grantor to a person or persons which is not a Debtor or member of the Group.

ECP Debtor means in respect of any Swap Obligations, each Debtor that has total assets exceeding \$10,000,000 at the time the relevant guarantee or grant of relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the meaning of the Commodity Exchange Act or any regulation promulgated thereunder.

Effective Date has the meaning given to that term in the Supplemental Deed.

Enforcement Action means:

- (a) in relation to any Liabilities:
 - (i) the acceleration of any Liabilities (other than Hedging Liabilities) or the making of any declaration that any Liabilities (other than Hedging Liabilities) are payable on demand and/or prematurely due and payable (other than as a result of it becoming

unlawful for a Senior Lender, a Pari Passu Creditor, a Senior Secured Noteholder, a Second Lien Lender, a Second Lien Noteholder or a High Yield Noteholder to perform its obligations under, or of any voluntary or mandatory prepayment or redemption arising under, the Debt Documents);

- (ii) the making of a demand in relation to a Liability (other than a Hedging Liability) that is payable on demand;
- (iii) the making of any demand against any Debtor or any member of the Group in relation to any Guarantee Liabilities of that Debtor or member of the Group;
- (iv) the exercise of any right to require any Debtor or member of the Group to acquire any Liability (including exercising any put or call option against any Debtor or any member of the Group for the redemption or purchase of any Liability but excluding any such right which arises as a result of any debt buy-back permitted or not prohibited by the Senior Facilities Agreement, the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents, the Second Lien Finance Documents and the High Yield Notes Finance Documents and excluding any mandatory prepayments or mandatory offers arising as a result of a change of control or asset sale (howsoever described) as set out in the Senior Facilities Agreement, the Senior Secured Notes Finance Documents, the Second Lien Finance Documents, the High Yield Notes Finance Documents or Pari Passu Debt Documents); and
- (v) the discharge of all or any part of the Liabilities by the exercise of any right of set-off, any right of combination of accounts or otherwise, except the exercise of any such right:
 - (A) as Close-Out Netting, Payment Netting or Inter-Hedging Agreement Netting or Inter-Hedging Ancillary Document Netting by a Hedge Counterparty or a Hedging Ancillary Lender; or
 - (B) if and to the extent permitted under this Deed (including, for the avoidance of doubt, any such right permitted under Clause 4.2(b) (Restriction on Payment: Hedging Liabilities));
- (b) the exercise of any right to terminate or close-out of any hedging transaction under any Hedging Agreement prior to its stated maturity (whether by reason of any Debtor becoming a Defaulting Party or Affected Party under, and as defined in the relevant Hedging Agreement or otherwise);
- (c) the enforcing of any Transaction Security (including, for the avoidance of doubt, the crystallisation of any floating charge forming part of the Transaction Security) or requiring the Security Agent to enforce the same;
- (d) suing for or instituting any creditor's process (including a Mareva injunction, executory seizure (*saisie exécution/uitvoerend beslag*), conservatory seizure (*saisie conservatoire/berwarend beslag*), garnishment, sequestration, execution or levy, whether before or after judgment) in respect of any Liabilities;
- (e) taking any step (including petition, application, notice of meeting or proposal to credits) for the Winding-up or any insolvency proceeding or creditors' process in relation to any Debtor or for a voluntary arrangement or scheme of arrangement in relation to any Debtor; or
- (f) applying for any order for an injunction or specific performance in respect of any Debtor in relation to any of the Senior Finance Documents, the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents, the Second Lien Finance Documents, the Hedging Agreements, the High Yield Notes Finance Documents or the Security Documents,

except that the following shall not constitute Enforcement Action:

- (i) the taking of any action falling within paragraphs (d) or (e) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods;

- (ii) a Primary Creditor or a High Yield Representative bringing legal proceedings against any person solely for the purpose of:
 - (A) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any Debt Document to which it is party;
 - (B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; or
 - (C) requesting judicial interpretation of any provision of any Debt Document to which it is party with no claim for damages;
- (iii) bringing legal proceedings against any person in connection with any securities violation, securities or listing regulations or common law fraud or to restrain any actual or putative breach of the High Yield Notes Finance Documents or the Secured Debt Documents or for specific performance with no claims for damages; or
- (iv) allegations of material misstatements or omissions made in connection with the offering materials relating to the Senior Secured Notes Liabilities, the Second Lien Notes Liabilities or High Yield Notes Liabilities or in reports furnished to any of the Noteholders or Notes Trustees or any exchange on which the Senior Secured Notes, Second Lien Notes or High Yield Notes are listed by a Debtor or a member of the Group pursuant to information and reporting requirements under any of the Notes Finance Documents (as applicable).

Event of Default means any event or circumstance specified as such in any of the Senior Facilities Agreement, a Senior Secured Notes Indenture, a Pari Passu Debt Document, any Second Lien Facilities Agreement, any Second Lien Notes Indenture or a High Yield Notes Indenture, as the context requires.

Excluded Swap Obligation means, with respect to any Debtor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Debtor of, or the grant by such Debtor of a security interest to secure, such Swap Obligation (or any guarantee thereof) (A) relates to a swap between a Debtor and a Hedge Counterparty and such Hedge Counterparty notifies the Senior Agent in writing that it elects not to hold the benefit of such guarantee or such security interest with respect to such swap, or (B) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Debtor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Debtor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

Existing Security Document has the meaning given to it in the Senior Facilities Agreement.

Exposure has the meaning given to that term in Clause 18.1 (Equalisation definitions).

Facilities Agreement means the Senior Facilities Agreement or any Second Lien Facilities Agreement.

Final Discharge Date means the later to occur of the Senior Secured Discharge Date, the Second Lien Discharge Date and the High Yield Discharge Date (but not, for the avoidance of doubt, the Subordinated Discharge Date).

Group has the meaning given to that term in the Senior Facilities Agreement.

Group Recoveries has the meaning given to that term in Clause 17.1 (Order of application of Group Recoveries).

Guarantee Liabilities means, in relation to a Debtor or member of the Group, the liabilities under the Debt Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have to a Creditor as or as a result of it being a guarantor or surety (including, without limitation, liabilities arising by way of guarantee, indemnity, contribution or subrogation and in

particular any guarantee or indemnity arising under or in respect of this Deed, the Senior Finance Documents, the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents, the Second Lien Finance Documents and/or the High Yield Notes Finance Documents).

Hedge Counterparty means: (a) each credit institution which is party to this Deed as a “Hedging Bank” on the Effective Date; and (b) any Acceptable Hedge Counterparty which becomes Party as a Hedge Counterparty pursuant to Clause 22.11 (Creditor Accession Undertaking) to the extent permitted or not prohibited by each of the Debt Documents.

Hedge Counterparty Obligations means the obligations owed by any Hedge Counterparty to the Debtors under or in connection with the Hedging Agreements.

Hedge Transfer means a transfer to the Senior Secured Notes Creditors or the Pari Passu Creditors or the Second Lien Creditors or the High Yield Notes Creditors (or to a nominee or nominees of the Senior Secured Notes Creditors or the Pari Passu Creditors or the Second Lien Creditors or the High Yield Notes Creditors) (as applicable and as the context requires) of each Hedging Agreement together with:

- (a) all the rights and benefits in respect of the Hedging Liabilities owed by the Debtors to each Hedge Counterparty; and
- (b) all the Hedge Counterparty Obligations owed by each Hedge Counterparty to the Debtors,

in accordance with Clause 22.4 (Change of Hedge Counterparty) as described in, and subject to, Clause 3.9 (Hedge Transfer: Purchasing Senior Secured Creditors), Clause 8.14 (Hedge Transfer: Second Lien Creditors) or Clause 9.16 (Hedge Transfer: High Yield Creditors) (as applicable and as the context requires).

Hedging Agreement means any master agreement together with any schedule and confirmation related thereto or any other agreement (including a long form confirmation) entered into or to be entered into between a Debtor and a Hedge Counterparty to document an Offsetting Swap (as such term is defined in Clause 4.12 (Offsetting Swaps) or any other hedge agreement between a Debtor and a Hedge Counterparty, in each case, provided that such hedging is permitted or not prohibited under the terms of the Senior Finance Documents, the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents and the Second Lien Finance Documents in place at the time such Hedging Agreement was entered into (or subsequently amended, excluding any further hedging transactions under a Hedging Agreement, and any amendments required to comply with changes to law or regulation) and permitted or not prohibited to share in the Transaction Security at the time such Hedging Agreement was entered into (or subsequently amended, excluding any further hedging transactions under a Hedging Agreement, and any amendments required to comply with changes to law or regulation), in each case:

- (a) which has been delivered, before the Effective Date, by a Hedge Counterparty to the Senior Agent under this Deed and which states that it is a Hedging Agreement for the purposes of this Deed; or
- (b) which is designated by the Company by written notice to the Security Agent and the relevant Hedge Counterparty as a Hedging Agreement for the purposes of this Deed,

but excluding any such agreement that has been terminated in accordance with Clause 4.10 (Termination of Hedging) of this Deed.

Hedging Ancillary Document means an Ancillary Facility Document which relates to or evidences the terms of a Hedging Ancillary Facility.

Hedging Ancillary Facility means an Ancillary Facility which is made available by way of a hedging facility.

Hedging Ancillary Lender means an Ancillary Facility Lender to the extent that that Ancillary Facility Lender makes available a Hedging Ancillary Facility.

Hedging Liabilities means the Liabilities owed by any Debtor to the Hedge Counterparties under or in connection with the Hedging Agreements.

Hedging Purchase Amount means, in respect of a hedging transaction under a Hedging Agreement:

- (a) if the hedging transaction has not been closed out, the amount that would be payable to (expressed as a positive number) or by (expressed as a negative number) the relevant Hedge Counterparty on the relevant date if:
 - (i) in the case of a Hedging Agreement which is based on an ISDA Master Agreement:
 - (A) that date was an Early Termination Date (as defined in the relevant ISDA Master Agreement); and
 - (B) the relevant Debtor was the Defaulting Party (under and as defined in the relevant ISDA Master Agreement); or
 - (ii) in the case of a Hedging Agreement which is not based on an ISDA Master Agreement:
 - (A) that date was the date similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement; and
 - (B) the relevant Debtor was in a position which is similar in meaning and effect to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement); or
- (b) if the hedging transaction has been closed out, the amount payable to (expressed as a positive number) or by (expressed as a negative number) the relevant Hedge Counterparty under the Hedging Agreement in respect of that termination or close-out (including any interest or default interest accrued on that amount since the date of termination or close-out and any other amounts owing under the Hedging Agreement),

in each case as certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement.

High Yield Creditors means the High Yield Noteholders and each High Yield Notes Trustee.

High Yield Default means a High Yield Event of Default or any event or circumstances which would (with the expiry of a grace period, the giving of notice, the making of any determination under the High Yield Notes Finance Documents or any combination of the foregoing) be a High Yield Event of Default, *provided* that any such event or circumstance which under the terms of the relevant High Yield Notes Finance Document requires any determination as to materiality before it becomes a High Yield Event of Default shall not be a High Yield Default until such determination is made in accordance with the terms of the relevant High Yield Notes Finance Document).

High Yield Discharge Date means the first date on which all High Yield Notes Liabilities have been fully and finally discharged.

High Yield Enforcement Notice has the meaning given to it in Clause 9.11(b) (Permitted High Yield Guarantee and Proceed Loan Enforcement).

High Yield Event of Default means an event of default under the relevant High Yield Notes Indenture.

High Yield Guarantee means each guarantee by a High Yield Guarantor of the obligations of a HY Issuer under the High Yield Notes Finance Documents which contains provisions in relation to payment blockage, subordination and turnover that substantially replicate those provisions of this Deed relating to each High Yield Guarantee or shall be made expressly subject to the provisions of this Deed in a legally binding manner.

High Yield Guarantee Liabilities means all Liabilities owed by any Debtor (other than a HY Issuer) to any High Yield Creditor under or in connection with the High Yield Notes Finance Documents provided, however, that the definition of “High Yield Guarantee Liabilities” shall not include the High Yield Notes Trustee Amounts.

High Yield Guarantors means each member of the Group or any Debtor that is a guarantor under the High Yield Notes in accordance with a High Yield Notes Indenture and which must be a Senior Secured Notes Guarantor (if any Senior Secured Notes have been issued, and the Senior Secured

Notes Discharge Date has not occurred), a Pari Passu Debt Guarantor (if any Pari Passu Debt Documents have been entered into, and the Pari Passu Debt Discharge Date has not occurred) and a Senior Guarantor (if the Senior Discharge Date has not occurred).

High Yield Noteholders means the registered holders, from time to time, of the High Yield Notes, as determined in accordance with the relevant High Yield Notes Indenture.

High Yield Notes means any high yield notes, payment-in-kind notes, exchange notes, debt securities or other debt instruments which may be issued by a HY Issuer and in respect of which:

- (a) the issuance of, and the terms for, such notes, securities or instruments comply with the terms of the Senior Facilities Agreement, the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents, the Second Lien Finance Documents and this Deed;
- (b) the terms for such notes, securities or instruments are not inconsistent in any material respect with the High Yield Notes Major Terms;
- (c) are designated as such by the Company by written notice to each Agent who is a Party at such time; and
- (d) the entity acting as trustee or representative in respect of such notes or instruments at any time has acceded to this Deed as a High Yield Notes Trustee pursuant to Clause 22.12 (Accession of High Yield Notes Trustee).

High Yield Notes Acceleration Event means:

- (a) the High Yield Notes Trustee (or any of the High Yield Noteholders) exercising any rights to accelerate principal amounts outstanding under the High Yield Notes pursuant to any High Yield Notes Indenture; or
- (b) any High Yield Notes Liabilities becoming due and payable by operation of any automatic acceleration provision contained in a High Yield Notes Finance Document.

High Yield Notes Finance Documents means the High Yield Notes, each High Yield Notes Indenture, the High Yield Guarantees in respect of the High Yield Notes, this Deed, and any other document entered into in connection with the High Yield Notes (which for the avoidance of doubt excludes any document to the extent it sets out rights of the initial purchasers of the High Yield Notes (in their capacities as initial purchasers) against any member of the Group) and designated a High Yield Notes Finance Document by a HY Issuer and a High Yield Notes Trustee (but excluding, for the avoidance of doubt, any Hedging Agreements).

High Yield Notes Finance Parties means any High Yield Notes Trustee (on behalf of itself and the High Yield Noteholders that it represents) and the Security Agent (but excluding, for the avoidance of doubt, any Hedging Agreements).

High Yield Notes Indenture means the indenture or indentures pursuant to which any High Yield Notes are issued.

High Yield Notes Issue Date means, in respect of each High Yield Notes Indenture, the first date on which a High Yield Note is issued pursuant to that High Yield Notes Indenture.

High Yield Notes Liabilities means all present and future moneys, debts and liabilities due, owing or incurred by the Debtors to any High Yield Notes Finance Party or High Yield Noteholder under or in connection with the High Yield Notes or the High Yield Notes Finance Documents (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) provided, however, that the definition of “High Yield Notes Liabilities” shall not include the High Yield Notes Trustee Amounts.

High Yield Notes Major Terms means the terms set out in Schedule 4 (High Yield Notes Major Terms).

High Yield Notes Outstandings means the principal amount of outstanding High Yield Notes held by the High Yield Noteholders.

High Yield Notes Trustee means any entity acting as a trustee or representative under any issue of High Yield Notes and which accedes to this Deed pursuant to Clause 22.12 (Accession of High Yield Notes Trustee).

High Yield Notes Trustee Amounts means, in relation to a High Yield Notes Trustee, amounts payable to that High Yield Notes Trustee or any adviser, receiver, delegate, attorney, agent or

appointee thereof under the High Yield Notes Finance Documents, any provisions (including indemnity provisions) for costs and expenses in favour of that High Yield Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof contained in the High Yield Notes Finance Documents, all compensation for services provided by that High Yield Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof which is payable to that High Yield Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof pursuant to the terms of the High Yield Notes Finance Documents and all out-of-pocket costs and expenses properly incurred by that High Yield Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof in carrying out its duties or performing any service pursuant to the terms of High Yield Notes Finance Documents, including, without limitation (a) compensation for the costs and expenses of the collection by that High Yield Notes Trustee of any amount payable to that High Yield Notes Trustee for the benefit of the High Yield Noteholders, and (b) costs and expenses of that High Yield Notes Trustee's advisers, receivers, delegates, attorneys, agents or appointees (but excluding: (i) any payment in relation to any unpaid costs and expenses incurred in respect of any litigation initiated by that High Yield Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee on behalf of that High Yield Notes Trustee against any of the Senior Finance Parties; and (ii) any payment made directly or indirectly on or in respect of any amounts owing under any High Yield Notes (including principal, interest, premium or any other amounts to any of the High Yield Noteholders)) including VAT where applicable.

High Yield Payment Stop Notice has the meaning given to that term in Clause 9.4 (Issue of High Yield Payment Stop Notice).

High Yield Representative means each High Yield Notes Trustee in respect of any High Yield Notes that are outstanding.

High Yield Standstill Period has the meaning given to it in Clause 9.12 (High Yield Standstill Period).

Holding Company of a company means a company of which the first mentioned company is a Subsidiary.

HY Issuer means any entity which is permitted or not prohibited under the terms of the Senior Finance Documents, the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents and the Second Lien Finance Documents to issue High Yield Notes, in each case to the extent any such entity is the issuer of any High Yield Notes, and which (if such entity is a member of the Group) must be a Senior Guarantor (if the Senior Discharge Date has not occurred), a Pari Passu Debt Guarantor (if any Pari Passu Debt Documents have been entered into, and the Pari Passu Debt Discharge Date has not occurred) and a Senior Secured Notes Guarantor (if any Senior Secured Notes have been issued, and the Senior Secured Notes Discharge Date has not occurred).

Insolvency Event means the occurrence of any of the following, in relation to any Debtor, member of the Group or Security Grantor:

- (a) it is, or is deemed for the purposes of any law to be, unable to pay its debts as they fall due or to be insolvent (*is in staat van staking van betalingen/est en état de cessation de paiements*);
- (b) it admits its inability to pay its debts as they fall due;
- (c) it suspends making payments on any of its debts generally or announces an intention so to do;
- (d) by reason of actual or anticipated financial difficulties, it begins negotiations with any creditors generally for the rescheduling of any of its indebtedness;
- (e) a moratorium is declared in respect of any of its indebtedness exceeding €10,000,000 (or its equivalent) in aggregate;
- (f) any step is taken with a view to a moratorium, compromise, or a composition, assignment or similar arrangement with any of its creditors;
- (g) a meeting of it is convened for the purpose of considering any resolution for (or to petition for) its Winding-up, administration, examination or dissolution or any such resolution is passed;
- (h) any person presents a petition or files documents with the appropriate legal authorities for its Winding-up, administration, examination, dissolution, bankruptcy (*faillite/faillissement*) or judicial composition (*réorganisation judiciaire / gerechtelijke reorganisatie*);

- (i) a resolution or order is made for its Winding-up, liquidation, administration, examination, dissolution (*vereffening/liquidation, ontbinding/dissolution, faillissement/faillite en sluiting van een onderneming/fermeture d'entreprise*), bankruptcy (*faillite/faillissement*) or judicial composition (*concordat judiciaire/gerechtigd akkoord*);
- (j) any liquidator, trustee in bankruptcy, examination, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, curator/curateur, vereffenaar/liquidateur, *voorlopig bewindvoerder/administrateur provisoire, commissaris inzake opschorting/commissaire au sursis* and *sekwester/séquestre* or similar officer is appointed in respect of it;
- (k) its directors or other officers request the appointment of a liquidator, trustee in bankruptcy, examination, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer; or
- (l) any other analogous step or procedure is taken in any jurisdiction.

Instructing Group means at any time:

- (a) prior to the Senior Secured Discharge Date, the Majority Senior Secured Creditors;
- (b) on or after the Senior Secured Discharge Date but before the Second Lien Discharge Date, the Majority Second Lien Creditors; and
- (c) on or after the later of the Senior Secured Discharge Date and the Second Lien Discharge Date but before the High Yield Discharge Date, the Majority High Yield Creditors (acting through the relevant High Yield Representative(s)).

Intercreditor Amendment means any amendment or waiver which is subject to Clause 28 (Consents, Amendments and Override).

Inter-Hedging Agreement Netting means the exercise of any right of set-off, account combination, close-out netting or payment netting (whether arising out of a cross agreement netting agreement or otherwise) by a Hedge Counterparty against liabilities owed to a Debtor by that Hedge Counterparty under a Hedging Agreement in respect of Hedging Liabilities owed to that Hedge Counterparty by that Debtor under another Hedging Agreement.

Intra-Group Debt Document means any agreement providing for a loan by an Intra-Group Lender to any member of the Group and any other document or agreement providing for the payment of any amount by any member of the Group to an Intra-Group Lender.

Inter-Hedging Ancillary Document Netting means the exercise of any right of set-off, account combination, close-out netting or payment netting (whether arising out of a cross agreement netting agreement or otherwise) by a Hedging Ancillary Lender against liabilities owed to a Debtor by that Hedging Ancillary Lender under a Hedging Ancillary Document in respect of Senior Lender Liabilities owed to that Hedging Ancillary Lender by that Debtor under another Hedging Ancillary Document.

Intra-Group Debtor means an Effective Date Intra-Group Debtor or any Debtor which is or becomes party to this Deed as an Intra-Group Debtor, in accordance with the terms of Clause 22 (Changes to the Parties).

Intra-Group Lenders means:

- (a) each Effective Date Intra-Group Lender; and
- (b) each other member of the Group which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with any Debtor and which becomes a party as an Intra-Group Lender in accordance with the terms of Clause 22 (Changes to the Parties).

Intra-Group Liabilities means the Liabilities owed by any member of the Group to any of the Intra-Group Lenders.

ISDA Master Agreement means a 1992 ISDA Master Agreement or a 2002 ISDA Master Agreement.

Issuing Bank has the meaning given to the term "L/C Bank" in the Senior Facilities Agreement and any Pari Passu Debt Document (if applicable), being an issuing bank which has issued or agreed to issue a Letter of Credit.

Legal Reservations means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitations Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) similar principles, rights and defences under the laws of a relevant jurisdiction; and
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered to an Agent under the Secured Debt Documents.

Letter of Credit has the meaning given to the term “Documentary Credit” in the Senior Facilities Agreement and any Pari Passu Debt Document (if applicable), being a documentary credit issued by an Issuing Bank pursuant to the Senior Facilities Agreement or a Pari Passu Debt Document.

Liabilities means all present and future liabilities and obligations at any time of any member of the Group, Senior Borrower, Second Lien Borrower, borrower or issuer of Pari Passu Debt, Senior Secured Notes Issuer, Second Lien Notes Issuer, SuperHoldco, Borrower Holdco, Permitted Affiliate Holdco, Subordinated Creditor (in its capacity as grantor under the relevant Pledge of Subordinated Shareholder Loans (as defined in the Senior Facilities Agreement)), HY Issuer or any Subsidiary of any SuperHoldco or any Permitted Affiliate Holdco which is permitted to issue, and has issued, Holdco Debt (as defined in the Senior Facilities Agreement) to any Creditor under the Debt Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;
- (c) any claim for damages or restitution; and
- (d) any claim as a result of any recovery by any Debtor or Security Grantor of a Payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

Liabilities Acquisition means, in relation to a person and to any Liabilities, a transaction where that person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

the rights and benefits in respect of those Liabilities.

Majority High Yield Creditors means those High Yield Noteholders whose High Yield Notes Outstandings at that time aggregate more than 50% of the total High Yield Notes Outstandings at that time voting as one class.

Majority Second Lien Creditors means, at any time, those Second Lien Creditors whose Second Lien Credit Participations at that time aggregate more than 50% of the total Second Lien Credit Participations at that time.

Majority Second Lien Lenders has the meaning given to the term “Majority Lenders” (or equivalent) in any Second Lien Facilities Agreement.

Majority Senior Creditors means, at any time, those Senior Creditors whose Senior Credit Participations at that time aggregate more than 50% of the total Senior Credit Participations at that time.

Majority Senior Lenders has the meaning given to the term “Majority Lenders” in the Senior Facilities Agreement.

Majority Senior Secured Creditors means, at any time, those Senior Secured Creditors whose Senior Secured Credit Participations at that time aggregate more than 50% of the total Senior Secured Credit Participations at that time.

Majority Subordinated Creditors means, at any time, Subordinated Creditors whose share in the outstanding Subordinated Liabilities then aggregate 66 2/3% or more of the aggregate of all outstanding Subordinated Liabilities.

Material Event of Default means an Event of Default under the Senior Facilities Agreement in respect of clause 22.3 (Breach of other obligations) (but only to the extent that the Senior Agent, acting on the instructions of the Majority Senior Lenders (acting reasonably), determines that the Event of Default has a Material Adverse Effect (as defined in the Senior Facilities Agreement)), 22.6 (Insolvency), 22.7 (Insolvency proceedings), 22.8 (Creditors’ process) or 22.16 (Acceleration Following Financial Ratio Breach) of the Senior Facilities Agreement and/or any equivalent Pari Passu Debt Event of Default and/or any equivalent Senior Secured Notes Event of Default.

Multi-account Overdraft Facility means an Ancillary Facility which is an overdraft facility comprising more than one account.

Multi-account Overdraft Liabilities means Liabilities arising under any Multi-account Overdraft Facility.

Non-Credit Related Close-Out means a Permitted Hedge Close-Out described in any of paragraphs (a)(ii), (a)(vi) or (a)(vii) of Clause 4.6 (Permitted Enforcement: Hedge Counterparties).

Non-ECP Debtor means any Debtor that is not an ECP Debtor.

Noteholders means the Senior Secured Noteholders, the Second Lien Noteholders or the High Yield Noteholders.

Notes Finance Documents means:

- (a) in respect of the Senior Secured Notes, the Senior Secured Notes Finance Documents;
- (b) in respect of the Second Lien Notes, the Second Lien Notes Finance Documents; and
- (c) in respect of the High Yield Notes, the High Yield Notes Finance Documents.

Notes Indenture means:

- (a) in respect of the Senior Secured Notes, the Senior Secured Notes Indenture;
- (b) in respect of the Second Lien Notes, the Second Lien Notes Indenture; and
- (c) in respect of the High Yield Notes, the High Yield Notes Indenture.

Notes Issuer means:

- (a) in respect of the Senior Secured Notes, each Senior Secured Notes Issuer;
- (b) in respect of the Second Lien Notes, the Second Lien Notes Issuer; and
- (c) in respect of the High Yield Notes, each HY Issuer.

Notes Trustee means:

- (a) in respect of the Senior Secured Notes, each Senior Secured Notes Trustee;
- (b) in respect of the Second Lien Notes, the Second Lien Notes Trustee; and
- (c) in respect of the High Yield Notes, each High Yield Notes Trustee.

Notes Trustee Amounts means the High Yield Notes Trustee Amounts, the Second Lien Notes Trustee Amounts and the Senior Secured Notes Trustee Amounts.

Original Senior Facilities Agreement has the meaning given to that term in the definition of “Senior Facilities Agreement”.

Other Liabilities means, in relation to a Debtor, a member of the Group, a Subsidiary of a Debtor, a Holding Company of a Debtor or a Subsidiary of such Holding Company or any Security Grantor, any trading and other liabilities (not being Borrowing Liabilities or Guarantee Liabilities) it may have to any Agent or any Arranger under the Debt Documents or to an Intra-Group Lender or a Debtor or Security Grantor.

Pari Passu Creditors means the lenders or other creditors in respect of any Pari Passu Debt and the Pari Passu Debt Representative(s).

Pari Passu Debt means the Liabilities (that are not subordinated in right of payment to any Senior Liabilities or Senior Secured Notes Liabilities) owed by any member of the Group which must be a Senior Guarantor (if the Senior Discharge Date has not occurred) and a Senior Secured Notes Guarantor (if any Senior Secured Notes have been issued, and the Senior Secured Notes Discharge Date has not occurred) in respect of any loan, credit or debt facility, notes, indenture or security:

- (a) which are permitted, under the terms of the Senior Secured Notes Finance Documents, any other Pari Passu Debt Documents, the Senior Finance Documents and the Second Lien Finance Documents, to share in the Transaction Security with the rights and obligations of Pari Passu Creditors as provided for in this Deed;
- (b) which are designated as such by the Company by written notice to each Agent who is a Party at such time; and
- (c) in respect of which the Pari Passu Creditors (or an agent or a trustee on their behalf) have acceded to this Deed in accordance with Clause 22.6 (New Pari Passu Creditors and Pari Passu Debt Representatives),

(excluding, for the avoidance of doubt, the Senior Liabilities, the Senior Secured Notes Liabilities and the Hedging Liabilities).

Pari Passu Debt Acceleration Event means:

- (a) the Pari Passu Debt Representative in relation to any Pari Passu Debt (or any of the other Pari Passu Creditors) exercising any rights to accelerate amounts outstanding under the Pari Passu Debt pursuant to any Pari Passu Debt Documents such that such amounts become immediately due and payable; or
- (b) any Pari Passu Debt becoming due and payable by operation of any automatic acceleration provisions in any Pari Passu Debt Document.

Pari Passu Debt Default means a Pari Passu Debt Event of Default or any event or circumstances which would (with the expiry of a grace period, the giving of notice, the making of any determination provided for in the relevant definition of such Pari Passu Debt Event of Default or any combination of the foregoing) be a Pari Passu Debt Event of Default; provided that any such event or circumstance which under the terms of the relevant Pari Passu Debt Documents requires any determination as to materiality before it becomes a Pari Passu Debt Event of Default shall not be a Pari Passu Debt Default until such determination is made in accordance with the terms of the relevant Pari Passu Debt Documents.

Pari Passu Debt Discharge Date means the first date on which all Pari Passu Debt has been fully and finally discharged in cash to the satisfaction of the relevant Pari Passu Debt Representative (acting reasonably) in relation to any Pari Passu Debt, whether or not as the result of an enforcement, and the Pari Passu Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents.

Pari Passu Debt Documents means each document or instrument entered into between any members of the Group or Debtor and a Pari Passu Creditor setting out the terms of any loan, credit or debt facility, notes, indenture, guarantee or security which creates or evidences any Pari Passu Debt (but excluding, for the avoidance of doubt, any Hedging Agreements).

Pari Passu Debt Event of Default means an event of default under (and as defined in) any Pari Passu Debt Document.

Pari Passu Debt Guarantors means each member of Group or any Debtor that is a guarantor of Pari Passu Debt in accordance with a Pari Passu Debt Document and which must be a Senior Guarantor (if the Senior Discharge Date has not occurred) and a Senior Secured Notes Guarantor (if any Senior Secured Notes have been issued, and the Senior Secured Notes Discharge Date has not occurred).

Pari Passu Debt Liabilities means the Liabilities owed by any Debtors to the Pari Passu Creditors under the Pari Passu Debt Documents (for the avoidance of doubt excluding any Hedging Liabilities).

Pari Passu Debt Payment Default means a Pari Passu Debt Default arising by reason of any non-payment under a Pari Passu Debt Document other than in respect of an amount (a) not constituting principal, interest or fees and (b) not exceeding EUR250,000 (or its equivalent in other currencies).

Pari Passu Debt Representative means any entity acting as trustee or creditor representative for the Pari Passu Creditors under any Pari Passu Debt Document and which accedes to this Deed pursuant to Clause 22.6 (New Pari Passu Creditors and Pari Passu Debt Representatives).

Pari Passu Debt Representative Amounts means fees and expenses owed by, and amounts owed by and/or payable by the Debtors to each Pari Passu Debt Representative under the Pari Passu Debt Documents including:

- (a) any amounts payable to a Pari Passu Debt Representative personally by way of indemnity and/or remuneration pursuant to a Pari Passu Debt Document (including guarantees of such amounts contained therein) or any other document entered into in connection with the incurrence of Pari Passu Debt;
- (b) compensation for and the fees and expenses of the collection by any Pari Passu Debt Representative of any amount payable to such Pari Passu Debt Representative for the benefit of the other Pari Passu Creditors;
- (c) the costs of any actual or attempted Enforcement Action and any action permitted under Sub-paragraph (e)(i) of the exception to the definition of Enforcement Action (in each case, including the fees and expenses of the Pari Passu Debt Representative's agents and counsel); and
- (d) amounts to be payable to any paying agent, registrar or any agent, custodian or other person appointed in accordance with the Pari Passu Debt Documents by any Pari Passu Debt Representative in relation to the Pari Passu Debt and any VAT payable on such amount,

provided that, for the avoidance of doubt, Pari Passu Debt Representative Amounts shall not include (i) any amount of principal or interest payable in respect of any Pari Passu Debt Document or (ii) costs of bringing any claims, suit or proceeding against any Senior Secured Creditor, Arranger or other Agents.

Participating Member State has the meaning given to the term "Participating Member State" in the Senior Facilities Agreement.

Party means a party to this Deed.

Payment means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, redemption, purchase, defeasance or discharge of those Liabilities (or other liabilities or obligations).

Payment Netting means:

- (a) in respect of a Hedging Agreement or a Hedging Ancillary Agreement based on an ISDA Master Agreement, netting under section 2(c) of the relevant ISDA Master Agreement, as amended by the relevant schedule; and
- (b) in respect of a Hedging Agreement or a Hedging Ancillary Agreement not based on an ISDA Master Agreement, netting pursuant to any provision of that Hedging Agreement or a Hedging Ancillary Agreement which has a similar effect to the provision referenced in paragraph (a) above.

Permitted Affiliate Holdco has the meaning given to the term "Permitted Affiliate Holdco" in the Senior Facilities Agreement.

Permitted Gross Amount means, in relation to a Multi-account Overdraft Facility, any amount, not exceeding the Designated Gross Amount, which is the aggregate gross debit balance of overdrafts comprised in that Multi-account Overdraft Facility.

Permitted Hedge Close-Out means, in relation to a hedging transaction under a Hedging Agreement, a termination or close-out of that hedging transaction which is permitted pursuant to Clause 4.9 (Permitted Enforcement: Hedge Counterparties).

Permitted Hedge Payments means the Payments permitted by Clause 4.2 (Restriction on Payment: Hedging Liabilities) or Clause 4.6 (Permitted Enforcement: Hedge Counterparties).

Permitted High Yield Payment means the Payments permitted by Clause 9.3 (Permitted High Yield Payments).

Permitted Intra-Group Payments means the Payments permitted by Clause 11.2 (Permitted Payments: Intra-Group Liabilities).

Permitted Payment means a Permitted Hedge Payment, a Permitted Intra-Group Payment, a Permitted High Yield Payment, a Permitted Subordinated Creditor Payment, a Permitted Second Lien Payment or a Permitted Senior Secured Creditor Payment.

Permitted Second Lien Payments means the Payments permitted by Clause 8.3 (Permitted Payments: Second Lien Liabilities).

Permitted Senior Secured Creditor Payment means the Payments permitted by Clause 3.1 (Payments of Senior Secured Creditor Liabilities).

Permitted Subordinated Creditor Payments means the Payments permitted by Clause 10.2 (Permitted Subordinated Creditor Payments).

Pre-Effective Date Security Documents means, to the extent entered into prior to the Effective Date, each Security Document (as defined in the Original Senior Facilities Agreement).

Primary Creditors means:

- (a) the Senior Secured Creditors;
- (b) the Second Lien Creditors; and
- (c) the High Yield Creditors.

Proceeds Loan means any loan whereby the issue of any High Yield Notes are lent by a HY Issuer to any member of the Group, to the extent permitted by the Debt Documents.

Proceeds Loan Agreement means each agreement between a HY Issuer and any member of the Group evidencing the terms of a Proceeds Loan.

Receiver means a receiver or receiver and manager, administrative receiver or similar officer under applicable law (including but not limited to a judicial commissioner (*Commissaris inzake opschorting/Commissaire au sursis*) of the whole or any part of the Charged Property.

Relevant Ancillary Lender means, in respect of any SFA Cash Cover, the Ancillary Facility Lender (if any) for which that SFA Cash Cover is provided.

Relevant Issuing Bank means, in respect of any SFA Cash Cover, the Issuing Bank (if any) for which that SFA Cash Cover is provided.

Relevant Liabilities means:

- (a) in the case of a Creditor:
 - (i) the Arranger Liabilities owed to an Arranger ranking (in accordance with the terms of this Deed) *pari passu* with or in priority to that Creditor;
 - (ii) the Liabilities owed to Creditors ranking (in accordance with the terms of this Deed) *pari passu* with or in priority to that Creditor together with all Agent Liabilities owed to the Agent of those Creditors; and
 - (iii) all present and future liabilities and obligations, actual and contingent, of the Debtors to the Security Agent; and

- (b) in the case of a Debtor, the Liabilities owed to the Creditors together with the Agent Liabilities owed to the Agent of those Creditors, the Arranger Liabilities and all present and future liabilities and obligations, actual and contingent, of the Debtors to the Security Agent.

Responsible Officer means any officer within the corporate trust and securities services department (however described) of any Notes Trustee, including any director, associate director, vice president, assistant vice president, assistant treasurer, trust officer or any other officer of such Notes Trustee who customarily performs functions similar to those performed by such officers, or to whom any corporate trust matter is referred because of such individual's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Deed and any Senior Secured Notes Indenture, Second Lien Notes Indenture or High Yield Notes Indenture (as applicable) to which that Notes Trustee is a party.

Retiring Security Agent has the meaning given to that term in Clause 21 (Change of Security Agent).

Revolving Facility has the meaning given to the term "Revolving Facility" in the Senior Facilities Agreement.

Second Lien Acceleration Event means:

- (a) the Second Lien Agent exercising any of its rights (excluding placing amounts on demand but including any such exercise of rights to demand payment of an amount previously placed on demand) under the equivalent provisions of the Second Lien Facilities Agreement to clause 22.17 (Acceleration) or clause 22.18 (Maintenance Covenant Revolving Facility Acceleration) of the Senior Facilities Agreement;
- (b) the Second Lien Notes Trustee (or any of the Second Lien Noteholders) exercising any of their rights to accelerate amounts outstanding under the Second Lien Notes pursuant to any Second Lien Notes Indenture; or
- (c) any Second Lien Liabilities becoming due and payable by operation of any automatic acceleration provisions in any Second Lien Finance Documents.

Second Lien Agent means each Agent under and as defined in a Second Lien Facilities Agreement which accedes to this Deed pursuant to Clause 22.11 (Creditor Accession Undertaking).

Second Lien Agent Liabilities means the Agent Liabilities owed by the Debtors to the Second Lien Agent under or in connection with the Second Lien Loan Finance Documents.

Second Lien Borrower means the "Borrower" (or equivalent) under and as defined in any Second Lien Facilities Agreement and which must be a member of the Group and a Senior Guarantor (if the Senior Discharge Date has not occurred), a Pari Passu Debt Guarantor (if any Pari Passu Debt Documents have been entered into, and the Pari Passu Debt Discharge Date has not occurred) and a Senior Secured Notes Guarantor (if any Senior Secured Notes have been issued, and the Senior Secured Notes Discharge Date has not occurred).

Second Lien Commitment has the meaning give to the term "Commitment" (or equivalent) in any Second Lien Facilities Agreement.

Second Lien Creditor means:

- (a) the Second Lien Lenders and the Second Lien Agent;
- (b) the Second Lien Noteholders and each Second Lien Notes Trustee; and
- (c) (in its capacity as creditor of the Security Agent Claim corresponding to the Second Lien Liabilities) the Security Agent.

Second Lien Credit Participation means:

- (a) in relation to a Second Lien Lender, its aggregate (drawn and undrawn) Second Lien Commitment; and
- (b) in relation to a Second Lien Noteholder, the principal amount of outstanding Second Lien Notes held by that Second Lien Noteholder.

Second Lien Creditor Liabilities Transfer means a transfer of the Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Pari Passu Debt Liabilities to the Second Lien Creditors (or any of them) as described in Clause 8.13 (Option to Purchase: Second Lien Creditors).

Second Lien Default means:

- (a) prior to the Second Lien Loan Discharge Date, a “Default” (or equivalent) under and as defined in any Second Lien Facilities Agreement; and
- (b) prior to the Second Lien Notes Discharge Date, a “Default” (or equivalent) under and as defined in any Second Lien Notes Indenture.

Second Lien Discharge Date means the later of the Second Lien Loan Discharge Date and the Second Lien Notes Discharge Date.

Second Lien Enforcement Notice has the meaning given to that term in Clause 8.12 (Permitted enforcement: Second Lien Creditors).

Second Lien Event of Default means:

- (a) prior to the Second Lien Loan Discharge Date, an “Event of Default” (or equivalent) under and as defined in any Second Lien Facilities Agreement; and
- (b) prior to the Second Lien Notes Discharge Date, an event of default under the relevant Second Lien Notes Indenture.

Second Lien Facilities has the meaning given to the term “Facility” (or equivalent) under and as defined in any Second Lien Facilities Agreement.

Second Lien Facilities Agreement means any facilities agreement or agreements under which a second lien facility or second lien facilities (and no other facilities) are made available to a Debtor which:

- (a) does not breach the terms of the Senior Facilities Agreement(s), the Senior Secured Notes Finance Documents the Pari Passu Debt Documents, any other Second Lien Finance Documents and this Deed; and
- (b) is designated as such by the Company by written notice to each Agent who is a party to this Deed at such time.

Second Lien Finance Documents means the Second Lien Loan Finance Documents and the Second Lien Notes Finance Documents

Second Lien Finance Parties means the Second Lien Loan Finance Parties and the Second Lien Notes Finance Parties.

Second Lien Finance Party Transaction Security Documents has the meaning given to the term “Transaction Security Documents” (or equivalent) under and as defined in any Second Lien Facilities Agreement and/or any Second Lien Notes Indenture.

Second Lien Guarantees has the meaning given to the term “Guarantees” (or equivalent) under and as defined in any Second Lien Facilities Agreement and/or any Second Lien Notes Indenture.

Second Lien Guarantors means the “Guarantors” (or equivalent) under and as defined in any Second Lien Facilities Agreement and each member of the Group or any Debtor that is a guarantor of the Second Lien Notes in accordance with a Second Lien Notes Indenture.

Second Lien Lenders has the meaning given to the term “Lender” (or equivalent) under and as defined in any Second Lien Facilities Agreement.

Second Lien Liabilities means the Second Lien Notes Liabilities and the Second Lien Loan Liabilities.

Second Lien Loan has the meaning given to the term “Loan” (or equivalent) under and as defined in any Second Lien Facilities Agreement.

Second Lien Loan Discharge Date means the first date on which all Second Lien Loan Liabilities have been fully and finally discharged to the satisfaction of the Second Lien Agent (acting reasonably), whether or not as a result of an enforcement, and the Second Lien Lenders are under no further obligation to provide financial accommodation to any of the Debtors under the Second Lien Loan Finance Documents.

Second Lien Loan Finance Documents has the meaning given to the term “Finance Documents” (or equivalent) under and as defined in any Second Lien Facilities Agreement.

Second Lien Loan Finance Parties has the meaning given to the term “Finance Party” (or equivalent) in any Second Lien Facilities Agreement.

Second Lien Loan Liabilities means the Liabilities owed by the Debtors to the Second Lien Loan Finance Parties under or in connection with the Second Lien Loan Finance Documents.

Second Lien Loan Outstandings means the principal amount of outstanding Second Lien Loans.

Second Lien Major Terms means the terms set out in Schedule 5 (Second Lien Major Terms).

Second Lien Noteholders means the registered holders, from time to time, of the Second Lien Notes, as determined in accordance with the relevant Second Lien Notes Indenture.

Second Lien Notes means any notes, exchange notes, debt securities or other debt instruments which may be issued by the Second Lien Notes Issuer that are issued in accordance with Clause 8.1 (Entry into Second Lien Finance Documents) and in respect of which:

- (a) the issuance of, and the terms for, such notes, securities or instruments comply with the terms of the Senior Facilities Agreement, the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents, any other Second Lien Finance Documents and this Deed;
- (b) the terms for such notes, securities or instruments are not inconsistent in any material respect with the Second Lien Major Terms;
- (c) are designated as such by the Company by written notice to each Agent who is a Party at such time; and
- (d) the entity acting as trustee or representative in respect of such notes or instruments at any time has acceded to this Deed as a Second Lien Notes Trustee pursuant to Clause 22.13 (Accession of Second Lien Notes Trustee).

Second Lien Notes Creditors means the Second Lien Noteholders, each Second Lien Notes Trustee and (in its capacity as creditor of the Security Agent Claim corresponding to the Second Lien Notes Liabilities) the Security Agent.

Second Lien Notes Discharge Date means the first date on which all Second Lien Notes Liabilities have been fully and finally discharged to the satisfaction of each Second Lien Notes Trustee (acting reasonably).

Second Lien Notes Finance Documents means the Second Lien Notes, each Second Lien Notes Indenture, the Second Lien Guarantees in respect of the Second Lien Notes, this Deed, the relevant Second Lien Finance Party Transaction Security Documents and any other document entered into in connection with the Second Lien Notes (which for the avoidance of doubt excludes any document to the extent it sets out rights of the initial purchasers of the Second Lien Notes (in their capacities as initial purchasers) against any member of the Group) and designated a Second Lien Notes Finance Document by the Company and a Second Lien Notes Trustee.

Second Lien Notes Finance Parties means any Second Lien Notes Trustee (on behalf of itself and the Second Lien Noteholders which it represents) and the Security Agent.

Second Lien Notes Indenture means any indenture or other debt instrument under which any Second Lien Notes (and no other notes) are issued by a Debtor.

Second Lien Notes Issue Date means, in respect of each Second Lien Notes Indenture, the first date on which a Second Lien Note is issued pursuant to that Second Lien Notes Indenture.

Second Lien Notes Issuer means the “Issuer” (or equivalent) under and as defined in any Second Lien Notes Indenture and which must be a member of the Group and a Senior Guarantor (if the Senior Discharge Date has not occurred), a Pari Passu Debt Guarantor (if any Pari Passu Debt Documents have been entered into, and the Pari Passu Debt Discharge Date has not occurred) and a Senior Secured Notes Guarantor (if any Senior Secured Notes have been issued, and the Senior Secured Notes Discharge Date has not occurred).

Second Lien Notes Liabilities means the Liabilities owed by the Debtors to any Second Lien Notes Finance Party or Second Lien Noteholder under or in connection with the Second Lien Notes Finance Documents provided, however, that the definition of “Second Lien Notes Liabilities” shall not include the Second Lien Notes Trustee Amounts.

Second Lien Notes Outstandings means the principal amount of outstanding Second Lien Notes held by the Second Lien Noteholders.

Second Lien Notes Trustee means any entity acting as a trustee or representative under any issue of Second Lien Notes and which accedes to this Deed pursuant Clause 22.13 (Accession of Second Lien Notes Trustee).

Second Lien Notes Trustee Amounts means, in relation to a Second Lien Notes Trustee, amounts payable to that Second Lien Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof under the Second Lien Notes Finance Documents, any provisions (including indemnity provisions) for costs and expenses in favour of that Second Lien Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof contained in the Second Lien Notes Finance Documents, all compensation for services provided by that Second Lien Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof which is payable to that Second Lien Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof pursuant to the terms of the Second Lien Notes Finance Documents and all out-of-pocket costs and expenses properly incurred by that Second Lien Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof in carrying out its duties or performing any service pursuant to the terms of Second Lien Notes Finance Documents, including, without limitation (a) compensation for the costs and expenses of the collection by that Second Lien Notes Trustee of any amount payable to that Second Lien Notes Trustee for the benefit of the Second Lien Noteholders, and (b) costs and expenses of that Second Lien Notes Trustee's advisers, receivers, delegates, attorneys, agents or appointees (but excluding: (i) any payment in relation to any unpaid costs and expenses incurred in respect of any litigation initiated by that Second Lien Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee on behalf of that Second Lien Notes Trustee against any of the Senior Finance Parties; and (ii) any payment made directly or indirectly on or in respect of any amounts owing under any Second Lien Notes (including principal, interest, premium or any other amounts to any of the Second Lien Noteholders)) including VAT where applicable.

Second Lien Outstandings means the Second Lien Loan Outstandings and the Second Lien Notes Outstandings.

Second Lien Payment Default means any non-payment Second Lien Event of Default under any Second Lien Finance Document other than in respect of an amount (a) not constituting principal, interest or fees and (b) not exceeding €250,000 (or its equivalent in other currencies). **Second Lien Payment Stop Notice** has the meaning given to that term in Clause 8.4 (Second Lien Payment Default and Issue of Second Lien Payment Stop Notice).

Second Lien Refinancing Loans means loans made to any Debtor or any member of the Group under the terms of any facilities agreement or agreements pursuant to which credit facilities are made available for the refinancing or replacement in whole or in part of Second Lien Liabilities.

Second Lien Representative means each Second Lien Agent and each Second Lien Notes Trustee.

Second Lien Standstill Period has the meaning given to that term in Clause 8.12 (Permitted enforcement: Second Lien Creditors).

Secured Debt Documents means the Senior Finance Documents, the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents, the Second Lien Finance Documents and the Hedging Agreements.

Secured Obligations:

- (a) has, in the case of a Pre-Effective Date Security Document, the meaning given to the term "Secured Liabilities" in that Pre-Effective Date Security Document; or
- (b) in all other cases, means all the Liabilities and all other present and future obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under the Secured Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

Secured Parties means the Security Agent, any Receiver or Delegate and each of the Agents, the Arrangers and the Senior Secured Parties from time to time but, in the case of each Agent, Arranger or Senior Secured Party, only if it is a party to this Deed or (in the case of an Agent or a Senior Secured Party) has acceded to this Deed, in the appropriate capacity, pursuant to Clause 22.11 (Creditor Accession Undertaking).

Security means any “Security Interest” as defined in the Senior Facilities Agreement.

Security Agent Claims has the meaning given to that term in Clause 20.3 (Parallel Debt (Covenant to pay the Security Agent)).

Security Agent’s Spot Rate of Exchange means, in respect of the conversion of one currency (the **First Currency**) into another currency (the **Second Currency**) the Security Agent’s spot rate of exchange for the purchase of the Second Currency with the First Currency in the London foreign exchange market at or about 11.00 a.m. (London time) on a particular day, which shall be notified by the Security Agent in accordance with paragraph (d) of Clause 20.9 (Security Agent’s obligations).

Security Documents means:

- (a) each of the Transaction Security Documents (including, for the avoidance of doubt, the Pre-Effective Date Security Documents);
- (b) any other document entered into at any time by any of the Debtors or Security Grantors creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any of the Secured Parties as security for any of the Secured Obligations; and
- (c) any Security granted under any covenant for further assurance in any of the documents set out in paragraphs (a) to (b) above.

Security Grantor means any person that is not a Debtor but is the grantor of Transaction Security over any of its assets or the grantor of any guarantee, indemnity or other assurance against loss, in each case in respect of the obligations of any of the Debtors under any of the Debt Documents and which becomes a Party as a Security Grantor in accordance with the terms of Clause 22 (Changes to the Parties).

Security Property means:

- (a) the Transaction Security expressed to be granted in favour of the Security Agent as agent or trustee for the Secured Parties (or pursuant to any joint and several creditorship or parallel debt provisions set out in Clause 20 (The Security Agent)) for the benefit of any of the Secured Parties and all proceeds of that Transaction Security;
- (b) all obligations expressed to be undertaken by a Debtor or a Security Grantor to pay amounts in respect of the Liabilities to the Security Agent as agent or trustee for the Secured Parties (or pursuant to any joint and several creditorship or parallel debt provisions set out in Clause 20 (The Security Agent)) and secured by the Transaction Security together with all representations and warranties expressed to be given by a Debtor or a Security Grantor in favour of the Security Agent as agent or trustee for (or otherwise for the benefit of) the Secured Parties;
- (c) the Security Agent’s interest in any trust fund created pursuant to Clause 13 (Turnover of Receipts); and
- (d) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Debt Documents to hold as trustee on trust for (or otherwise for the benefit of) the Secured Parties.

Senior Acceleration Event means:

- (a) the Senior Agent exercising any of its rights under paragraphs (a) or (b) (in the case of paragraph (b)(ii), to the extent such exercise of rights is to demand payment of an amount previously placed on demand under such paragraph (b)(ii)) of clause 22.17 (Acceleration) of the Senior Facilities Agreement or paragraphs (a), (b), (c) (to the extent such exercise of rights is to demand payment of an amount previously placed on demand under such paragraph (c)), (d), (e) (to the extent such exercise of rights is to demand payment of an amount previously placed on demand under such paragraph (e)), (f) and (g) (to the extent such exercise of rights is to demand payment of an amount previously placed on demand under such paragraph (g)) of clause 22.18 (Maintenance Covenant Revolving Facility Acceleration) (as applicable) of the Senior Facilities Agreement; or
- (b) any Senior Lender Liabilities becoming due and payable by operation of clause 22.19 (Automatic Acceleration) of the Senior Facilities Agreement.

Senior Agent means the Effective Date Senior Agent and/or any other Facility Agent under and as defined in the Senior Facilities Agreement.

Senior Agent Liabilities means the Agent Liabilities owed by the Debtors to the Senior Agent under or in connection with the Senior Finance Documents.

Senior Arranger Liabilities means the Arranger Liabilities owed by the Debtors to any Arranger under or in connection with the Senior Finance Documents.

Senior Borrower has the meaning given to the term “Borrower” in the Senior Facilities Agreement.

Senior Commitment has the meaning given to the term “Commitment” in the Senior Facilities Agreement.

Senior Credit Participation means, in relation to a Senior Creditor, the aggregate of:

- (a) its aggregate (drawn and undrawn) Senior Commitments, if any;
- (b) in respect of any hedging transaction of that Senior Creditor under any Hedging Agreement that has, as of the date the calculation is made, been terminated or closed out in accordance with the terms of this Deed, the amount, if any, payable to it under any Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (and before taking into account any interest accrued on that amount since the date of termination or close-out) to the extent that amount is unpaid (that amount to be certified by the relevant Senior Creditor and as calculated in accordance with the relevant Hedging Agreement); and
- (c) in respect of any hedging transaction of that Senior Creditor under any Hedging Agreement that has, as of the date the calculation is made, not been terminated or closed out:
 - (i) if the relevant Hedging Agreement is based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or
 - (ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case, to be certified by the relevant Senior Creditor and as calculated in accordance with the relevant Hedging Agreement.

Senior Creditors means the Senior Lenders and the Hedge Counterparties.

Senior Default means a Default under (and as defined in) the Senior Facilities Agreement.

Senior Discharge Date means the first date on which all Senior Liabilities have been fully and finally discharged to the satisfaction of the Senior Agent (in the case of the Senior Lender Liabilities) and each Hedge Counterparty (in the case of its Hedging Liabilities) (each acting reasonably), whether or not as the result of an enforcement, and the Senior Creditors (in that capacity) are under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents.

Senior Event of Default means an Event of Default under (and as defined in) the Senior Facilities Agreement.

Senior Facilities Agreement means the €2,300,000,000 senior facilities agreement originally made between, amongst others, the Company, Telenet International Finance S.a.r.l, the Effective Date Senior Agent, the Security Agent and others and originally dated 1 August 2007 (as amended from time to time, including on 19 December 2016 and on the Effective Date) (the **Original Senior Facilities Agreement**)); *provided* that any reference herein to “Senior Facilities Agreement”

includes any facilities agreement or agreements under which facilities are made available for the refinancing (or any successive refinancing thereafter) of amounts or commitments outstanding under the Original Senior Facilities Agreement (or any facilities agreement(s) that refinances (in full or in part) the Original Senior Facilities Agreement) and which:

- (a) does not breach the terms of the other Senior Facilities Agreement(s), the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents, the Second Lien Finance Documents and this Deed; and
- (b) is designated as such by the Company by written notice to each Agent who is a party to this Deed at such time.

Senior Facility has the meaning given to the term “Facility” in the Senior Facilities Agreement.

Senior Finance Documents has the meaning given to the term “Finance Documents” in the Senior Facilities Agreement.

Senior Finance Parties has the meaning given to the term “Finance Parties” in the Senior Facilities Agreement.

Senior Guarantor has the meaning given to the term “Guarantor” in the Senior Facilities Agreement.

Senior Lender Cash Collateral means any cash collateral provided by a Senior Lender to an Issuing Bank in respect of credit exposure of that Issuing Bank to that Senior Lender under a Letter of Credit (including cash collateral provided by a Lender to an Issuing Bank pursuant to clause 6.8 (Cash Collateral by Non-Acceptable L/C Lender) of the Original Senior Facilities Agreement).

Senior Lender Discharge Date means the first date on which all Senior Lender Liabilities have been fully and finally discharged to the satisfaction of the Senior Agent (acting reasonably), whether or not as the result of an enforcement, and the Senior Lenders (in that capacity) are under no further obligation to provide financial accommodation to any of the Debtors under any of the Senior Finance Documents.

Senior Lender Liabilities means the Liabilities owed by the Debtors to the Senior Lenders under the Senior Finance Documents.

Senior Lender Liabilities Transfer means a transfer of the Senior Lender Liabilities to the Senior Secured Notes Creditors and/or Pari Passu Creditors (as applicable) described in Clause 3.8 (Option to purchase: Senior Secured Notes Creditors and Pari Passu Creditors).

Senior Lenders means each Lender (as defined in the Senior Facilities Agreement), Issuing Bank and Ancillary Facility Lender.

Senior Liabilities means the Senior Lender Liabilities and the Hedging Liabilities.

Senior Payment Default means an Event of Default under clause 22.2 (Non-Payment) of the Senior Facilities Agreement other than in respect of an amount (a) not constituting principal, interest or fees and (b) not exceeding €250,000 (or its equivalent in other currencies).

Senior Refinancing Loans means loans made to any Debtor or any member of the Group under the terms of any facilities agreement or agreements pursuant to which credit facilities are made available for the refinancing or replacement in whole or in part of Senior Lender Liabilities.

Senior Secured Credit Participation means:

- (a) in relation to a Senior Creditor, its Senior Credit Participation;
- (b) in relation to a Pari Passu Creditor, its aggregate (drawn and undrawn) commitments or the principal amount outstanding (as applicable) under the relevant Pari Passu Debt Document, if any; and
- (c) in relation to a Senior Secured Noteholder, the principal amount of outstanding Senior Secured Notes held by that Senior Secured Noteholder.

Senior Secured Creditor Liabilities means the Senior Lender Liabilities, the Pari Passu Debt Liabilities and the Senior Secured Notes Liabilities.

Senior Secured Creditor Liabilities Transfer means a transfer of the Senior Lender Liabilities, the Pari Passu Debt Liabilities and the Senior Secured Notes Liabilities to the High Yield Creditors as described in Clause 9.15 (Option to purchase: High Yield Creditors).

Senior Secured Creditors means the Senior Secured Notes Creditors, the Pari Passu Creditors and the Senior Creditors.

Senior Secured Creditor Transaction Security Documents:

- (a) (prior to the Senior Discharge Date) has the meaning given to the term “Security Documents” in the Senior Facilities Agreement; and
- (b) (following the Senior Discharge Date) means any Security Document entered into at any time by any of the Debtors or Security Grantors as security for any of the Senior Secured Notes Liabilities and the Pari Passu Debt Liabilities.

Senior Secured Discharge Date means the first date on which all Senior Secured Liabilities have been fully and finally discharged to the satisfaction of each Senior Secured Notes Representative (in the case of the Senior Secured Notes Liabilities), Senior Agent (in the case of the Senior Lender Liabilities), each Pari Passu Debt Representative (in the case of the Pari Passu Debt Liabilities) and each Hedge Counterparty (in the case of the Hedging Liabilities) (each acting reasonably), whether or not as the result of an enforcement, and the Senior Secured Creditors are under no further obligation to provide financial accommodation to any of the Debtors under any of the Debt Documents.

Senior Secured Event of Default means a Senior Event of Default, a Pari Passu Debt Event of Default or a Senior Secured Notes Event of Default.

Senior Secured Liabilities means the Senior Secured Notes Liabilities, the Pari Passu Debt Liabilities and the Senior Liabilities.

Senior Secured Noteholders means the registered holders, from time to time, of the Senior Secured Notes, as determined in accordance with the relevant Senior Secured Notes Indenture.

Senior Secured Notes means high yield notes, exchange notes, debt securities or other debt instruments that may be issued by a Senior Secured Notes Issuer and in respect of which:

- (a) the issuance of, and the terms for such notes, securities or instruments comply with the terms of the Senior Facilities Agreement, any other Senior Secured Notes Finance Documents, the Pari Passu Debt Documents, the Second Lien Finance Documents and this Deed;
- (b) are designated as such by the Company by written notice to each Agent who is a Party at such time; and
- (c) the entity acting as trustee or representative in respect of such notes, securities or instruments has acceded to this Deed as a Senior Secured Notes Trustee pursuant to Clause 22.14 (Accession of Senior Secured Notes Trustee).

Senior Secured Notes Acceleration Event means:

- (a) the Senior Secured Notes Trustee (or any of the Senior Secured Noteholders) exercising any rights to accelerate amounts outstanding under the Senior Secured Notes pursuant to any Senior Secured Notes Indenture; or
- (b) any Senior Secured Notes Liabilities becoming due and payable by operation of any automatic acceleration provisions in any Senior Secured Notes Finance Document.

Senior Secured Notes Creditors means the Senior Secured Noteholders, each Senior Secured Notes Trustee and (in its capacity as creditor of the Security Agent Claims corresponding to the Senior Secured Notes Liabilities) the Security Agent.

Senior Secured Notes Default means a Senior Secured Notes Event of Default or any event or circumstances which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Senior Secured Notes Finance Documents or any combination of the foregoing) be a Senior Secured Notes Event of Default, *provided* that any such event or circumstance which under the terms of the relevant Senior Secured Notes Finance Documents requires any determination as to materiality before it becomes a Senior Secured Notes Event of Default shall not be a Senior Secured Notes Default until such determination is made in accordance with the terms of the relevant Senior Secured Notes Finance Documents).

Senior Secured Notes Discharge Date means the first date on which all Senior Secured Notes Liabilities have been fully and finally discharged to the satisfaction of each Senior Secured Notes Representative (acting reasonably).

Senior Secured Notes Event of Default means an event of default under the relevant Senior Secured Notes Indenture.

Senior Secured Notes Finance Documents means the Senior Secured Notes, each Senior Secured Notes Indenture, the Senior Secured Notes Guarantees in respect of the Senior Secured Notes, this Deed, the Senior Secured Creditor Transaction Security Documents and any other document entered into in connection with the Senior Secured Notes (which for the avoidance of doubt excludes any document to the extent it sets out rights of the initial purchasers of the Senior Secured Notes (in their capacities as initial purchasers) against any member of the Group) and designated a Senior Secured Notes Finance Document by the Company and a Senior Secured Notes Trustee (but excluding, for the avoidance of doubt, any Hedging Agreements).

Senior Secured Notes Finance Parties means any Senior Secured Notes Trustee (on behalf of itself and the Senior Secured Noteholders that it represents) and the Security Agent.

Senior Secured Notes Guarantee means each guarantee granted by a Senior Secured Notes Guarantor in favour of any Senior Secured Notes Creditor contained in any Senior Secured Notes Finance Document.

Senior Secured Notes Guarantors means each member of Group or any Debtor that is a guarantor of Senior Secured Notes in accordance with a Senior Secured Notes Indenture and which must be a Senior Guarantor (if the Senior Discharge Date has not occurred) and a Pari Passu Debt Guarantor (if any Pari Passu Debt Documents have been entered into, and the Pari Passu Debt Discharge Date has not occurred).

Senior Secured Notes Indenture means the indenture or indentures pursuant to which any Senior Secured Notes are issued.

Senior Secured Notes Issue Date means, in respect of each Senior Secured Notes Indenture, the first date on which a Senior Secured Note is issued pursuant to that Senior Secured Notes Indenture.

Senior Secured Notes Issuer means the Company, any Senior Borrower, any Permitted Affiliate Parent (as defined in the Senior Facilities Agreement), any other SSN Finance Subsidiary (as defined in the Senior Facilities Agreement), or any other member of the Group, in each case which is permitted or not prohibited under the terms of the Senior Finance Documents, the Senior Secured Notes Finance Documents and the Pari Passu Debt Documents to issue Senior Secured Notes, in each case to the extent any such entity is the issuer of any Senior Secured Notes and which must be a Senior Guarantor (if the Senior Discharge Date has not occurred) and a Pari Passu Debt Guarantor (if any Pari Passu Debt Documents have been entered into, and the Pari Passu Debt Discharge Date has not occurred).

Senior Secured Notes Liabilities means all Liabilities owed by the Debtors to any Senior Secured Notes Finance Party or Senior Secured Noteholder under or in connection with the Senior Secured Notes or the Senior Secured Notes Finance Documents (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) provided, however, that the definition of “Senior Secured Notes Liabilities” shall not include the Senior Secured Notes Trustee Amounts.

Senior Secured Notes Representative means each Senior Secured Notes Trustee in respect of any Senior Secured Notes that are outstanding.

Senior Secured Notes Trustee means any entity acting as a trustee or representative under any issue of Senior Secured Notes and which accedes to this Deed pursuant to Clause 22.14 (Accession of Senior Secured Notes Trustee).

Senior Secured Notes Trustee Amounts means, in relation to a Senior Secured Notes Trustee, amounts payable to that Senior Secured Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof under the Senior Secured Notes Finance Documents, any provisions (including indemnity provisions) for costs and expenses in favour of that Senior Secured Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof contained in Senior Secured Notes Finance Documents, all compensation for services provided by that Senior Secured

Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof which is payable to that Senior Secured Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof pursuant to the terms of the Senior Secured Notes Finance Documents and all out-of-pocket costs and expenses properly incurred by that Senior Secured Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof in carrying out its duties or performing any service pursuant to the terms of Senior Secured Notes Finance Documents, including, without limitation (a) compensation for the costs and expenses of the collection by that Senior Secured Notes Trustee of any amount payable to that Senior Secured Notes Trustee for the benefit of the Senior Secured Noteholders, and (b) costs and expenses of that Senior Secured Notes Trustee's advisers, receivers, delegates, attorneys, agents or appointees (but excluding: (i) any payment in relation to any unpaid costs and expenses incurred in respect of any litigation initiated by that Senior Secured Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee on behalf of that Senior Secured Notes Trustee against any of the Senior Creditors or their Agents; and (ii) any payment made directly or indirectly on or in respect of any amounts owing under any Senior Secured Notes (including principal, interest, premium or any other amounts to any of the Senior Secured Noteholders)) including VAT where applicable.

Senior Secured Parties means the Senior Secured Creditors plus the Second Lien Finance Parties.

Senior Secured Payment Default means:

- (a) Senior Payment Default;
- (b) Pari Passu Debt Payment Default; or
- (c) any Senior Secured Notes Event of Default arising by reason of any non-payment under a Senior Secured Notes Finance Document other than in respect of an amount (a) not constituting principal, interest or fees and (b) not exceeding €250,000 (or its equivalent in other currencies).

Senior Term Facilities means each term loan facility made available under the Senior Facilities Agreement.

SFA Cash Cover means a Debtor, in respect of a Letter of Credit or Ancillary Facility to be issued or provided under the Senior Facilities Agreement or a Pari Passu Debt Document (as applicable), paying an amount in the currency of that Letter of Credit (or, as the case may be, Ancillary Facility) to an account in the name of that Debtor and the following conditions being met:

- (a) the account is with the relevant Issuing Bank or Ancillary Facility Lender for which that cash cover is to be provided;
- (b) until no amount is or may be outstanding under that Letter of Credit or Ancillary Facility, withdrawals from the account may only be made to pay the relevant Senior Lender or Pari Passu Creditor (as applicable) amounts due and payable to it in respect of that Letter of Credit or Ancillary Facility; and
- (c) the Debtor has executed a security document over that account creating a first ranking security interest over that account.

SFA Cash Cover Document means, in relation to any SFA Cash Cover, any Senior Finance Document or Pari Passu Debt Document (as applicable) which creates or evidences, or is expressed to create or evidence, the Security required to be provided over that SFA Cash Cover by paragraph (c) of the definition of SFA Cash Cover.

Subordinated Creditors means each Effective Date Subordinated Creditor and each party that enters into a Creditor Accession Undertaking as a Subordinated Creditor (as defined in that Creditor Accession Undertaking) in accordance with Clause 22.2 (Subordinated Creditor).

Subordinated Creditor Document means any agreement providing for a loan by a Subordinated Creditor to any member of the Group (including without limitation any Proceeds Loan Agreement) and any other document or agreement providing for the payment of any amount by any member of the Group to a Subordinated Creditor.

Subordinated Discharge Date means the date on which the Subordinated Liabilities have been fully paid and discharged and all commitments under the Subordinated Creditor Documents to provide any financial accommodation of all of the Subordinated Creditors have been cancelled to the satisfaction of the Subordinated Creditors acting reasonably.

Subordinated Liabilities means (a) all money and Liabilities now or in future due or owing to a Subordinated Creditor by any member of the Group under a Subordinated Creditor Document and (b) any liability of the Company, any Permitted Affiliate Parent and/or any New Group Topco (as defined in the Senior Facilities Agreement) in respect of declared dividends.

Subsidiary of a person means any company or entity directly or indirectly controlled by such person, for which purpose control means ownership of more than 50 per cent. of the economic and/or voting share capital (or equivalent right of ownership of such company or entity).

SuperHoldco has the meaning given to such term in the Original Senior Facilities Agreement.

Supplemental Deed means the supplemental deed relating to this Deed dated 10 August 2017 between, among others, the Company, Telenet International Finance S.a.r.l., the Effective Date Debtors, the Senior Agent and the Security Agent.

Swap Obligation means, with respect to any Debtor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

TARGET2 means the Trans European Automated Real time Gross Settlement Express Transfer payment system which utilise a single shared platform and which was launched on 19 November 2007.

TARGET Day means any day on which TARGET2 is open for the settlement of payments in euro.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Transaction Security means the Security created or evidenced or expressed to be created or evidenced under or pursuant to the Transaction Security Documents.

Transaction Security Documents means the Senior Secured Creditor Transaction Security Documents and the Second Lien Finance Party Transaction Security Documents.

VAT means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

Winding-up means, in respect of a person, the winding-up, amalgamation, reconstruction, administration, examination, dissolution (*ontbinding*), liquidation (*vereffening*), merger or consolidation, of that person, and any equivalent or analogous procedure under the law of any jurisdiction.

1.2 Construction

(a) Unless a contrary indication appears, a reference in this Deed to:

- (i) any **Agent, Ancillary Facility Lender, Arranger, Creditor, Debtor, Hedge Counterparty, High Yield Guarantor, HY Issuer, High Yield Notes Trustee, High Yield Noteholder, Intra-Group Lender, Issuing Bank, Pari Passu Creditor, Pari Passu Debt Guarantor, Pari Passu Debt Representative, Party, Primary Creditor, Second Lien Agent, Second Lien Borrower, Second Lien Creditor, Second Lien Guarantor, Second Lien Lender, Second Lien Notes Issuer, Second Lien Notes Trustee, Second Lien Noteholder, Security Agent, Security Grantor, Senior Agent, Senior Borrower, Senior Creditor, Senior Guarantor, Senior Lender, Senior Secured Notes Guarantor, Senior Secured Notes Issuer, Senior Secured Notes Trustee, Senior Secured Noteholder, Subordinated Creditor or the Company** shall be construed to be a reference to it in its capacity as such and not in any other capacity;
- (ii) any **Agent, Ancillary Facility Lender, Arranger, Creditor, Debtor, Hedge Counterparty, High Yield Guarantor, HY Issuer, High Yield Notes Trustee, High Yield Noteholder, Intra-Group Lender, Issuing Bank, Pari Passu Creditor, Pari Passu Debt Guarantor, Pari Passu Debt Representative, Party, Primary Creditor, Second Lien Agent, Second Lien Borrower, Second Lien Creditor, Second Lien Guarantor, Second Lien Lender, Second Lien Notes Issuer, Second Lien Notes**

Trustee, Second Lien Noteholder, Security Agent, Security Grantor, Senior Agent, Senior Borrower, Senior Creditor, Senior Guarantor, Senior Lender, Senior Secured Notes Guarantor, Senior Secured Notes Issuer, Senior Secured Notes Trustee, Senior Secured Noteholder, Subordinated Creditor or the Company or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with this Deed;

- (iii) **assets** includes present and future properties, revenues and rights of every description;
 - (iv) a **Debt Document** or any other agreement or instrument is (other than a reference to a **Debt Document** or any other agreement or instrument in **original form**) a reference to that Debt Document, or other agreement or instrument, as amended, novated, supplemented, extended, restated or replaced from time to time (however fundamentally) and includes any increase in, addition to or extension of or other change to any facility made available under any such agreement or instrument (in each case to the extent permitted by this Deed);
 - (v) **enforcing** (or any derivation) the Transaction Security shall include the appointment of an administrator of a Debtor or a Security Grantor by the Security Agent;
 - (vi) **indebtedness** includes any obligation (in each case whether present or future, whether incurred as principal, surety or as guarantor or whether incurred alone or jointly, or jointly and severally, with any other person, whether actual or contingent, whether or not matured or whether or not liquidated) for the payment or repayment of money together, in each case, with all Additional Amounts;
 - (vii) the **original form** of a **Debt Document** or any other agreement or instrument is a reference to that Debt Document, agreement or instrument as originally entered into (save as otherwise provided in this Deed);
 - (viii) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (ix) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but if not having the force of law being one with which it is the practice of the relevant person to comply) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation; and
 - (x) a provision of law is a reference to that provision as amended or re-enacted.
- (b) Section, Clause and Schedule headings are for ease of reference only.
 - (c) A Default or an Event of Default is **continuing** if it has not been remedied or waived.
 - (d) The determination that a High Yield Payment Stop Notice or Second Lien Payment Stop Notice is **outstanding** is to be made by reference to the provisions of Clause 9.4 (Issue of High Yield Payment Stop Notice) or, as the case may be, Clause 8.4 (Second Lien Payment Default and Issue of Second Lien Payment Stop Notice).
 - (e) On and after the completion of a refinancing, an amendment or an amendment and restatement of a **Senior Facilities Agreement** (as referred to in the definition of Senior Facilities Agreement), any reference in this Deed to any definition, clause, paragraph, provision or other term of the Senior Facilities Agreement (excluding, for the avoidance of doubt, any references to the Original Senior Facilities Agreement) shall be read and construed as a reference to any equivalent definition, clause, paragraph, provision or other term in such refinanced, amended or amended and restated Senior Facilities Agreement which is similar in meaning and effect.
 - (f) After the Senior Lender Discharge Date, if no Senior Facilities Agreement is in force, any reference in this Deed to the Senior Facilities Agreement (or to any definition, clause, paragraph, provision or other term of the Senior Facilities Agreement) shall (if applicable) be

read and construed as a reference to any Pari Passu Debt Document (or to any definition, clause, paragraph, provision or other term of such Pari Passu Debt Document), if such Pari Passu Debt Document is a facility agreement or any other agreement under which facilities are made available.

- (g) Any reference in this Deed to any definition in any Pari Passu Debt Document shall be read and construed as a reference to any equivalent definition contained in any Pari Passu Debt Document which is similar in meaning and effect.
- (h) Creditors may only benefit from Group Recoveries to the extent that the Liabilities of such Creditors have the benefit of the guarantees or security under which such Group Recoveries are received and provided that, in all cases, the rights of such Secured Parties shall in any event be subject to the priorities set out in Clause 17 (Application of Proceeds) and to Clause 18 (Equalisation) and provided further, however, that this shall not prevent:
 - (i) the Senior Secured Notes Trustee from claiming and being paid the Senior Secured Notes Trustee Amounts, the Second Lien Notes Trustee from claiming and being paid the Second Lien Notes Trustee Amounts or the High Yield Notes Trustee from claiming and being paid the High Yield Notes Trustee Amounts;
 - (ii) the Senior Agent from claiming and being paid the Senior Agent Liabilities;
 - (iii) the Pari Passu Debt Representative from claiming and being paid the Pari Passu Debt Representative Amounts;
 - (iv) a Second Lien Agent from claiming and being paid the Second Lien Agent Liabilities;
 - (v) a Senior Secured Creditor or Second Lien Finance Party benefiting from such Group Recoveries where it was not legally possible for the Senior Secured Creditor or Second Lien Finance Party to obtain the relevant guarantees or security; or
 - (vi) to the extent legally permitted, a Senior Secured Creditor benefitting from Group Recoveries resulting from the realisation or enforcement of any Security granted under a Pre-Effective Date Security Document where the Liabilities owed to such Senior Secured Creditor do not constitute Secured Obligations pursuant to paragraph (a) of the definition of “Secured Obligations”.
- (i) In determining whether or not any Liabilities have been fully and finally discharged, the relevant Agent will disregard contingent liabilities (such as the risk of claw back flowing from a preference) except to the extent the relevant Agent reasonably believes (after taking such legal advice as it considers appropriate) that there is a reasonable likelihood that those liabilities will become actual liabilities.
- (j) Where any Consent is required under this Deed from:
 - (i) a Senior Lender or Senior Finance Party where such Consent is required after the Senior Lender Discharge Date;
 - (ii) a Hedge Counterparty where such Consent is required after the Senior Discharge Date;
 - (iii) a Pari Passu Creditor where such Consent is required after the Pari Passu Debt Discharge Date;
 - (iv) a Senior Secured Notes Creditor where such Consent is required after the Senior Secured Notes Discharge Date;
 - (v) a Second Lien Lender or Second Lien Loan Finance Party where such Consent is required after the Second Lien Loan Discharge Date; or
 - (vi) a Second Lien Notes Creditor where such Consent is required after the Second Lien Notes Discharge Date,such Consent requirement will cease to apply.
- (k) References to a Pari Passu Debt Representative acting on behalf of the relevant Pari Passu Creditors shall be to such Pari Passu Debt Representative acting on behalf of the Pari Passu Creditors for which it has been appointed as agent or trustee.

- (l) References to the Senior Secured Notes Trustee acting on behalf of the Senior Secured Noteholders means such Senior Secured Notes Trustee acting on behalf of the Senior Secured Noteholders which it represents or, if applicable, with the Consent of the requisite number of Senior Secured Noteholders required under and in accordance with the applicable Senior Secured Notes Indenture. A Senior Secured Notes Trustee will be entitled to seek instructions from the Senior Secured Noteholders which it represents to the extent required by the applicable Senior Secured Notes Indenture as to any action to be taken by it under this Deed.
- (m) References to the Second Lien Notes Trustee acting on behalf of the Second Lien Noteholders means such Second Lien Notes Trustee acting on behalf of the Second Lien Noteholders which it represents or, if applicable, with the Consent of the requisite number of Second Lien Noteholders required under and in accordance with the applicable Second Lien Notes Indenture. A Second Lien Notes Trustee will be entitled to seek instructions from the Second Lien Noteholders which it represents to the extent required by the applicable Second Lien Notes Indenture as to any action to be taken by it under this Deed.
- (n) References to the High Yield Notes Trustee acting on behalf of the High Yield Noteholders means such High Yield Notes Trustee acting on behalf of the High Yield Noteholders which it represents or, if applicable, with the Consent of the requisite number of High Yield Noteholders required under and in accordance with the applicable High Yield Notes Indenture. A High Yield Notes Trustee will be entitled to seek instructions from the High Yield Noteholders which it represents to the extent required by the applicable High Yield Notes Indenture as to any action to be taken by it under this Deed.
- (o) Any Consent to be given under this Deed shall mean such Consent is to be given in writing, which for the purposes of this Deed will be deemed to include any instructions, waivers or Consents provided through any applicable clearance system in accordance with the terms of the relevant Debt Document.
- (p) Until the relevant proceeds are released from such escrow, the provisions of this Deed shall not apply to or create any restriction in respect of any escrow arrangement pursuant to which the proceeds of any High Yield Notes, Second Lien Notes and/or Senior Secured Notes are subject and this Deed shall not govern the rights and obligations of the High Yield Noteholders, Second Lien Noteholders or, as the case may be, Senior Secured Noteholders concerned until such proceeds are released from such escrow arrangement in accordance with the terms thereof.
- (q) “€” and “EUR” mean the single currency unit of the Participating Member States.
- (r) US\$ means the lawful currency for the time being of the United States of America.¹

1.3 Third Party Rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Rights Act**) to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed, the Consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver, Delegate or any other person described in Clause 20.12 (No proceedings) may, subject to this Clause 1.3 and the Third Parties Rights Act, rely on any Clause of this Deed which expressly confers rights on it.
- (d) The Third Parties Rights Act shall apply to this Deed in respect of any Senior Secured Noteholder, Second Lien Noteholder or High Yield Noteholder which by holding a Senior Secured Note, Second Lien Note or High Yield Note, as the case may be, has effectively agreed to be bound by the provisions of this Deed and will be deemed to receive the benefits hereof, and be subject to the terms and conditions hereof, as if such person was a Party hereto. For the purposes of the preceding sentence, upon any person becoming a Senior Secured Noteholder, Second Lien Noteholder or High Yield Noteholder, such person shall be deemed a Party to this Deed provided that such person is deemed to be a Party to this Deed under the terms of the relevant Notes Indenture.

¹ Definitions in the SFA to be updated to reflect the ICA

2. RANKING AND PRIORITY

2.1 Creditor Liabilities

Subject to Clause 2.3 (High Yield Debt, Second Lien Debt and Transaction Security), each of the Parties agrees that the Liabilities owed by:

- (a) the Debtors (other than a HY Issuer) to the Primary Creditors, Subordinated Creditors and/or Intra-Group Lenders shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking Liabilities as follows:
 - (i) **first**, the Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Debt Liabilities, the Hedging Liabilities, the Agent Liabilities, the Arranger Liabilities, the Second Lien Liabilities (but subject to Clause 2.2 (Transaction Security)), the Senior Secured Notes Trustee Amounts, the Second Lien Notes Trustee Amounts, the High Yield Notes Trustee Amounts and the Pari Passu Debt Representative Amounts *pari passu* and without any preference between them;
 - (ii) **second**, the High Yield Notes Liabilities *pari passu* between themselves and without any preference between them;
 - (iii) **third**, the Subordinated Liabilities; and
 - (iv) **fourth**, the Intra-Group Liabilities; and
- (b) a HY Issuer to the Primary Creditors shall rank in right and priority of payment *pari passu* between themselves and without any preference between them (but subject to Clause 2.2 (Transaction Security)).
- (c) The rankings in paragraphs (a) and (b) above apply regardless of:
 - (i) the order of resignation, notice or execution of any Security or other document;
 - (ii) when any Liabilities are incurred;
 - (iii) whether or when a Creditor is obliged to provide any financial accommodation under the Debt Documents;
 - (iv) any fluctuation in the outstanding amount of, or any intermediate discharge of, any Liabilities; or
 - (v) the creation in favour of the Secured Parties of any additional security over the undertaking, properties or assets of the Debtors.

2.2 Transaction Security

- (a) Each of the Parties agrees that the Transaction Security shall rank and secure the following Liabilities (only to the extent that such Transaction Security is expressed to secure those Liabilities), but in the case of the Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Debt Liabilities, the Senior Agent Liabilities, the Senior Arranger Liabilities, the Senior Secured Notes Trustee Amount, the Pari Passu Debt Representative Amounts and the Hedging Liabilities, without prejudice to Clause 17 (Application of Proceeds) and Clause 18 (Equalisation) in the following order:
 - (i) **first**, the Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Debt Liabilities, the Senior Agent Liabilities, the Senior Arranger Liabilities, the Senior Secured Notes Trustee Amounts, the Pari Passu Debt Representative Amounts and the Hedging Liabilities (but, in the case of Transaction Security granted under the Pre-Effective Date Security Documents, only to the extent that such Transaction Security is expressed to secure those Liabilities, but without prejudice to Clause 17 (Application of Proceeds) and Clause 18 (Equalisation)), *pari passu* and without any preference between them; and
 - (ii) **second**, the Second Lien Liabilities.
- (b) For the avoidance of doubt, it is expressly acknowledged and agreed that any Hedging Liability that constitutes an Excluded Swap Obligation shall not be secured by the assets of any Non-ECP Debtor.

- (c) The Subordinated Liabilities and the Intra-Group Liabilities are and will remain unsecured.

2.3 High Yield Debt, Second Lien Debt and Transaction Security

- (a) The Parties acknowledge that the Borrowing Liabilities owed (if any) by a Debtor or a member of the Group in relation to any High Yield Notes Liabilities or Second Lien Liabilities are senior obligations of that Debtor or member of the Group.
- (b) Notwithstanding paragraph (a) above, the High Yield Creditors agree that, until the later of the Senior Secured Discharge Date and the Second Lien Discharge Date, they may not take any enforcement action over, or steps to appropriate, the assets of any HY Issuer, Debtor or other member of the Group subject to the Transaction Security Documents in connection with any Enforcement Action, other than as expressly permitted by this Deed.

2.4 Intra-Group Liabilities and Subordinated Liabilities

- (a) Each of the Parties agrees that the Intra-Group Liabilities and Subordinated Liabilities are postponed and subordinated to the Liabilities owed by the Debtors to the Primary Creditors.
- (b) This Deed does not purport to rank any of the Intra-group Liabilities and Subordinated Liabilities, each as between themselves.

2.5 Additional and/or Refinancing Debt

- (a) The Creditors acknowledge that the Debtors (or any of them) may wish to (a) incur incremental Borrowing Liabilities and/or Guarantee Liabilities in respect of incremental Borrowing Liabilities or (b) refinance Borrowing Liabilities and/or incur Guarantee Liabilities in respect of any such refinancing of Borrowing Liabilities, which in any such case are intended to rank and/or share any existing Security pari passu with any existing Liabilities and/or to rank behind any existing Liabilities and/or to share in any existing Security behind any existing Liabilities. The Creditors confirm that if and to the extent such a financing or refinancing and such ranking and such Security is permitted by the terms of the Debt Documents at such time, they will (at the cost of the Debtors) co-operate with the Debtors with a view to enabling such financing or refinancing and such sharing in the Security to take place. In particular, but without limitation, the Senior Lenders, the Senior Secured Noteholders, the Pari Passu Creditors, the Second Lien Lenders, the Second Lien Noteholders and the High Yield Noteholders hereby authorise and direct their Agent to execute any amendment to this Deed and such other Debt Documents required to reflect such arrangements to the extent such financing, refinancing and/or sharing is permitted by such Debt Documents.
- (b) The Debtors may not incur any Borrowing Liabilities or Guarantee Liabilities which:
 - (i) fall within paragraph (b) of the definition of Secured Obligations; but
 - (ii) do not fall within paragraph (a) of the definition of Secured Obligations,unless additional Security is granted in favour of the Secured Parties over the assets secured by each Pre-Effective Date Security Document.

2.6 Anti-layering

- (a) Until the Second Lien Discharge Date, no Debtor shall, without the approval of the Majority Second Lien Creditors, issue or allow to remain outstanding any Liabilities that:
 - (i) are secured or expressed to be secured by Transaction Security on a basis junior to the Senior Secured Liabilities but senior to the Second Lien Liabilities;
 - (ii) are expressed to rank or rank so that they are subordinated to any of the Senior Secured Liabilities but are senior to the Second Lien Liabilities; or
 - (iii) are contractually subordinated in right of payment to the Senior Secured Liabilities and senior in right of payment to the Second Lien Liabilities.
- (b) The foregoing shall not prevent:
 - (i) subordination arising by operation of law; or

- (ii) a Debtor from incurring additional Senior Liabilities in accordance with the terms of the Senior Finance Documents which are expressed to be secured by the Transaction Security on a *pari passu* super senior basis to the other Senior Liabilities and/or which are contractually senior in right of payment to any of the other Senior Liabilities.

3. SENIOR LENDER LIABILITIES, PARI PASSU DEBT LIABILITIES AND SENIOR SECURED NOTES LIABILITIES

3.1 Payments of Senior Secured Creditor Liabilities

- (a) The Debtors may make Payments in respect of the Senior Secured Creditor Liabilities at any time provided that, following the occurrence of a Senior Acceleration Event, a Senior Secured Notes Acceleration Event, a Pari Passu Debt Acceleration Event or an Insolvency Event, no Debtor may make (and no Senior Secured Creditor may receive) Payments of the Senior Lender Liabilities, Pari Passu Debt Liabilities or Senior Secured Notes Liabilities except from Group Recoveries distributed in accordance with Clause 17 (Application of Proceeds).
- (b) For the avoidance of doubt, the proviso in paragraph (a) above:
 - (i) acts as a suspension of payment and not as a waiver of the right to receive payment on the date such payments are due;
 - (ii) will not prevent the accrual or capitalisation of interest (including default interest) in accordance with the Secured Debt Documents (other than the Hedging Agreements);
 - (iii) will not prevent the payment of any Senior Secured Notes Trustee Amounts, any Senior Agent Liabilities and/or any Pari Passu Debt Representative Amounts; and
 - (iv) will not prevent the payment of audit fees, directors' fees, taxes and other proper and incidental expenses required to maintain existence.

3.2 Amendments and Waivers

Subject to Clause 4.5 (Amendments and Waivers: Hedging Agreements), the relevant Senior Secured Creditors and the Debtors may amend or waive the terms of the Secured Debt Documents in accordance with their terms (and subject to any Consent required under them) at any time.

3.3 Security and guarantees: Senior Secured Creditors

Other than as set out in Clause 3.4 (Security: Ancillary Facility Lenders and Issuing Banks), the Senior Lenders, the Pari Passu Creditors and the Senior Secured Notes Creditors may only take, accept or receive the benefit of:

- (a) any Security from any Debtor, any member of the Group or any Security Grantor in respect of the Senior Lender Liabilities, the Pari Passu Debt Liabilities or the Senior Secured Notes Liabilities in addition to the Common Transaction Security and (to the extent applicable) the Transaction Security granted under the Pre-Effective Date Security Documents if (except for any Security permitted under Clause 3.4 (Security: Ancillary Facility Lenders and Issuing Banks)) and to the extent legally possible and subject to any Agreed Security Principles, at the same time it is also granted either:
 - (i) to the Security Agent as agent or trustee for the other Senior Secured Parties in respect of their Liabilities; or
 - (ii) in the case of any jurisdiction in which effective Security cannot be granted in favour of the Security Agent as agent or trustee for the Senior Secured Parties:
 - (A) to the other Secured Parties in respect of their Liabilities; or
 - (B) to the Security Agent under a parallel debt structure, joint and several creditor structure or agency structure for the benefit of the other Senior Secured Parties, and ranks, or is expressed to rank, in the same order of priority as that contemplated in Clause 2.2 (Transaction Security), provided that all amounts received or recovered by any Senior Secured Party with respect to such Security are immediately paid to the Security Agent and held and applied in accordance with Clause 17 (Application of Proceeds); and

- (b) any guarantee, indemnity or other assurance against loss from any Debtor, any member of the Group or any Security Grantor in respect of the Senior Lender Liabilities, the Pari Passu Debt Liabilities or the Senior Secured Notes Liabilities in addition to those in:
 - (i) the form of Senior Facilities Agreement as at the Effective Date (or any other Finance Document (as defined therein) in its form as at the Effective Date);
 - (ii) this Deed; or
 - (iii) any Common Assurance,
 if (except for any guarantee, indemnity or other assurance against loss permitted under Clause 3.4 (Security: Ancillary Facility Lenders and Issuing Banks) and to the extent legally possible and subject to any Agreed Security Principles, at the same time it is also granted to the other Senior Secured Parties in respect of their Liabilities and ranks, or is expressed to rank, in the same order of priority as that contemplated in Clause 2 (Ranking and Priority) and all amounts received or recovered by any Senior Secured Creditor with respect to such Security, guarantee, indemnity or other assurance against loss are immediately paid to the Security Agent and held and applied in accordance with Clause 17 (Application of Proceeds).

3.4 Security: Ancillary Facility Lenders and Issuing Banks

No Ancillary Facility Lender or Issuing Bank will, unless the prior Consent of the Majority Senior Creditors is obtained, take, accept or receive from any Debtor, any member of the Group or any Security Grantor the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities owed to it other than:

- (a) the Common Transaction Security and (to the extent applicable) the Transaction Security granted under the Pre-Effective Date Security Documents;
- (b) each guarantee, indemnity or other assurance against loss contained in:
 - (i) the form of the Senior Facilities Agreement as at the Effective Date;
 - (ii) this Deed; or
 - (iii) any Common Assurance;
- (c) indemnities and assurances against loss contained in the Ancillary Facility Documents no greater in extent than any of those referred to in paragraph (b) above;
- (d) any SFA Cash Cover permitted under the Senior Facilities Agreement (or equivalent provision contained in any Pari Passu Debt Document) relating to any Ancillary Facility or for any Letter of Credit issued by the Issuing Bank;
- (e) the indemnities or any netting or set-off arrangement contained in an ISDA Master Agreement (other than for the avoidance of doubt those in any credit support annex or similar supporting Security Document), or any indemnities or any netting or set-off arrangements which are similar in meaning and effect (in the case of a Hedging Agreement which is not based on an ISDA Master Agreement); or
- (f) any Security, guarantee, indemnity or other assurance against loss giving effect to, or arising as a result of the effect of, any netting or set-off arrangement relating to the Ancillary Facilities for the purpose of netting debit and credit balances arising under the Ancillary Facilities.

3.5 Restriction on Enforcement: Senior Lenders, Pari Passu Creditors and Senior Secured Notes Creditors

Subject to Clause 3.7 (Permitted Enforcement: Ancillary Facility Lenders and Issuing Banks), no Senior Lender, Pari Passu Creditor or Senior Secured Notes Creditor may take any Enforcement Action under paragraph (c) of the definition thereof without the prior written Consent of an Instructing Group.

3.6 Restriction on Enforcement: Ancillary Facility Lenders and Issuing Banks

Subject to Clause 3.7 (Permitted Enforcement: Ancillary Facility Lenders and Issuing Banks), so long as any of the Senior Liabilities or Pari Passu Debt Liabilities under any Pari Passu Debt

Document providing for revolving credit facilities (“**Pari Passu Revolving Liabilities**”) (other than any Liabilities owed to the Ancillary Facility Lenders or Issuing Banks) are or may be outstanding, none of the Ancillary Facility Lenders nor the Issuing Banks shall be entitled to take any Enforcement Action in respect of any of the Liabilities owed to it.

3.7 Permitted Enforcement: Ancillary Facility Lenders and Issuing Banks

- (a) The Ancillary Facility Lenders and Issuing Banks may take Enforcement Action if:
 - (i) at the same time as, or prior to, that action, Enforcement Action has been taken in respect of the Senior Lender Liabilities or Pari Passu Revolving Liabilities (excluding the Liabilities owing to Ancillary Facility Lenders and the Issuing Banks), in which case the Ancillary Facility Lenders and the Issuing Banks may take the same Enforcement Action as has been taken in respect of those Senior Lender Liabilities or Pari Passu Revolving Liabilities;
 - (ii) that action is contemplated by, and can be taken by the Ancillary Facility Lenders and Issuing Banks under, the Senior Facilities Agreement or relevant Pari Passu Debt Document or Clause 3.4 (Security: Ancillary Facility Lenders and Issuing Banks);
 - (iii) that Enforcement Action is taken in respect of SFA Cash Cover which has been provided in accordance with the Senior Facilities Agreement or relevant Pari Passu Debt Document;
 - (iv) at the same time as or prior to, that action, the Consent of the Majority Senior Creditors to that Enforcement Action is obtained; or
 - (v) an Insolvency Event has occurred in relation to any Debtor or any member of the Group, in which case after the occurrence of that Insolvency Event, each Ancillary Facility Lender and each Issuing Bank shall be entitled (if it has not already done so) to exercise any right it may otherwise have in respect of that Debtor or member of the Group to:
 - (A) accelerate any of that Debtor’s or member of the Group’s Senior Lender Liabilities or Pari Passu Revolving Liabilities or declare them prematurely due and payable on demand;
 - (B) make a demand under any guarantee, indemnity or other assurance against loss given by that Debtor or member of the Group in respect of any Senior Lender Liabilities or Pari Passu Revolving Liabilities;
 - (C) exercise any right of set-off or take or receive any Payment in respect of any Senior Lender Liabilities or Pari Passu Revolving Liabilities of that Debtor or member of the Group; or
 - (D) claim and prove in the liquidation of that Debtor or member of the Group for the Senior Lender Liabilities or Pari Passu Revolving Liabilities owing to it.
- (b) Clause 3.6 (Restriction on Enforcement: Ancillary Facility Lenders and Issuing Banks) shall not restrict any right of an Ancillary Facility Lender to net or set-off in relation to a Multi-account Overdraft Facility, in accordance with the terms of the Senior Facilities Agreement or relevant Pari Passu Debt Document, to the extent that the netting or set-off represents a reduction from a Permitted Gross Amount of that Multi-account Overdraft Facility to or towards its Designated Net Amount.

3.8 Option to purchase: Senior Secured Notes Creditors and Pari Passu Creditors

- (a) After a Distress Event, one or more of the Senior Secured Notes Trustee and the Pari Passu Debt Representative(s) (the **Purchasing Senior Secured Creditors**) may:
 - (i) at the direction and expense of one or more of the Senior Secured Noteholders and/or Pari Passu Creditors (as applicable);
 - (ii) after all such Senior Secured Noteholders and Pari Passu Creditors have been given the opportunity to so participate; and

- (iii) if the Senior Secured Notes Trustee and/or the Pari Passu Debt Representative(s) gives not less than ten days' prior written notice to the Security Agent,

require the transfer to them (or to a nominee or nominees), in accordance with clause 29.3 (Transfers by Lenders) of the Senior Facilities Agreement, of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities if:

- (i) that transfer is lawful and, subject to sub-paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement;
 - (ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement are complied with, other than any requirement to obtain the Consent of, or consult with, a Debtor relating to such transfer, which Consent or consultation shall not be required;
 - (iii) the Senior Agent, on behalf of the Senior Lenders, is paid an amount equal to the aggregate of:
 - (A) all of the Senior Lender Liabilities at that time (whether or not due), including all amounts that would have been payable under the Senior Facilities Agreement if the Senior Facilities were being prepaid by the relevant Debtors on the date of that payment; and
 - (B) all costs and expenses (including legal fees) incurred by the Senior Agent and/or the Senior Lenders and/or the Security Agent as a consequence of giving effect to that transfer;
 - (iv) as a result of that transfer, the Senior Lenders have no further actual or contingent liability to a Debtor under the relevant Debt Documents;
 - (v) an indemnity is provided from each Purchasing Senior Secured Creditor (but, for the avoidance of doubt, this does not include a Senior Secured Notes Representative or, in the case of Pari Passu Debt issued in the form of notes, the applicable Pari Passu Debt Representative(s)) or from another third party acceptable to all the Senior Lenders in a form reasonably satisfactory to each Senior Lender in respect of all losses which may be sustained or incurred by any Senior Lender in consequence of any sum received or recovered by any Senior Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender for any reason;
 - (vi) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, except that each Senior Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorise the making by it of that transfer; and
 - (vii) the Second Lien Creditors have not exercised their rights under Clause 8.13 (Option to Purchase: Second Lien Creditors) or, having exercised such rights, have failed to complete the acquisition of the Senior Liabilities, Senior Secured Notes Liabilities and the Pari Passu Debt Liabilities in accordance with Clause 8.13 (Option to Purchase: Second Lien Creditors).
 - (viii) the High Yield Creditors have not exercised their rights under Clause 9.15 (Option to purchase: High Yield Creditors) or, having exercised such rights, have failed to complete the acquisition of the Senior Liabilities, Senior Secured Notes Liabilities and the Pari Passu Debt Liabilities in accordance with Clause 9.15 (Option to purchase: High Yield Creditors).
- (b) Subject to paragraph (b) of Clause 3.9 (Hedge Transfer: Purchasing Senior Secured Creditors) the Purchasing Senior Secured Creditors may only require a Senior Lender Liabilities Transfer if, at the same time, they require a Hedge Transfer in accordance with Clause 3.9 (Hedge Transfer: Purchasing Senior Secured Creditors) and if, for any reason, a Hedge Transfer cannot be made in accordance with Clause 3.9 (Hedge Transfer: Purchasing Senior Secured Creditors), no Senior Lender Liabilities Transfer may be required to be made.

- (c) The Senior Agent shall, at the request of the Purchasing Senior Secured Creditors notify the Purchasing Senior Secured Creditors of the sum of the amounts described in sub-paragraphs (a)(iii)(A) and (a)(iii)(B) above.
- (d) If more than one Purchasing Senior Secured Creditor wishes to require a Senior Lender Liabilities Transfer in accordance with paragraph (a) above, each such Purchasing Senior Secured Creditor shall acquire the Senior Lender Liabilities pro rata, in the proportion that its credit participation bears to the aggregate credit participations of all the Purchasing Senior Secured Creditors. Any Purchasing Senior Secured Creditors wishing to require a Senior Lender Liabilities Transfer shall inform the Senior Secured Notes Trustee in accordance with the terms of the Senior Secured Notes Indenture or the relevant Pari Passu Debt Representative(s) in accordance with the terms of the relevant Pari Passu Debt Documents, who will determine (consulting with each other as required) the appropriate share of the Senior Lender Liabilities to be acquired by each such Purchasing Senior Secured Creditor and who shall inform each such Purchasing Senior Secured Creditor accordingly. Furthermore, the Senior Secured Notes Trustee or the Pari Passu Debt Representative(s) (as applicable) shall promptly inform the Senior Agent of the Purchasing Senior Secured Creditors intention to require the transfer of the Senior Lender Liabilities.

3.9 Hedge Transfer: Purchasing Senior Secured Creditors

- (a) The Purchasing Senior Secured Creditors may, by giving not less than ten days' notice to the Security Agent, require, at the same time as a Senior Lender Liabilities Transfer under Clause 3.8 (Option to purchase: Senior Secured Notes Creditors and Pari Passu Creditors), a Hedge Transfer if:
 - (i) that transfer is lawful and otherwise permitted by the terms of the Hedging Agreements in which case no Debtor or member of the Group shall be entitled to withhold its Consent to that transfer;
 - (ii) any conditions (other than the Consent of, or any consultation with, any Debtor or member of the Group) relating to that transfer contained in the Hedging Agreements are complied with;
 - (iii) each Hedge Counterparty is paid (in the case of a positive number) or pays (in the case of a negative number) an amount equal to the aggregate of (I) the Hedging Purchase Amount in respect of the hedging transactions under the relevant Hedging Agreement at that time and (II) all costs and expenses (including legal fees) incurred by such Hedge Counterparty as a consequence of giving effect to that transfer;
 - (iv) as a result of that transfer, the Hedge Counterparties have no further actual or contingent liability to any Debtor under the Hedging Agreements;
 - (v) an indemnity is provided from each Purchasing Senior Secured Creditor (but, for the avoidance of doubt, this does not include any Senior Secured Notes Representative or, in the case of Pari Passu Debt issued in the form of notes, the applicable Pari Passu Debt Representative(s)) which is receiving (or for which a nominee is receiving) that transfer (or from another third party acceptable to the relevant Hedge Counterparty) in a form reasonably satisfactory to the relevant Hedge Counterparty in respect of all losses which may be sustained or incurred by that Hedge Counterparty in consequence of any sum received or recovered by that Hedge Counterparty being required (or it being alleged that it is required) to be paid back by or clawed back from the Hedge Counterparty for any reason;
 - (vi) that transfer is made without recourse to, or representation or warranty from, the relevant Hedge Counterparty, except that the relevant Hedge Counterparty shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorise the making by it of that transfer;
 - (vii) the Second Lien Creditors have not exercised their rights under Clause 8.13 (Option to Purchase: Second Lien Creditors) or, having exercised such rights, have failed to complete the acquisition of the Senior Liabilities, Senior Secured Notes Liabilities and

the Pari Passu Debt Liabilities in accordance with Clause 8.13 (Option to Purchase: Second Lien Creditors); and

- (viii) the High Yield Creditors have not exercised their rights under Clause 9.16 (Hedge Transfer: High Yield Creditors) or, having exercised such rights, have not failed to complete the Hedge Transfer concerned in accordance with Clause 9.16 (Hedge Transfer: High Yield Creditors).
- (b) The Purchasing Senior Secured Creditors (acting as a whole) and any Hedge Counterparty may agree (in respect of the Hedging Agreements (or one or more of them) to which that Hedge Counterparty is a party) that a Hedge Transfer required by all the Purchasing Senior Secured Creditors (acting as a whole) pursuant to paragraph (a) above shall not apply to that Hedging Agreement(s) or to the Hedging Liabilities and Hedge Counterparty Obligations under that Hedging Agreement(s).
- (c) If more than one Purchasing Senior Secured Creditor wishes to require a Hedge Transfer in accordance with paragraph (a) above, each such Purchasing Senior Secured Creditor shall acquire the relevant Hedging Liabilities pro rata, in the proportion that its credit participation bears to the aggregate credit participations of all the Purchasing Senior Secured Creditors. Any Purchasing Senior Secured Creditors wishing to require a Hedge Transfer shall inform the Senior Secured Notes Trustee in accordance with the terms of the Senior Secured Notes Indenture or the relevant Pari Passu Debt Representative(s) in accordance with the terms of the relevant Pari Passu Debt Documents, who will determine (consulting with each other as required) the appropriate share of the relevant Hedging Liabilities to be acquired by each such Purchasing Senior Secured Creditor and who shall inform each such Purchasing Senior Secured Creditor accordingly. Furthermore, the Senior Secured Notes Trustee or the Pari Passu Debt Representative(s) (as applicable) shall promptly inform the relevant Hedge Counterparty(ies) of the Purchasing Senior Secured Creditors intention to require the Hedge Transfer.

4. HEDGE COUNTERPARTIES AND HEDGING LIABILITIES

4.1 Identity of Hedge Counterparties

- (a) Subject to paragraph (b) below, no person providing hedging arrangements to any Debtor shall be entitled to share in any of the Transaction Security or in the benefit of any guarantee or indemnity in respect of any of the liabilities arising in relation to those hedging arrangements nor shall those liabilities be treated as Hedging Liabilities unless that person is or becomes a Party as a Hedge Counterparty in accordance with this Deed.
- (b) Paragraph (a) above shall not apply to a Hedging Ancillary Lender.
- (c) Each Hedge Counterparty will provide to the Security Agent copies of all documents constituting the Hedging Agreements as soon as reasonably practicable, if and to the extent that such Hedge Counterparty has not delivered copies of such documents to the Senior Agent on or before the Effective Date.

4.2 Restriction on Payment: Hedging Liabilities

Until the later of (a) the Senior Lender Discharge Date; (b) the Senior Secured Notes Discharge Date; and (c) the Pari Passu Debt Discharge Date no Hedge Counterparty will:

- (a) demand (other than as may be necessary in order to exercise any right to terminate or close out any hedging transaction as provided in and permitted under Clause 4.6 (Permitted Enforcement: Hedge Counterparties)) or receive payment, prepayment or repayment of, or any distribution in respect of, or on account of, any of the Hedging Liabilities in cash or in kind, or apply any money or property in or towards the discharge of any Hedging Liabilities except:
 - (i) for scheduled Payments arising under the terms of a Hedging Agreement;
 - (ii) to the extent that the relevant Debtor's obligation to make the Payment arises as a result of the operation of:
 - (A) any of sections 2(d) (Deduction or Withholding for Tax), 2(e) (Default Interest; Other Amounts), 8(a) (Payment in the Contractual Currency), 8(b) (Judgments)

- and 11 (Expenses) of the 1992 ISDA Master Agreement (if the Hedging Agreement is based on a 1992 ISDA Master Agreement);
- (B) any of sections 2(d) (Deduction or Withholding for Tax), 8(a) (Payment in the Contractual Currency), 8(b) (Judgments), 9(h)(i) (Prior to Early Termination) and 11 (Expenses) of the 2002 ISDA Master Agreement of that Hedging Agreement (if the Hedging Agreement is based on a 2002 ISDA Master Agreement); or
 - (C) any provision of a Hedging Agreement which is similar in meaning and effect to any provision listed in paragraphs (A) or (B) above (if the Hedging Agreement is not based on an ISDA Master Agreement);
- (iii) for payments required to be made by a Debtor to a Hedge Counterparty following the termination of any transaction (in full or in part) under a Hedging Agreement in accordance with Clause 4.10 (Termination of Hedging);
- (iv) if the Payment arises from:
- (A) an amendment or waiver permitted under paragraph (b) of Clause 4.4 (Amendments and Waivers: Hedging Agreements) or a close-out or termination permitted under paragraph (a)(iii) of Clause 4.9 (Terms of Hedging Agreements), except where such Payment would fall under Clause 4.2(a)(ix) below; or
 - (B) a close-out or termination arising as a result of an Event of Default in respect of which the Hedge Counterparty is the Defaulting Party occurring under the Hedging Agreement (“**Event of Default**” and “**Defaulting Party**” being as defined in the ISDA Master Agreement) or an equivalent event (in the case of a Hedging Agreement not based on an ISDA Master Agreement),
- in each case provided that no Distress Event has occurred and is continuing;
- (v) for payments required to be made by a Debtor to a Hedge Counterparty following the termination of any transaction (in full or in part) under a Hedging Agreement in accordance with Clause 4.6 (provided that in relation to any Credit Related Close-out, no Default has occurred and is continuing);
 - (vi) for the proceeds of enforcement of the Security Documents received and applied in the order permitted by Clause 17 (Application of Proceeds);
 - (vii) if the Majority Senior Creditors give prior Consent to the Payment being made;
 - (viii) if the Debtor’s obligation to make the Payment arises as a result of a close-out or termination arising as a result of the relevant Debtor terminating or closing-out the relevant Hedging Agreement as a result of:
 - (A) in relation to a Hedging Agreement which is based on the 1992 ISDA Master Agreement:
 - I. an Illegality or Tax Event or Tax Event Upon Merger (each as defined in the 1992 ISDA Master Agreement); or
 - II. an event similar in meaning and effect to a Force Majeure Event (as defined in paragraph (B) below),
 has occurred in respect of that Hedging Agreement;
 - (B) in relation to a Hedging Agreement which is based on the 2002 ISDA Master Agreement, an Illegality or Tax Event, Tax Event Upon Merger or a Force Majeure Event (each as defined in the 2002 ISDA Master Agreement) has occurred in respect of that Hedging Agreement;
 - (C) in relation to a Hedging Agreement which is not based on an ISDA Master Agreement, any event similar in meaning and effect to an event described in paragraphs (A) or (B) above has occurred in respect of that Hedging Agreement; or

- (D) a Termination Event (other than a Termination Event described in paragraphs (A), (B) or (c) above) in respect of which the Hedge Counterparty is the Affected Party (“**Termination Event**” and “**Affected Party**” being as defined in the relevant Hedging Agreement, in the case of a Hedging Agreement based on an ISDA Master Agreement) or an equivalent termination event (in the case of a Hedging Agreement not based on an ISDA Master Agreement),

in each case provided that no Distress Event has occurred and is continuing; and/or

- (ix) if the Payment arises from a close-out or termination in whole or in part required pursuant to Clause 4.12 (Terminations of Offsetting Swaps).
- (b) discharge all or any part of the Hedging Liabilities by set-off, any right of combination of accounts or otherwise (other than by way of Payment Netting, Close-Out Netting or Inter-Hedging Agreement Netting); or
- (c) permit to subsist or receive any Security or any financial support (including, without limitation, any guarantee, indemnity or other assurance against loss, or the making of any deposit or payment) for, or in respect of, the Hedging Liabilities other than:
 - (i) Common Transaction Security and (to the extent applicable) the Transaction Security granted under the Pre-Effective Date Security Documents;
 - (ii) any guarantee, indemnity or other assurance against loss contained in:
 - (A) the form of the Senior Facilities Agreement as at the Effective Date;
 - (B) this Deed; or
 - (C) any Common Assurance;if and to the extent legally possible and subject to any Agreed Security Principles, at the same time it is also granted to the other Senior Secured Parties in respect of their Liabilities and ranks, or is expressed to rank, in the same order of priority as that contemplated in Clause 2 (Ranking and Priority) and all amounts received or recovered by any Senior Secured Creditor with respect to such guarantee, indemnity or other assurance against loss are immediately paid to the Security Agent and held and applied in accordance with Clause 17 (Application of Proceeds).
- (iii) as otherwise contemplated by Clause 3.3 (Security and guarantees: Senior Secured Creditors); and
- (iv) the indemnities contained in the ISDA Master Agreements (in the case of a Hedging Agreement which is based on an ISDA Master Agreement) or any indemnities which are similar in meaning and effect to those indemnities (in the case of a Hedging Agreement which is not based on an ISDA Master Agreement).

4.3 Payment obligations continue

No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clause 4.2 (Restriction on Payment: Hedging Liabilities) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

4.4 Amendments and Waivers: Hedging Agreements

- (a) Subject to paragraph (b) below, the Hedge Counterparties and the Debtors may not, at any time, amend or waive any term of the Hedging Agreements.
- (b) A Hedge Counterparty and a Debtor may, by mutual agreement, amend or waive any term of a Hedging Agreement to which they are a party in accordance with the terms of that Hedging Agreement if:
 - (i) that amendment or waiver does not breach another term of this Deed; and
 - (ii) such amendment or waiver would not result in a breach of the terms of the Senior Facilities Agreement, the Senior Secured Notes Indenture(s) or the Pari Passu Debt Documents.

4.5 Restriction on Enforcement: Hedge Counterparties

Subject to Clause 4.2 (Restriction on Payment: Hedging Liabilities), Clause 4.6 (Permitted Enforcement: Hedge Counterparties) and Clause 4.7 (Required Enforcement: Hedge Counterparties) and Clause 4.12 (Terminations of Offsetting Swaps) and without prejudice to each Hedge Counterparty's rights under Clauses 15.2 (Enforcement instructions) and 15.3 (Manner of enforcement), the Hedge Counterparties shall not take any Enforcement Action (whether by reason of any Debtor becoming a Defaulting Party or Affected Party under, and as defined in, the relevant Hedging Agreement or otherwise) in respect of any of the Hedging Liabilities or any of the hedging transactions under any of the Hedging Agreements at any time.

4.6 Permitted Enforcement: Hedge Counterparties

- (a) Until the later of (a) the Senior Lender Discharge Date; (b) the Senior Secured Notes Discharge Date; and (c) the Pari Passu Debt Discharge Date, except as the Majority Senior Creditors, Senior Secured Notes Representative(s) and the Pari Passu Debt Representative(s) have previously consented in writing, no Hedge Counterparty will exercise any right to terminate or close out any hedging transaction under the Hedging Agreements prior to its stated maturity (whether by reason of any Debtor becoming a Defaulting Party or Affected Party under, and as defined in the relevant Hedging Agreement or otherwise) unless:
- (i) a Debtor has defaulted on a payment due under a Hedging Agreement (after allowing for any required notice and any applicable days of grace) and the relevant default continues for more than 10 days after notice of the default has been given to the Security Agent pursuant to paragraph (l) of Clause 25.3 (Notification of prescribed events); or
 - (ii) an Illegality or Tax Event (each as defined in the relevant ISDA Master Agreement) has occurred in respect of any Hedging Agreement, or in relation to a Hedging Agreement which is not based on an ISDA Master Agreement, an event similar in meaning and effect to an Illegality or Tax Event (each as defined in the 2002 ISDA Master Agreement) has occurred in respect of any Hedging Agreement; or
 - (iii) any Transaction Security is enforced; or
 - (iv) the Senior Agent, Senior Secured Notes Trustee and/or Pari Passu Debt Representative (as applicable) has declared all or part of the Senior Secured Notes Liabilities, the Senior Lender Liabilities and/or the Pari Passu Debt Liabilities due and payable and/or payable on demand, provided that, in the case of a partial acceleration of the Senior Secured Notes Liabilities, Senior Lender Liabilities or Pari Passu Debt Liabilities to be due and payable and/or payable on demand, the relevant Hedge Counterparty may only terminate or close out the relevant hedging transactions in the same proportion as the proportion of the Senior Secured Notes Liabilities, Senior Lender Liabilities or Pari Passu Debt Liabilities that has been partially declared due and payable and/or payable on demand; or
 - (v) if an Event of Default has occurred under clauses 22.6 (Insolvency), 22.7 (Insolvency proceedings), 22.8 (Creditors' process) or 22.9 (Similar proceedings) of the Senior Facilities Agreement or any equivalent provision in any other Secured Debt Document (other than a Hedging Agreement) which is similar in meaning and effect, in relation to a Debtor that is a party to that Hedging Agreement; or
 - (vi) on or following the later to occur of the Senior Lender Discharge Date, the Pari Passu Debt Discharge Date and the Senior Secured Notes Discharge Date; or
 - (vii) the obligations owing by any Debtor under the relevant Hedging Agreement cease to be secured by substantially the same Security as the Senior Lender Liabilities or cease to be Hedging Liabilities ranking pari passu with the Senior Lender Liabilities.
- (b) Without prejudice to paragraph (a) above or any other rights or remedies that any Hedge Counterparty may have from time to time, if a Debtor has defaulted on any payment due under a Hedging Agreement (after allowing any applicable notice or grace periods) and the default has continued unwaived for more than five Business Days after notice of that default has been given by the relevant Hedge Counterparty to the relevant Debtor and to the Security

Agent, the relevant Hedge Counterparty, until such time as the Security Agent has given notice to that Hedge Counterparty that the Transaction Security is being enforced (or that any formal steps are being taken to enforce the Transaction Security), shall be entitled to exercise any right it might otherwise have to sue for, commence or join legal or arbitration proceedings against any Debtor to recover any Hedging Liabilities due under that Hedging Agreement.

- (c) Without prejudice to paragraph (a) above or any other rights or remedies that any Hedge Counterparty may have from time to time, after the occurrence of an Insolvency Event in relation to any Debtor or any member of the Group, each Hedge Counterparty shall be entitled to exercise any right it may otherwise have in respect of that Debtor or member of the Group to:
 - (i) prematurely close-out or terminate any Hedging Liabilities of that Debtor or member of the Group;
 - (ii) make a demand under any guarantee, indemnity or other assurance against loss given by that Debtor or member of the Group in respect of any Hedging Liabilities;
 - (iii) exercise any right of set-off or take or receive any payment in respect of any Hedging Liabilities of that Debtor or member of the Group; or
 - (iv) claim and prove in the liquidation of that Debtor or member of the Group for the Hedging Liabilities owing to it.

4.7 Required Enforcement: Hedge Counterparties

- (a) Subject to paragraph (b) below, a Hedge Counterparty shall promptly (if it is entitled to) terminate or close-out in full all hedging transactions under all of the Hedging Agreements to which it is party prior to their stated maturity, if (i) following the occurrence of a Senior Acceleration Event, a Pari Passu Debt Acceleration Event and a Senior Secured Notes Acceleration Event (unless no such debt of the relevant class is in existence at the relevant time, in which case an acceleration is only required in respect of the Senior Lender Liabilities, the Pari Passu Debt and the Senior Secured Notes Liabilities that are in existence) and (ii) delivery to it of a notice from the Security Agent that such Acceleration Events (as applicable) have occurred, unless the Security Agent (acting on the instructions of an Instructing Group) instructs it not to do so.
- (b) Paragraph (a) above shall not apply to the extent that Senior Acceleration Event, Pari Passu Debt Acceleration Event or Senior Secured Notes Acceleration Event (as applicable) occurred as a result of an arrangements made between any Debtor and any Senior Secured Creditor with the purpose of bringing about that Senior Acceleration Event, Pari Passu Debt Acceleration Event or Senior Secured Notes Acceleration Event (as applicable).

4.8 Treatment of Payments due to Debtors on termination of hedging transactions

- (a) If, on termination of any hedging transaction under any Hedging Agreement occurring after a Distress Event, a settlement amount or other amount (following the application of any Close-Out Netting, Payment Netting or Inter-Hedging Agreement Netting in respect of that Hedging Agreement) falls due from a Hedge Counterparty to the relevant Debtor then that amount shall be paid by that Hedge Counterparty to the Security Agent, treated as the proceeds of enforcement of the Transaction Security and applied in accordance with the terms of this Deed.
- (b) The payment of that amount by the Hedge Counterparty to the Security Agent in accordance with paragraph (a) above shall discharge the Hedge Counterparty's obligation to pay that amount to that Debtor.

4.9 Terms of Hedging Agreements

- (a) The Hedge Counterparties (to the extent party to the Hedging Agreement in question) and the Debtors party to the Hedging Agreements shall ensure that, at all times:
 - (i) each Hedging Agreement documents only Offsetting Swaps and/or other hedging transactions permitted or not prohibited by the terms of the Senior Finance

Documents, the Pari Passu Debt Documents, the Senior Secured Notes Finance Documents and the Second Lien Finance Documents, provided that this paragraph (a) applies only to Debtors;

- (ii) in the event of a termination of the hedging transaction entered into under a Hedging Agreement, as a result of:

- (A) a Termination Event or an Event of Default, each as defined in the relevant Hedging Agreement (in the case of a Hedging Agreement which is based on an ISDA Master Agreement); or
- (B) an event similar in meaning and effect to either of those described in paragraph (A) above (in the case of a Hedging Agreement which is not based on an ISDA Master Agreement),

that Hedging Agreement will provide for “full two way payments” or payments under the “Second Method” or any other method the substantive effect of which is that the Defaulting Party or Affected Party under (and as defined in) that Hedging Agreement will be entitled to receive payment under the relevant termination provisions if the net replacement value of all terminated transactions effected under that Hedging Agreement is in its favour;

- (iii) in the case of each Hedging Agreement entered into after the Effective Date (excluding any amendments to any existing Hedging Agreement by way of entry into a further hedging transaction under such Hedging Agreement, and any amendments required to comply with changes to law or regulation):

- (A) each Hedging Agreement will provide that the relevant Hedge Counterparty will be entitled to designate an Early Termination Date or otherwise be able to terminate each transaction under such Hedging Agreement pursuant to Clause 4.7 (Required Enforcement: Hedge Counterparties); and
- (B) each Hedging Agreement will permit (but shall not require) the relevant Debtor to exercise its rights provided for in (and in accordance with) Clause 4.10 (Termination of Hedging) and Clause 4.12 (Termination of Offsetting Swaps).

4.10 Termination of Hedging

Each Debtor shall have the right (but not the obligation) to terminate (in full or in part) any transaction under a Hedging Agreement with the prior written consent of the relevant Hedge Counterparty, provided that no Senior Default, Senior Secured Notes Default or Pari Passu Debt Default has occurred and is continuing at such time.

4.11 Offsetting Swaps

A Debtor may enter into a secured hedging transaction (an “**Offsetting Swap**”) with a Hedge Counterparty that has the economic effect of fully offsetting the mark to market movements of all or part of an existing hedging transaction under a Hedging Agreement (each an **Existing Unmatured Hedge**).

4.12 Terminations of Offsetting Swaps

The Debtor shall, and the Company shall procure that the Debtor shall, promptly terminate a proportion of any Offsetting Swap upon the termination or close-out of the corresponding Existing Unmatured Hedge, such proportion to be equal to the proportion of such Existing Unmatured Hedge that has been terminated.

5. GUARANTEE AND INDEMNITY TO HEDGE COUNTERPARTIES

5.1 Guarantee

Each Debtor (to the extent that it is, and in its capacity as, a Senior Guarantor), confirms to each Hedge Counterparty that the guarantees granted by it in the Senior Facilities Agreement were granted for the benefit of each Hedge Counterparty and that (subject to the terms of this Deed) each Hedge Counterparty may make a demand or otherwise enforce its rights in respect of each such guarantee notwithstanding that the Hedge Counterparties are not party to the Original Senior Facilities Agreement.

5.2 Guarantee Limitation—Excluded Swap Obligations

Any term or provision of this Clause 5 or any other term in this Deed or any other Senior Finance Document or Second Lien Finance Document notwithstanding, the obligations under the Senior Finance Documents or the Second Lien Finance Documents that are guaranteed (by express guarantee, grant of security, or otherwise) by any Debtor shall exclude all Excluded Swap Obligations.

5.3 Keepwell

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other credit support as may be needed from time to time by each other Non-ECP Debtor to honor all of its obligations under the guarantees referred to in Clause 5.1 (Guarantee) above or under any Security Document to which it is a party, in respect of the Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Clause for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Clause, or otherwise under its guarantee, this Deed or any other Senior Finance Documents, as it relates to such Non-ECP Debtor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Clause shall remain in force and effect until all Swap Obligations in respect of which a Non-ECP Debtor has provided a guarantee have been fully and finally discharged. Each Qualified ECP Guarantor intends that this Section constitutes and this Clause shall be deemed to constitute, a “keepwell, support or other agreement” for the benefit of each other Debtor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

As used in this Clause, “**Qualified ECP Guarantor**” means, in respect of any Swap Obligation, each ECP Debtor.

6. ISSUE OF SENIOR SECURED NOTES

- (a) The Company shall procure that no member of the Group shall enter into any Senior Secured Notes Indenture or issue any Senior Secured Notes unless such Senior Secured Notes (and the incurrence of any financial indebtedness thereunder) are permitted or not prohibited by this Deed, the Senior Facilities Agreement, any other Senior Secured Notes Finance Documents, any Pari Passu Debt Documents and any Second Lien Finance Documents then outstanding.
- (b) No Debtor may enter into a Senior Secured Notes Indenture unless the prior written consent of the Security Agent to act as security trustee for the holders of the Senior Secured Notes thereunder has been obtained (not to be unreasonably withheld or delayed).

7. ENTRY INTO PARI PASSU DEBT DOCUMENTS

- (a) No Debtor shall enter into any Pari Passu Debt Documents unless such Pari Passu Debt Documents (and the incurrence of any financial indebtedness thereunder) are permitted or not prohibited by this Deed, the Senior Facilities Agreement, the Senior Secured Notes Finance Documents, any other Pari Passu Debt Documents and any Second Lien Finance Documents then outstanding.
- (b) No Debtor may enter into a Pari Passu Debt Document unless the prior written consent of the Security Agent to act as security trustee for the holders of the Pari Passu Debt thereunder has been obtained (not to be unreasonably withheld or delayed).

8. SECOND LIEN CREDITORS AND SECOND LIEN LIABILITIES

8.1 Entry into Second Lien Finance Documents

- (a) No Debtor shall enter into any Second Lien Finance Documents or incur any Second Lien Liabilities unless such Second Lien Finance Documents (and the incurrence of any financial indebtedness thereunder) are permitted or not prohibited by this Deed, the Senior Facilities Agreement, the Senior Secured Notes Finance Documents, any Pari Passu Debt Documents and any other Second Lien Finance Documents then outstanding.
- (b) No Debtor may enter into any Second Lien Finance Document unless the prior written consent of the Security Agent to act as security trustee for the holders of the Second Lien Liabilities thereunder has been obtained (not to be unreasonably withheld or delayed).

8.2 Restriction on Payment: Second Lien Liabilities

The Debtors shall not and shall procure that no other member of the Group will, make any Payments of the Second Lien Liabilities at any time unless:

- (a) that Payment is permitted under Clause 8.3 (Permitted Payments: Second Lien Liabilities); or
- (b) the taking or receipt of that Payment is permitted under sub-paragraph (b)(iii) of Clause 8.12 (Permitted enforcement: Second Lien Creditors) or Clause 12.5 (Filing of claims).

8.3 Permitted Payments: Second Lien Liabilities

- (a) Prior to the Senior Secured Discharge Date, the Debtors may only make Payments to the Second Lien Creditors in respect of the Second Lien Liabilities then due in accordance with the Second Lien Finance Documents:
 - (i) if the Majority Senior Creditors, the Senior Secured Notes Representative(s) and the Pari Passu Debt Representative(s) consent to the Payment or if the Payment is expressly permitted by or not prohibited by the Senior Facilities Agreement, the Senior Secured Notes Finance Document any Pari Passu Debt Document or any other Second Lien Finance Document then outstanding or of any principal amount of the Second Lien Liabilities in accordance with:
 - (A) the “Illegality” clause (or equivalent) of any Second Lien Finance Document;
 - (B) the “Right of cancellation and repayment in relation to a single Lender” clause (or equivalent) of any Second Lien Finance Document;
 - (C) Clause 16.1 (Non-Distressed Disposals); or
 - (D) the “Replacement of a Lender” clause (or equivalent) of any Second Lien Finance Document); and
 - (ii) if no Second Lien Payment Stop Notice is outstanding and no Senior Payment Default has occurred and is continuing (except in the case of the payment of (A) amounts due under the original form of any fee letter relating to any Second Lien Facilities Agreement or Second Lien Notes Indenture, (B) any Second Lien Agent Liabilities or Second Lien Notes Trustee Amounts, (C) cash interest that has accrued and is payable in respect of the Second Lien Liabilities during a period when a Second Lien Payment Stop Notice was outstanding where the corresponding amounts (if any) then payable to the Senior Secured Creditors in accordance with the Secured Debt Documents have been paid in full, (D) commercially reasonable advisory fees and professional fees for restructuring advice and valuations (including legal advice and the advice of other appropriate financial and/or restructuring advisors) and any fees or expenses of the Second Lien Agent or the Second Lien Notes Trustee not covered by (A) of this sub-paragraph (ii) in an aggregate amount not exceeding €250,000 (or its equivalent in other currencies), but excluding any fees incurred in connection with any current, threatened or pending litigation against any Senior Secured Creditor or any Affiliate of any Senior Secured Creditor and (E) amounts that the Majority Senior Creditors, the Senior Secured Notes Representative(s) and the Pari Passu Debt Representative(s) have consented to being paid).
- (b) On and after the Senior Secured Discharge Date, the Debtors may make Payments to the Second Lien Creditors in respect of the Second Lien Liabilities in accordance with the Second Lien Finance Documents.

8.4 Second Lien Payment Default and Issue of Second Lien Payment Stop Notice

- (a) A Second Lien Payment Stop Notice is “**outstanding**” during the period from the date on which, following the occurrence of a Material Event of Default, the Security Agent (acting on the instructions of the Majority Senior Secured Creditors) issues a notice (a “**Second Lien Payment Stop Notice**”) to any or all of the Second Lien Representatives (with a copy to the Company) advising that a Material Event of Default has occurred and is then continuing and suspending Payments of the relevant Second Lien Liabilities (other than those expressly permitted under paragraph (a)(ii) of Clause 8.3 (Permitted Payments: Second Lien Liabilities)).

- (b) If a Senior Secured Payment Default is continuing or a Second Lien Payment Stop Notice is outstanding, Payments of all Second Lien Liabilities (if a Senior Secured Payment Default is continuing) or the Second Lien Liabilities in respect of which a Second Lien Payment Stop Notice has been served (if a Second Lien Payment Stop Notice has been served) (in each case, other than those expressly envisaged under paragraph (a)(ii) of Clause 8.3 (Permitted Payments: Second Lien Liabilities)) shall be suspended until the first to occur of:
 - (i) in the case of a Second Lien Payment Stop Notice:
 - (A) the date which is 75 days or, if any Second Lien Notes Liabilities are outstanding, 179 days after the date of issue of that Second Lien Payment Stop Notice;
 - (B) if a Second Lien Standstill Period commences after the issue of that Second Lien Payment Stop Notice, the date on which that Second Lien Standstill Period expires;
 - (C) the date on which the Material Event of Default in respect of which that Second Lien Payment Stop Notice was issued is no longer continuing; and
 - (D) the date on which the Security Agent (acting on the instructions of the Majority Senior Creditors) cancels that Second Lien Payment Stop Notice by notice to the applicable Second Lien Representative(s) (with a copy to the Company);
 - (ii) in the case of a Senior Secured Payment Default, the date on which that Senior Payment Default ceases to be continuing; and
 - (iii) in each case, the Senior Secured Discharge Date.
- (c) No Second Lien Payment Stop Notice may be served by the Security Agent in reliance on a particular Material Event of Default more than 120 days after the Senior Agent receives a notice under the Senior Facilities Agreement, the Pari Passu Debt Representative(s) receives a notice under the Pari Passu Debt Documents and/or the Senior Secured Notes Representative(s) receives a notice under the Senior Secured Notes Finance Documents, in each case, advising of the occurrence of that Material Event of Default.
- (d) In relation to any Second Lien Liabilities, no more than one Second Lien Payment Stop Notice may be served with respect to the same event or set of circumstances to a Second Lien Representative thereof.
- (e) No more than one Second Lien Payment Stop Notice in respect of any Second Lien Liabilities (ignoring any Second Lien Payment Stop Notice which ceases to be outstanding pursuant to sub-paragraph (b)(iii) above) may be served in respect of those Second Lien Liabilities in any period of 365 days.

8.5 Effect of Material Event of Default or Senior Secured Payment Default

Any failure to make a Payment due under the Second Lien Finance Documents as a result of the issue of a Second Lien Payment Stop Notice or the occurrence of a Senior Payment Default shall not prevent:

- (a) the occurrence of an Event of Default as a consequence of that failure to make a Payment in relation to any Second Lien Finance Documents; or
- (b) the issue of a Second Lien Enforcement Notice on behalf of the relevant Second Lien Creditors.

8.6 Payment obligations and capitalisation of interest continue

- (a) No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Second Lien Finance Document by the operation of Clauses 8.1 (Entry into Second Lien Finance Documents) to 8.5 (Effect of Material Event of Default or Senior Secured Payment Default) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.
- (b) The accrual interest in accordance with any Second Lien Finance Documents shall continue notwithstanding the issue of a Second Lien Payment Stop Notice.

8.7 Cure of payment stop: Second Lien Creditors

If:

- (a) at any time following the issue of a Second Lien Payment Stop Notice or the occurrence of a Senior Secured Payment Default, that Second Lien Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Senior Secured Payment Default ceases to be continuing; and
- (b) the relevant Debtor then promptly pays to the Second Lien Creditors an amount equal to any Payments which had accrued under the relevant Second Lien Finance Documents and which would have been Permitted Second Lien Payments but for that Second Lien Payment Stop Notice or Senior Payment Default,

then any Event of Default which may have occurred as a result of that suspension of Payments shall be waived and any Second Lien Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the Second Lien Creditors.

8.8 Amendments and waivers: Second Lien Creditors

- (a) Subject to paragraph (b) below, the Second Lien Creditors may amend or waive the terms of the Second Lien Finance Documents (other than this Deed or any Security Document) in accordance with their terms at any time.
- (b) Prior to the Senior Secured Discharge Date, the Second Lien Creditors may not amend or waive the terms of the Second Lien Finance Documents without the prior consent of the Majority Senior Lenders and (to the extent otherwise prohibited under (i) the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes are outstanding or (ii) the Pari Passu Debt Documents pursuant to which any Pari Passu Debt is outstanding) the relevant Senior Secured Notes Representative(s) and the Pari Passu Debt Representative(s) if the amendment or waiver would result in the Second Lien Finance Documents not being in compliance with the terms of the Senior Facilities Agreement, the Senior Secured Notes Indenture(s) and/or the Pari Passu Debt Documents or a Second Lien Finance Document being inconsistent in any material respect with the Second Lien Major Terms.
- (c) Notwithstanding the foregoing, nothing in this Clause 8.8 shall prevent the waiver of any breach of, or the relaxation of the terms of, any of the covenants in any Second Lien Finance Documents.

8.9 Designation of Second Lien Finance Documents

The Second Lien Representatives and the Company shall not designate a document a “Second Lien Finance Document” for the purposes of any Second Lien Facilities Agreement or any Second Lien Notes without the prior consent of the Majority Senior Lenders and (to the extent otherwise prohibited under (a) the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes are outstanding or (b) the Pari Passu Debt Documents pursuant to which any Pari Passu Debt is outstanding) the relevant Senior Secured Notes Representative(s) and the Pari Passu Debt Representative(s) if the effect of that designation would have the equivalent effect as any amendment or waiver of the Second Lien Finance Documents that would otherwise require their consent under Clause 8.8 (Amendments and waivers: Second Lien Creditors).

8.10 Security and guarantees: Second Lien Creditors

At any time prior to the Senior Secured Discharge Date, the Second Lien Creditors may not take, accept or receive from any Debtor, any member of the Group or any Security Grantor the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of the Second Lien Liabilities other than:

- (a) the Common Transaction Security;
- (b) any guarantee, indemnity or other assurance against loss contained in:
 - (i) the original form of any Second Lien Finance Document provided that such guarantee, indemnity or other assurance is in substantially the same form as that included in the form of the Senior Facilities Agreement as at the Effective Date;

- (ii) this Deed; or
- (iii) any Common Assurance; and
- (c) as otherwise contemplated by Clause 3.3 (Security and guarantees: Senior Secured Creditors), unless the prior consent of the Majority Senior Lenders, the Senior Secured Notes Representative(s) and the Pari Passu Debt Representative(s) is obtained.

8.11 Restriction on enforcement: Second Lien Creditors

Subject to Clause 8.12 (Restriction on enforcement: Second Lien Creditors), no Second Lien Creditor shall be entitled to take any Enforcement Action in respect of any of the Second Lien Liabilities prior to the Senior Discharge Date.

8.12 Permitted enforcement: Second Lien Creditors

- (a) Each Second Lien Creditor may take Enforcement Action available to it but for Clause 8.11 (Restriction on enforcement: Second Lien Creditors) in respect of any of the Second Lien Liabilities if at the same time as, or prior to, that action:
 - (i) a Senior Acceleration Event has occurred in which case each Second Lien Creditor may take the same Enforcement Action (but in respect of the Second Lien Liabilities) as constitutes that Senior Acceleration Event;
 - (ii) a Second Lien Representative has given notice (a “**Second Lien Enforcement Notice**”) to the Security Agent specifying that an Event of Default under any Second Lien Finance Document in respect of which it is an agent, representative or trustee has occurred and is continuing and:
 - (A) a period (a “**Second Lien Standstill Period**”) of not less than 120 days or, if any Second Lien Notes Liabilities are outstanding, 179 days has elapsed from the date on which that Second Lien Enforcement Notice becomes effective in accordance with Clause 26.4 (Delivery); and
 - (B) that Event of Default is continuing at the end of the Second Lien Standstill Period; or
 - (iii) the Majority Senior Lenders, the Senior Secured Notes Representative(s) and the Pari Passu Debt Representative(s) have given their prior consent.
- (b) After the occurrence of an Insolvency Event in relation to any Debtor or any member of the Group, each Second Lien Creditor may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Second Lien Creditor in accordance with Clause 12.5 (Filing of claims)) exercise any right they may otherwise have against that Debtor or member of the Group to:
 - (i) accelerate any of that Debtor or member of the Group’s Second Lien Liabilities or declare them prematurely due and payable or payable on demand;
 - (ii) make a demand under any guarantee, indemnity or other assurance against loss given by that Debtor or member of the Group in respect of any Second Lien Liabilities;
 - (iii) exercise any right of set-off or take or receive any Payment or claim in respect of any Second Lien Liabilities of that Debtor or member of the Group; or
 - (iv) claim and prove in the liquidation of that Debtor or member of the Group for the Second Lien Liabilities owing to it.

8.13 Option to Purchase: Second Lien Creditors

- (a) Subject to paragraph (b) below, the Second Lien Creditors (or any of them) (the “**Purchasing Second Lien Creditors**”) may:
 - (i) at any time during a Second Lien Standstill Period;
 - (ii) at any time following a Senior Secured Payment Default which is continuing; or

- (iii) following receipt of notice from the Security Agent that a Senior Acceleration Event, Senior Secured Notes Acceleration Event and/or Pari Passu Debt Acceleration Event has occurred,

by giving not less than ten days' notice to the Security Agent, require the transfer to the Purchasing Second Lien Creditors (or to a nominee or nominees), in accordance with Clause 22.3 (Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders), of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Pari Passu Debt Liabilities if:

- (A) that transfer is lawful and, subject to sub-paragraph (B) below, otherwise permitted by the terms of the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes remain outstanding (in the case of Senior Secured Notes Liabilities) and the Pari Passu Debt Documents (in the case of Pari Passu Debt Liabilities);
- (B) any conditions relating to such a transfer contained in the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), any Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes remain outstanding (in the case of Senior Secured Notes Liabilities) and the and the Pari Passu Debt Documents (in the case of Pari Passu Debt Liabilities) are complied with, other than:
 - I. any requirement to obtain the consent of, or consult with, any Debtor or other member of the Group relating to such transfer, which consent or consultation shall not be required; and
 - II. to the extent to which the Purchasing Second Lien Creditors provide cash cover for any Letter of Credit, the consent of the relevant Issuing Bank relating to such transfer;
- (C) the Senior Agent, on behalf of the Senior Lenders, is paid an amount equal to the aggregate of:
 - I. any amounts provided as cash cover by the Purchasing Second Lien Creditors for any Letter of Credit (as envisaged in sub-paragraph (B)II above);
 - II. all of the Senior Liabilities (other than the Hedging Liabilities) at that time (whether or not due), including all amounts that would have been payable under the Senior Facilities Agreement if the Senior Facilities were being prepaid by the relevant Debtors on the date of that payment; and
 - III. all costs and expenses (including legal fees) incurred by the Senior Agent and/or the Senior Lenders as a consequence of giving effect to that transfer;
- (D) the Senior Secured Notes Representative(s), on behalf of the Senior Secured Notes Creditors, are paid an amount equal to the aggregate of:
 - I. all of the Senior Secured Notes Liabilities at that time (whether due or not due), including all amounts that would have been payable under the Senior Secured Notes Indenture(s) if it were being redeemed (as applicable) by the relevant Debtors on the date of that payment; and
 - II. all costs and expenses (including legal fees) incurred by the Senior Secured Notes Representative(s) and/or the Senior Secured Notes Creditors as a consequence of giving effect to that transfer;
- (E) the Pari Passu Debt Representative(s), on behalf of the Pari Passu Creditors, are paid an amount equal to the aggregate of:
 - I. all of the Pari Passu Debt Liabilities at that time (whether due or not due), including all amounts that would have been payable under the Pari

Passu Debt Documents if it were being redeemed (as applicable) by the relevant Debtors on the date of that payment; and

- II. all costs and expenses (including legal fees) incurred by the Pari Passu Debt Representative(s) and/or the Pari Passu Creditors as a consequence of giving effect to that transfer;
 - (F) as a result of that transfer the Senior Lenders, the Senior Secured Notes Creditors and the Pari Passu Creditors have no further actual or contingent liability to any Debtor under the relevant Debt Documents;
 - (G) an indemnity is provided from each Purchasing Second Lien Creditor (but, for the avoidance of doubt, this does not include a Second Lien Representative) (or from another third party acceptable to all the Senior Lenders, the Senior Secured Notes Creditors and the Pari Passu Creditors) in a form satisfactory to each Senior Lender, the Senior Secured Notes Creditors and the Pari Passu Creditors in respect of all losses which may be sustained or incurred by any Senior Lender, Senior Secured Notes Creditor or the Pari Passu Creditors in consequence of any sum received or recovered by any Senior Lender, Senior Secured Notes Creditor or the Pari Passu Creditors from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender, Senior Secured Notes Creditor or the Pari Passu Creditors for any reason;
 - (H) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, Senior Secured Notes Creditor or the Pari Passu Creditors, except that each Senior Lender, the Senior Secured Notes Creditors and the Pari Passu Creditors shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorise the making by it of that transfer; and
 - (I) the High Yield Creditors have not exercised their rights under Clause 9.15 (Option to purchase: High Yield Creditors) or, having exercised such rights, have failed to complete the acquisition of the Senior Liabilities, Senior Secured Notes Liabilities and the Pari Passu Debt Liabilities in accordance with Clause 9.15 (Option to purchase: High Yield Creditors).
- (b) Subject to paragraph (b) of Clause 8.14 (Hedge Transfer: Second Lien Creditors), the Second Lien Creditors may only require a Second Lien Creditor Liabilities Transfer if, at the same time, they require a Hedge Transfer in accordance with Clause 8.14 (Hedge Transfer: Second Lien Creditors) and if, for any reason, a Hedge Transfer cannot be made in accordance with Clause 8.14 (Hedge Transfer: Second Lien Creditors), no Second Lien Creditor Liabilities Transfer may be required to be made.
 - (c) The Senior Agent shall, at the request of the Purchasing Second Lien Creditors (acting as a whole) notify the Second Lien Creditors of:
 - (i) the sum of the amounts described in sub-paragraphs (C)II and III of paragraph (a) above; and
 - (ii) the amount of each Letter of Credit for which cash cover is to be provided by all the Purchasing Second Lien Creditors (acting as a whole).
 - (d) The Senior Secured Notes Representative(s) shall, at the request of the Purchasing Second Lien Creditors, notify the Second Lien Creditors of the sum of amounts described in Clause 8.13(a)(iii)(D).
 - (e) The Pari Passu Debt Representative(s) shall, at the request of the Purchasing Second Lien Creditors, notify the Second Lien Creditors of the sum of amounts described in Clause 8.13(a)(iii)(E).

8.14 Hedge Transfer: Second Lien Creditors

- (a) The Purchasing Second Lien Creditors (acting as a whole) may, by giving not less than ten days' notice to the Security Agent, require a Hedge Transfer if the Purchasing Second Lien

Creditors require, at the same time, a transfer of the Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Pari Passu Debt Liabilities under Clause 8.13 (Option to Purchase: Second Lien Creditors), provided that:

- (i) that transfer is lawful and otherwise permitted by the terms of the Hedging Agreements in which case no Debtor or other member of the Group shall be entitled to withhold its consent to that transfer;
 - (ii) any conditions (other than the consent of, or any consultation with, any Debtor or other member of the Group) relating to that transfer contained in the Hedging Agreements are complied with;
 - (iii) each Hedge Counterparty is paid (in the case of a positive number) or pays (in the case of a negative number) an amount equal to the aggregate of (i) the Hedging Purchase Amount in respect of the hedging transactions under the relevant Hedging Agreement at that time and (ii) all costs and expenses (including legal fees) incurred as a consequence of giving effect to that transfer;
 - (iv) as a result of that transfer, the Hedge Counterparties have no further actual or contingent liability to any Debtor under the Hedging Agreements;
 - (v) an indemnity is provided from each Second Lien Creditor (but for the avoidance of doubt this does not include a Second Lien Representative) which is receiving (or for which a nominee is receiving) that transfer (or from another third party acceptable to the relevant Hedge Counterparty) in a form satisfactory to the relevant Hedge Counterparty in respect of all losses which may be sustained or incurred by that Hedge Counterparty in consequence of any sum received or recovered by that Hedge Counterparty being required (or it being alleged that it is required) to be paid back by or clawed back from the Hedge Counterparty for any reason;
 - (vi) that transfer is made without recourse to, or representation or warranty from, the relevant Hedge Counterparty, except that the relevant Hedge Counterparty shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorise the making by it of that transfer; and
 - (vii) the High Yield Creditors have not exercised their rights under Clause 9.15 (Option to purchase: High Yield Creditors) or, having exercised such rights, have failed to complete the acquisition of the Senior Liabilities, Senior Secured Notes Liabilities and the Pari Passu Debt Liabilities in accordance with Clause 9.15 (Option to purchase: High Yield Creditors).
- (b) All the Purchasing Second Lien Creditors (acting as a whole) and any Hedge Counterparty may agree (in respect of the Hedging Agreements (or one or more of them) to which that Hedge Counterparty is a party) that a Hedge Transfer required by all the Purchasing Second Lien Creditors (acting as a whole) pursuant to paragraph (a) above shall not apply to that Hedging Agreement(s) or to the Hedging Liabilities and Hedge Counterparty Obligations under that Hedging Agreement(s).
- (c) If the Purchasing Second Lien Creditors are entitled to require a Hedge Transfer under this clause, the Hedge Counterparties shall at the request of the Second Lien Representative(s) provide details of the amounts referred to in sub-paragraph (a)(iii) above.

9. HIGH YIELD CREDITORS AND HIGH YIELD NOTES LIABILITIES

9.1 Issue of High Yield Notes

Except as otherwise approved in writing by the Majority Senior Lenders, the Senior Secured Notes Representative(s), the Pari Passu Debt Representative(s), the Second Lien Notes Trustee and the Majority Second Lien Lenders, a HY Issuer shall not (and the Company shall procure that no HY Issuer will) enter into any High Yield Notes Indenture or issue any High Yield Notes and the Company shall procure that no Debtor or member of the Group will enter into a High Yield Guarantee, in each case unless:

- (a) the Security Agent receives copies of the High Yield Notes Finance Documents as soon as practicable after the relevant High Yield Notes are issued;

- (b) the terms of the High Yield Notes comply with the requirements of the Senior Facilities Agreement, any Second Lien Facilities Agreement and any Second Lien Notes Finance Documents or are otherwise approved by the Majority Senior Lenders, the Majority Second Lien Lenders and/or the Second Lien Notes Trustee (as applicable) and (to the extent otherwise prohibited by the terms of (i) the Senior Secured Notes Indenture(s) or (ii) the Pari Passu Debt Documents) the Senior Secured Notes Representative(s) and/or the Pari Passu Debt Representative(s) (as applicable);
- (c) the High Yield Guarantees comply with the provisions of this Deed, the Senior Facilities Agreement, any Second Lien Facilities Agreement and any Second Lien Notes Finance Documents or are otherwise approved by the Majority Senior Lenders, the Majority Second Lien Lenders and/or the Second Lien Notes Trustee (as applicable) and (to the extent otherwise prohibited by the terms of (i) the Senior Secured Notes Indenture(s) or (ii) the Pari Passu Debt Documents) the Senior Secured Notes Representative(s) and/or the Pari Passu Debt Representative(s) (as applicable);
- (d) the HY Issuer, the High Yield Notes Trustee and each of the High Yield Guarantors execute this Deed or sign a Debtor Accession Deed (or Creditor Accession Undertaking, as applicable) before or concurrently with the issuance of the High Yield Notes; and
- (e) prior to the later of Senior Secured Discharge Date and the Second Lien Discharge Date, such issue of High Yield Notes and the application of the proceeds thereof is not otherwise in breach of the terms of the Senior Facilities Agreement, any Pari Passu Debt Document, any Senior Secured Notes Indenture, any Second Lien Facilities Agreement or any Second Lien Notes Finance Documents and their terms are not inconsistent in any material respects with the High Yield Notes Major Terms.

9.2 Restriction on Payment and dealings: High Yield Notes Liabilities

Until the later of the Senior Secured Discharge Date and the Second Lien Discharge Date, except (to the extent not in compliance with the terms of the Senior Facilities Agreement) with the prior Consent of the Senior Agent under the Senior Facilities Agreement, (to the extent otherwise prohibited under the relevant Senior Secured Notes Finance Document) with the prior consent of the relevant Senior Secured Notes Representative under such Senior Secured Notes Finance Document (to the extent otherwise prohibited under the relevant Pari Passu Debt Documents) with the prior consent of the relevant Pari Passu Debt Representative(s) under the relevant Pari Passu Debt Documents, (to the extent not in compliance with the terms of any Second Lien Facilities Agreement) with the prior consent of the Second Lien Agent under any Second Lien Facilities Agreement, and (to the extent not in compliance with the terms of any Second Lien Notes Finance Document) with the prior consent of the Second Lien Notes Trustee under any Second Lien Notes Finance Document, no HY Issuer nor any other Debtor shall (and any HY Issuer and the Company shall ensure that no other member of the Group will):

- (a) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any High Yield Notes Liabilities in cash or in kind or apply any such money or property in or towards discharge of any High Yield Notes Liabilities except as permitted by Clause 9.3 (Permitted High Yield Payments), Clause 9.11 (Permitted High Yield Guarantee and Proceed Loan Enforcement), Clause 12.5 (Filing of claims) or Clause 19.3 (High Yield Notes Refinancing);
- (b) exercise any set-off against any High Yield Notes Liabilities, except as permitted by Clause 9.3 (Permitted High Yield Payments), Clause 9.10 (Restrictions on enforcement by High Yield Notes Finance Party) or Clause 12.5 (Filing of claims); or
- (c) create or permit to subsist any Security over any assets of any Debtor or member of the Group or give any guarantee (and the High Yield Representative(s) may not and no High Yield Creditor may, accept the benefit of any such Security or guarantee) from any Debtor or member of the Group for, or in respect of, any High Yield Notes Liabilities other than the High Yield Guarantees.

9.3 Permitted High Yield Payments

The Debtors may:

- (a) prior to the later of the Senior Secured Discharge Date and the Second Lien Discharge Date, make Payments to the High Yield Creditors in respect of the High Yield Notes Liabilities then due in accordance with the High Yield Notes Finance Documents if the Payment is permitted by or not prohibited by the Senior Facilities Agreement, the Senior Secured Notes Indenture(s) the Pari Passu Debt Documents and any Second Lien Finance Documents; and
- (b) on or after the later of the Senior Secured Discharge Date and the Second Lien Discharge Date, make Payments to the High Yield Creditors in respect of the High Yield Notes Liabilities in accordance with the High Yield Notes Finance Documents.

9.4 Issue of High Yield Payment Stop Notice

- (a) Until the later of the Senior Secured Discharge Date and the Second Lien Discharge Date, except with the prior Consent of the Senior Agent under the Senior Facilities Agreement, (to the extent otherwise prohibited under the Senior Secured Notes Finance Document pursuant to which any Senior Secured Notes are outstanding) with the prior Consent of the relevant Senior Secured Notes Representative(s) under such Senior Secured Notes Finance Documents and (to the extent otherwise prohibited under the relevant Pari Passu Debt Documents pursuant to which any Pari Passu Debt are outstanding) with the prior Consent of the relevant Pari Passu Debt Representative(s) and (to the extent not in compliance with the terms of any Second Lien Facilities Agreement) with the prior Consent of the Second Lien Agent under any Second Lien Facilities Agreement and (to the extent not in compliance with the terms of any Second Lien Notes Finance Document) with the prior consent of the Second Lien Notes Trustee under any Second Lien Notes Finance Document, and subject to Clause 12 (Effect of Insolvency Event), no Debtor or member of the Group may make, and no High Yield Notes Finance Party may receive from any Debtor or member of the Group, any Permitted High Yield Payment (other than High Yield Notes Trustee Amounts) if:
 - (i) a Senior Secured Payment Default and/or a Second Lien Payment Default is continuing; or
 - (ii) a Senior Secured Event of Default (other than a Senior Secured Payment Default) and/or a Second Lien Event of Default (other than a Second Lien Payment Default) is continuing, from the date which is one Business Day after the date on which the Senior Agent, the Senior Secured Notes Representative(s), the Second Lien Agent, the Second Lien Notes Trustee or the Pari Passu Debt Representative(s) (as the case may be) delivers a notice (a **High Yield Payment Stop Notice**) specifying the event or circumstance in relation to that Senior Secured Event of Default or Second Lien Event of Default (as applicable) to the HY Issuer, the Security Agent and the High Yield Representative(s) until the earliest of:
 - (A) the date falling 179 days after delivery of that High Yield Payment Stop Notice;
 - (B) in relation to payments of High Yield Notes Liabilities, if a High Yield Standstill Period is in effect at any time after delivery of that High Yield Payment Stop Notice, the date on which that High Yield Standstill Period expires;
 - (C) the date on which the relevant Senior Secured Event of Default and/or Second Lien Event of Default has been remedied or waived in accordance with the Senior Facilities Agreement, the Secured Debt Documents or the Second Lien Finance Documents (as applicable);
 - (D) the date on which each Senior Agent, Second Lien Agent, the Second Lien Notes Trustee, the Pari Passu Debt Representative(s) and Senior Secured Notes Representative(s) which delivered the relevant High Yield Payment Stop Notice delivers a notice to the HY Issuer, the Security Agent and the High Yield Representative(s) cancelling the High Yield Payment Stop Notice; and

- (E) the Senior Secured Discharge Date (in the case of a Senior Secured Event of Default) or the Second Lien Discharge Date (in the case of a Second Lien Event of Default).
- (b) Unless the High Yield Representative(s) waive this requirement:
 - (i) a new High Yield Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior High Yield Payment Stop Notice;
 - (ii) no High Yield Payment Stop Notice may be delivered in reliance on a Senior Secured Event of Default more than 45 days after the date the Senior Agent, each Senior Secured Notes Representative and each Pari Passu Debt Representative (as applicable) received notice of that Senior Secured Event of Default; and
 - (iii) no High Yield Payment Stop Notice may be delivered in reliance on a Second Lien Event of Default more than 45 days after the date the relevant Second Lien Representative received notice of that Second Lien Event of Default.
- (c) The Senior Agent, the Senior Secured Notes Representative(s) the Pari Passu Debt Representative(s), and the Second Lien Representative(s) may only serve one High Yield Payment Stop Notice with respect to the same event, set of circumstances. Subject to paragraph (b) above, this shall not affect the right of the Senior Agent or the Senior Secured Notes Representative(s) or the Pari Passu Debt Representative(s), and the Second Lien Representative(s) to issue a High Yield Payment Stop Notice in respect of any other event or set of circumstances.
- (d) No High Yield Payment Stop Notice may be served by a Senior Agent or a Senior Secured Notes Representative or the Pari Passu Debt Representative(s) in respect of a Senior Secured Event of Default which had been notified to the Senior Agent, the Senior Secured Notes Representatives and the Pari Passu Debt Representative(s) at the time at which an earlier High Yield Payment Stop Notice was issued.
- (e) No High Yield Payment Stop Notice may be served by a Second Lien Representative in respect of a Second Lien Event of Default which had been notified to that Second Lien Representative at the time at which an earlier High Yield Payment Stop Notice was issued.
- (f) For the avoidance of doubt, this Clause 9.4:
 - (i) acts as a suspension of payment and not as a waiver of the right to receive payment on the date such payments are due;
 - (ii) will not prevent the accrual or capitalisation of interest (including default interest) in accordance with the High Yield Notes Finance Documents;
 - (iii) will not prevent the payment of any High Yield Notes Trustee Amounts; and
 - (iv) will not prevent the payment of audit fees, directors' fees, taxes and other proper and incidental expenses required to maintain existence.

9.5 Effect of High Yield Note Payment Stop Notice, Senior Secured Payment Default or Second Lien Payment Default

Any failure to make a Payment due under the High Yield Notes Finance Documents as a result of the issue of a High Yield Payment Stop Notice or the occurrence of a Senior Secured Payment Default or the occurrence of a Second Lien Payment Default shall not prevent:

- (a) the occurrence of an Event of Default as a consequence of that failure to make a Payment in relation to the relevant High Yield Notes Finance Document; or
- (b) the issue of a High Yield Enforcement Notice on behalf of the High Yield Creditors.

9.6 Payment obligations and capitalisation of interest continue

- (a) No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any High Yield Notes Finance Document by the operation of Clauses 9.2 (Restriction on Payment and dealings: High Yield Notes

Liabilities) to and including 9.5 (Effect of High Yield Note Payment Stop Notice, Senior Secured Payment Default or Second Lien Payment Default) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

- (b) The accrual and capitalisation of interest (if any) in accordance with the High Yield Notes Finance Documents shall continue notwithstanding the issue of a High Yield Payment Stop Notice.

9.7 Cure of Payment Stop: High Yield Creditors

If:

- (a) at any time following the issue of a High Yield Payment Stop Notice or the occurrence of a Senior Secured Payment Default and/or a Second Lien Payment Default, that High Yield Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Senior Secured Payment Default ceases to be continuing; and
- (b) the relevant Debtor then promptly pays to the High Yield Creditors an amount equal to any Payments which had accrued under the High Yield Notes Finance Documents and which would have been Permitted High Yield Payments but for that High Yield Payment Stop Notice or Senior Secured Payment Default and/or a Second Lien Payment Default,

then any Event of Default (including any cross default or similar provision under any other Debt Document) which may have occurred as a result of that suspension of Payments shall be waived and any High Yield Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the High Yield Creditors or any other Creditor.

9.8 Amendments and Waivers: High Yield Creditors

- (a) Subject to paragraph (b) below, the High Yield Creditors may amend or waive the terms of the High Yield Notes Finance Documents (other than this Deed) in accordance with their terms at any time.
- (b) Prior to the later of the Senior Secured Discharge Date and the Second Lien Discharge Date, the High Yield Notes Finance Parties may not, without the Consent of the Majority Senior Lenders, the Majority Second Lien Lenders, (to the extent otherwise prohibited under the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes are outstanding) the relevant Senior Secured Notes Representative(s), (to the extent otherwise prohibited under the Second Lien Notes Indenture(s) pursuant to which any Second Lien Notes are outstanding) the relevant Second Lien Representative(s), (to the extent otherwise prohibited under the Pari Passu Debt pursuant to which any Pari Passu Debt is outstanding) the Pari Passu Debt Representative(s) amend or waive the terms of the High Yield Notes Finance Documents if the amendment or waiver would result in the High Yield Notes Finance Documents not being in compliance with the terms of the Senior Facilities Agreement, any Second Lien Facilities Agreement, the Second Lien Notes Indenture(s), the Senior Secured Notes Indenture(s) and/or the Pari Passu Debt Documents or the High Yield Notes Finance Documents being inconsistent in any material respect with the High Yield Notes Major Terms.

9.9 Designation of High Yield Notes Finance Documents

The High Yield Representative(s) and the HY Issuer agree that they will not designate a document a "High Yield Notes Finance Document" (or equivalent term thereto) for the purposes of the High Yield Notes, without the prior Consent of the Majority Senior Lenders, (to the extent otherwise prohibited under the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes remain outstanding) the relevant Senior Secured Notes Representative(s), (to the extent otherwise prohibited under the Pari Passu Debt pursuant to which any Pari Passu Debt is outstanding) the Pari Passu Debt Representative(s), (to the extent otherwise prohibited under the Second Lien Notes Indenture(s) pursuant to which any Second Lien Notes remain outstanding) the relevant Second Lien Notes Trustee and the Majority Second Lien Lenders, if the terms of that document effect a change which would otherwise require the Consent of the Majority Senior Lenders, the Senior Secured Notes Representative(s), the relevant Second Lien Representative(s), the Pari Passu Debt

Representative(s) and the Majority Second Lien Lenders under Clause 9.8 (Amendments and Waivers: High Yield Creditors).

9.10 Restrictions on enforcement by High Yield Notes Finance Party

Until the later of the Senior Secured Discharge Date and the Second Lien Discharge Date, except with the prior Consent of or as required by an Instructing Group, no High Yield Notes Finance Party shall take or require the taking of any Enforcement Action in relation to the High Yield Guarantors and/or a Proceeds Loan, except as permitted under Clause 9.11 (Permitted High Yield Guarantee and Proceed Loan Enforcement) provided, however, that no such action required by the relevant Agent (as applicable) need be taken except to the extent the relevant Agent is otherwise entitled under this Deed to direct such action.

9.11 Permitted High Yield Guarantee and Proceed Loan Enforcement

- (a) Subject to Clause 9.14 (Enforcement on behalf of High Yield Notes Finance Parties), the restrictions in Clause 9.10 (Restrictions on enforcement by High Yield Notes Finance Party) will not apply in respect of the High Yield Guarantee Liabilities or any Proceeds Loan, if:
 - (i) a High Yield Default (other than solely by reason of a cross-default (other than a cross-default arising from a Senior Secured Payment Default) arising from a Senior Secured Event of Default) (the **Relevant High Yield Default**) is continuing;
 - (ii) the Senior Agent, the Senior Secured Notes Representative(s) the Pari Passu Debt Representative(s) and the Second Lien Representatives have received a written notice of the Relevant High Yield Default specifying the event or circumstance in relation to the Relevant High Yield Default from the relevant High Yield Representative;
 - (iii) a High Yield Standstill Period has elapsed or otherwise terminated; and
 - (iv) the Relevant High Yield Default is continuing at the end of the relevant High Yield Standstill Period.
- (b) Promptly upon becoming aware of a High Yield Default, the relevant High Yield Representative(s) may by notice (a **High Yield Enforcement Notice**) in writing notify the Senior Agent, the Senior Secured Notes Representative(s) the Pari Passu Debt Representative(s) and the Second Lien Representatives of the existence of such High Yield Default.

9.12 High Yield Standstill Period

In relation to a Relevant High Yield Default, a High Yield Standstill Period shall mean the period beginning on the date (the **High Yield Standstill Start Date**) the relevant High Yield Representative(s) serves a High Yield Enforcement Notice on the Senior Agent, the Senior Secured Notes Representative(s), the Pari Passu Debt Representative(s) and the Second Lien Representatives in respect of such Relevant High Yield Default and ending on the earlier to occur of:

- (a) the date falling 179 days after the High Yield Standstill Start Date (the **High Yield Standstill Period**);
- (b) the date the Senior Secured Creditors and/or the Second Lien Finance Parties (as applicable) take any Enforcement Action in relation to a particular High Yield Guarantor provided, however, that:
 - (i) if a High Yield Standstill Period ends pursuant to this paragraph (b), the High Yield Notes Finance Parties may only take the same Enforcement Action in relation to the High Yield Guarantor as the Enforcement Action taken by the Senior Secured Creditors and/or the Second Lien Finance Parties (as applicable) against such High Yield Guarantor and not against any other Debtor or member of the Group; and
 - (ii) Enforcement Action for the purpose of this paragraph (b) shall not include action taken to preserve or protect any Security as opposed to realise it;
- (c) the date of an Insolvency Event (other than as a result of any action taken by any High Yield Notes Finance Party) in relation to a particular High Yield Guarantor against whom Enforcement Action is to be taken;

- (d) the expiry of any other High Yield Standstill Period outstanding at the date such first mentioned High Yield Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);
- (e) the date on which Majority Senior Lenders, the Senior Secured Notes Representative(s), the Pari Passu Debt Representative(s), the Majority Second Lien Lenders and the Second Lien Notes Trustee(s) give their consent to the termination of the relevant High Yield Standstill Period; and
- (f) a failure to pay the principal amount outstanding on the High Yield Notes at the final stated maturity of the High Yield Notes.

9.13 Subsequent High Yield Defaults

The High Yield Notes Finance Parties and (if required by the High Yield Notes Finance Parties) the HY Issuer, as applicable, may take Enforcement Action under Clause 9.11 (Permitted High Yield Guarantee and Proceed Loan Enforcement) in relation to a Relevant High Yield Default even if, at the end of any relevant High Yield Standstill Period or at any later time, a further High Yield Standstill Period has begun as a result of any other High Yield Default.

9.14 Enforcement on behalf of High Yield Notes Finance Parties

If the Security Agent has notified the High Yield Representatives that it is taking steps to enforce Security created pursuant to any Security Document over shares of a High Yield Guarantor, no High Yield Notes Finance Party may take any action referred to in Clause 9.11 (Permitted High Yield Guarantee and Proceed Loan Enforcement) against that High Yield Guarantor while the Security Agent is taking steps to enforce that Security in accordance with the instructions of the Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

9.15 Option to purchase: High Yield Creditors

- (a) Subject to paragraphs (b) and (c) below, the High Yield Representative(s) (on behalf of one or more High Yield Creditors) may after a Distress Event (other than a Distress Event that is a High Yield Acceleration Event only), by giving not less than ten days' notice to the Security Agent, require the transfer to the High Yield Creditors (or to a nominee or nominees), in accordance with Clause 22.3 (Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders), of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities, the Senior Secured Notes Liabilities the Pari Passu Debt Liabilities and the Second Lien Liabilities if:
 - (i) that transfer is lawful and subject to sub-paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes remain outstanding (in the case of the Senior Secured Notes Liabilities) the Pari Passu Debt Documents (in the case of the Pari Passu Debt Liabilities), the Second Lien Notes Indenture(s) pursuant to which any Second Lien Notes remain outstanding (in the case of the Second Lien Notes Liabilities) and any Second Lien Facilities Agreement (in the case of the Second Lien Loan Liabilities);
 - (ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes remain outstanding (in the case of the Senior Secured Notes Liabilities), the Pari Passu Debt Documents (in the case of the Pari Passu Debt Liabilities), the Second Lien Notes Indenture(s) pursuant to which any Second Lien Notes remain outstanding (in the case of the Second Lien Notes Liabilities), and any Second Lien Facilities Agreement (in the case of the Second Lien Loan Liabilities) are complied with, other than:
 - (A) any requirement to obtain the Consent of, or consult with, any Debtor or any member of the Group relating to such transfer, which Consent or consultation shall not be required; and

- (B) to the extent to which all the High Yield Creditors (acting as a whole) provide cash cover for any Letter of Credit, the Consent of the relevant Issuing Bank relating to such transfer;
- (iii) (A) the Senior Agent, on behalf of the Senior Lenders, is paid an amount equal to the aggregate of:
 - I. any amounts provided as cash cover by the High Yield Noteholders for any Letter of Credit (as envisaged in sub-paragraph (ii)(B) above);
 - II. all of the Senior Liabilities (other than the Hedging Liabilities) at that time (whether or not due), including all amounts that would have been payable under the Senior Facilities Agreement if the Senior Facilities were being prepaid by the relevant Debtors on the date of that payment; and
 - III. all costs and expenses (including legal fees) incurred by the Senior Agent and/or the Senior Lenders as a consequence of giving effect to that transfer; and
- (B) the Senior Secured Notes Representative(s), on behalf of the Senior Secured Notes Creditors, are paid an amount equal to the aggregate of:
 - I. all of the Senior Secured Notes Liabilities at that time (whether due or not due), including all amounts that would have been payable under the Senior Secured Notes Indenture(s) if it were being redeemed (as applicable) by the relevant Debtors on the date of that payment; and
 - II. all costs and expenses (including legal fees) incurred by the Senior Secured Notes Representative(s) and/or the Senior Secured Notes Creditors as a consequence of giving effect to that transfer;
- (C) the Pari Passu Debt Representative(s), on behalf of the Pari Passu Creditors, are paid an amount equal to the aggregate of:
 - I. all of the Pari Passu Debt Liabilities at that time (whether due or not due), including all amounts that would have been payable under the Pari Passu Debt Documents if it were being redeemed (as applicable) by the relevant Debtors on the date of that payment; and
 - II. all costs and expenses (including legal fees) incurred by the Pari Passu Debt Representative(s) and/or the Pari Passu Creditors as a consequence of giving effect to that transfer;
- (D) the Second Lien Agent, on behalf of the Second Lien Lenders, is paid an amount equal to the aggregate of:
 - I. all of the Second Lien Loan Liabilities at that time (whether or not due), including all amounts that would have been payable under any Second Lien Facilities Agreement if the Second Lien Facilities were being prepaid by the relevant Debtors on the date of that payment; and
 - II. all costs and expenses (including legal fees) incurred by the Second Lien Agent and/or the Second Lien Lenders as a consequence of giving effect to that transfer; and
- (E) the Second Lien Notes Trustee, on behalf of the Second Lien Noteholders, is paid an amount equal to the aggregate of:
 - I. all of the Second Lien Notes Liabilities at that time (whether or not due), including all amounts that would have been payable under the Second Lien Notes Indenture(s) if it were being redeemed (as applicable) by the relevant Debtors on the date of that payment; and
 - II. all costs and expenses (including legal fees) incurred by the Second Lien Notes Trustee and/or the Second Lien Notes Creditors as a consequence of giving effect to that transfer;

- (iv) as a result of that transfer the Senior Lenders, Senior Secured Notes Creditors, the Pari Passu Creditors, the Second Lien Notes Creditors and the Second Lien Lenders have no further actual or contingent liability to any Debtor under the relevant Debt Documents;
 - (v) an indemnity is provided from each High Yield Creditor (but, for the avoidance of doubt, this does not include a High Yield Representative) (or from another third party acceptable to all the Senior Lenders, Senior Secured Notes Creditors, the Pari Passu Creditors, the Second Lien Notes Creditors and the Second Lien Lender) in a form reasonably satisfactory to each Senior Lender, Senior Secured Notes Creditor, Pari Passu Creditor, Second Lien Notes Creditor and Second Lien Lender in respect of all losses which may be sustained or incurred by any Senior Lender, Senior Secured Notes Creditor, Pari Passu Creditor, Second Lien Notes Creditor or Second Lien Lender in consequence of any sum received or recovered by any Senior Lender, Senior Secured Notes Creditor, Pari Passu Creditor, Second Lien Notes Creditor or Second Lien Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender, Senior Secured Notes Creditor, Pari Passu Creditor, Second Lien Notes Creditor or Second Lien Lender for any reason; and
 - (vi) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, the Senior Secured Notes Creditors, the Pari Passu Creditors, the Second Lien Notes Creditors or the Second Lien Lenders, except that each Senior Lender, Senior Secured Notes Creditor, Pari Passu Creditor, Second Lien Notes Creditor and Second Lien Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorise the making by it of that transfer.
- (b) Subject to paragraph (b) of Clause 9.16 (Hedge Transfer: High Yield Creditors), the High Yield Representatives (on behalf of all the High Yield Creditors) may only require a Senior Secured Creditor Liabilities Transfer and a Second Lien Creditor Liabilities Transfers if, at the same time, they require a Hedge Transfer in accordance with Clause 9.16 (Hedge Transfer: High Yield Creditors) and if, for any reason, a Hedge Transfer cannot be made in accordance with Clause 9.16 (Hedge Transfer: High Yield Creditors), no Senior Secured Creditor Liabilities Transfer or Second Lien Creditor Liabilities Transfer may be required to be made.
- (c) At the request of the High Yield Representative(s) (on behalf of all the High Yield Creditors):
- (i) the Senior Agent shall notify the High Yield Creditors of:
 - (A) the sum of the amounts described in sub-paragraphs (a)(iii)(A)II and III; and
 - (B) the amount of each Letter of Credit for which cash cover is to be provided by all the High Yield Creditors (acting as a whole);
 - (ii) the Senior Secured Notes Representative(s) shall notify the High Yield Creditors of the sum of amounts described in sub-paragraphs (a)(iii)(B)I and II;
 - (iii) the Pari Passu Debt Representative(s) shall notify the High Yield Creditors of the sum of amounts described in sub-paragraphs (a)(iii)(C)I and II; and
 - (iv) the relevant Second Lien Representative shall notify the High Yield Creditors of:
 - (A) the sum of the amounts described in sub-paragraphs (a)(iii)(D)I and II above; and
 - (B) the sum of the amounts described in sub-paragraphs (a)(iii)(E)I and II.

9.16 Hedge Transfer: High Yield Creditors

- (a) The High Yield Representative(s) (on behalf of one or more High Yield Creditors, acting as a whole) may, by giving not less than ten days' notice to the Security Agent, require a Hedge Transfer if the relevant High Yield Creditors require, at the same time, a Senior Secured

Creditor Liabilities Transfer and a Second Lien Creditor Liabilities Transfer under Clause 9.15 (Option to purchase: High Yield Creditors), if:

- (i) that transfer is lawful and otherwise permitted by the terms of the Hedging Agreements in which case no Debtor or member of the Group shall be entitled to withhold its Consent to that transfer;
 - (ii) any conditions (other than the Consent of, or any consultation with, any Debtor or member of the Group) relating to that transfer contained in the Hedging Agreements are complied with;
 - (iii) each Hedge Counterparty is paid (in the case of a positive number) or pays (in the case of a negative number) an amount equal to the aggregate of (I) the Hedging Purchase Amount in respect of the hedging transactions under the relevant Hedging Agreement at that time and (II) all costs and expenses (including legal fees) incurred by such Hedge Counterparty as a consequence of giving effect to that transfer;
 - (iv) as a result of that transfer, the Hedge Counterparties have no further actual or contingent liability to any Debtor under the Hedging Agreements;
 - (v) an indemnity is provided from each High Yield Creditor (but for the avoidance of doubt this does not include a High Yield Representative) which is receiving (or for which a nominee is receiving) that transfer (or from another third party acceptable to the relevant Hedge Counterparty) in a form reasonably satisfactory to the relevant Hedge Counterparty in respect of all losses which may be sustained or incurred by that Hedge Counterparty in consequence of any sum received or recovered by that Hedge Counterparty being required (or it being alleged that it is required) to be paid back by or clawed back from the Hedge Counterparty for any reason; and
 - (vi) that transfer is made without recourse to, or representation or warranty from, the relevant Hedge Counterparty, except that the relevant Hedge Counterparty shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorise the making by it of that transfer.
- (b) The High Yield Representative(s) (acting on behalf of the relevant High Yield Creditors,) and any Hedge Counterparty may agree (in respect of the Hedging Agreements (or one or more of them) to which that Hedge Counterparty is a party) that a Hedge Transfer required by any High Yield Creditors pursuant to paragraph (a) above shall not apply to that Hedging Agreement(s) or to the Hedging Liabilities and Hedge Counterparty Obligations under that Hedging Agreement(s).
- (c) If the High Yield Representative(s) are entitled to require a Hedge Transfer under this Clause, the Hedge Counterparties shall at the request of the High Yield Representative(s) provide details of the amounts referred to in sub-paragraph (a)(iii) above.

10. SUBORDINATED LIABILITIES

10.1 Restriction on Payment: Subordinated Liabilities

Subject to Clauses 10.2 (Permitted Subordinated Creditor Payments) and 12.5 (Filing of claims), until after the Final Discharge Date:

- (a) no Debtor will make, and each Debtor will procure that none of its Subsidiaries will make, and no Subordinated Creditor will receive, any payment or distribution of any kind whatsoever in respect or on account of the Subordinated Liabilities (including in relation to the direct or indirect purchase or other acquisition of the Subordinated Liabilities); and
- (b) no Debtor will, and each Debtor will procure that none of its Subsidiaries will, create or permit to subsist, and no Subordinated Creditor will receive from any Debtor or any member of the Group, any Security over any asset of any Debtor or any member of the Group or give or permit to subsist any guarantee in respect of any part of the Subordinated Liabilities,

in each case, without the prior Consent of (i) (to the extent prohibited in the Senior Facilities Agreement) the Majority Senior Creditors (if on or before the Senior Discharge Date), (ii) (to the

extent otherwise prohibited under the Senior Secured Notes Indenture) the relevant Senior Secured Notes Representative(s) (if on or before the Senior Secured Notes Discharge Date), (iii) (to the extent otherwise prohibited under a Pari Passu Debt Document) the relevant Pari Passu Debt Representative(s) (if on or before the Pari Passu Debt Discharge Date), (iv) (to the extent prohibited under the Second Lien Loan Finance Documents) the Majority Second Lien Lenders (if on or before the Second Lien Loan Discharge Date), (v) (to the extent prohibited under the Second Lien Notes Finance Documents) the Second Lien Notes Trustee (if on or before the Second Lien Notes Discharge Date) and (vi) (to the extent prohibited under the High Yield Notes Finance Documents) the High Yield Notes Trustee (if on or before the High Yield Discharge Date).

10.2 Permitted Subordinated Creditor Payments

- (a) So long as no Acceleration Event has occurred and is continuing, any Debtor or any member of the Group may pay interest, principal or other amounts (in cash or in kind) in respect of the Subordinated Liabilities if such payment is not prohibited by the Senior Facilities Agreement or otherwise under any Debt Document.
- (b) Nothing in this Clause 10 will restrict the roll-up or capitalisation of interest on the Subordinated Liabilities or the payment of interest on Subordinated Liabilities by the issue of payment-in-kind instruments provided that, in any such case, there is no payment in cash or Cash Equivalent Investments (as defined in the Senior Facilities Agreement).
- (c) After the Final Discharge Date but prior to the Subordinated Discharge Date, any member of the Group may make any payments in respect of the Subordinated Liabilities in accordance with any restrictions in the Subordinated Creditor Documents.

10.3 Restrictions on Subordinated Creditor Enforcement Action

Until after the Final Discharge Date, no Subordinated Creditor may take Enforcement Action in relation to any Subordinated Liabilities without the prior Consent of the Majority Senior Creditors (if on or before the Senior Discharge Date), the relevant Senior Secured Notes Representative(s) (if on or before the Senior Secured Notes Discharge Date), the Pari Passu Debt Representative (if on or before the Pari Passu Debt Discharge Date), the Second Lien Notes Trustee (if on or before the Second Lien Notes Discharge Date), the Majority Second Lien Lenders (if on or before the Second Lien Loan Discharge Date) and the High Yield Notes Trustee (if on or before the High Yield Discharge Date).

10.4 Turnover of Subordinated Liabilities

If at any time on or before the Final Discharge Date:

- (a) any Subordinated Creditor receives or recovers a payment or distribution of any kind whatsoever (including by way of set-off or combination of accounts) in respect or on account of any of the Subordinated Liabilities which is not permitted by Clause 10.2 (Permitted Subordinated Creditor Payments);
- (b) any Subordinated Creditor receives or recovers proceeds pursuant to any Enforcement Action; or
- (c) any Debtor or member of the Group makes any payment or distribution of any kind whatsoever in respect or on account of the purchase or other acquisition of any of the Subordinated Liabilities where the payment would not be permitted under Clause 10.2 (Permitted Subordinated Creditor Payments),

the recipient or beneficiary of that payment, distribution, set-off or combination will promptly pay all amounts and distributions received to the Security Agent for application under Clause 17.1 (Order of application of Group Recoveries) (as applicable) after deducting the costs, liabilities and expenses (if any) reasonably incurred in recovering or receiving that payment or distribution and, pending that payment, will hold, to the extent permitted by applicable law, those amounts and distributions on trust for the Security Agent.

It is hereby agreed that, in relation to any jurisdiction the courts of which would not recognise or give effect to the trust expressed to be created by this Clause, such amounts and distributions shall be held by such Subordinated Creditor in a separate account and the relationship between the

Security Agent and that Subordinated Creditor in respect of such amounts and distributions shall be construed as one of principal and agent.

10.5 No Reduction or Discharge

As between the Debtors and the Subordinated Creditors, the Subordinated Liabilities will be deemed not to have been reduced or discharged to the extent of any payment or distribution to the Security Agent under Clause 10.4 (Turnover of Subordinated Liabilities) and no Debtor shall be released from the liability to make any payment or distribution of any kind whatsoever (including of default interest, which shall continue to accrue) with respect to or on account of any Subordinated Liabilities by the operation of Clause 10.1 (Restriction on Payment: Subordinated Liabilities) even if its obligation to make that payment or distribution is restricted at any time by the terms of Clause 10.1 (Restriction on Payment: Subordinated Liabilities).

10.6 Indemnity

Immediately after the Final Discharge Date, the Debtors will (to the extent permitted by law) fully indemnify each Subordinated Creditor upon demand for the amount of any payment or distribution to the Security Agent under Clause 10.4 (Turnover of Subordinated Liabilities).

10.7 No Subrogation of Subordinated Creditors

Without the prior Consent of:

- (a) the Majority Senior Creditors (until after the Senior Discharge Date);
- (b) the relevant Senior Secured Notes Representative(s) (if on or before the Senior Secured Notes Discharge Date);
- (c) the relevant Pari Passu Debt Representative(s) (if on or before the Pari Passu Debt Discharge Date);
- (d) the Second Lien Notes Trustee (if on or before the Second Lien Notes Discharge Date);
- (e) the Majority Second Lien Lenders (if on or before the Second Lien Loan Discharge Date);
- (f) the High Yield Notes Trustee (if on or before the High Yield Discharge Date),

until after the Final Discharge Date, the Subordinated Creditors may not in any circumstances exercise any subrogation rights relating to the rights of the Senior Lenders in respect of the Senior Lender Liabilities, the Pari Passu Creditors in respect of the Pari Passu Debt Liabilities, the Senior Secured Notes Creditors in respect of the Senior Secured Notes Liabilities, the Second Lien Notes Creditors in respect of the Second Lien Notes Liabilities, the Second Lien Lenders in respect of the Second Lien Loan Liabilities or any Security or guarantee arising under the Senior Finance Documents, the Pari Passu Debt Documents, the Senior Secured Notes Finance Document and/or the Second Lien Finance Documents (as applicable).

10.8 Amendments to Subordinated Creditor Documents

Until after the Final Discharge Date, no Debtor nor any Subordinated Creditor will amend any term of any Subordinated Creditor Document in a manner or to an extent which would result in:

- (a) any Debtor being subject to obligations which would conflict with any provisions of this Deed; or
- (b) the ranking and/or subordination provided for in this Deed, being affected in any way that is materially adverse to the interests of the Senior Finance Parties, the Pari Passu Creditors, the Senior Secured Notes Finance Parties, the Hedge Counterparties, the Second Lien Finance Parties and/or the High Yield Notes Finance Parties,

in each case without the prior Consent of:

- (i) the Majority Senior Creditors (if on or before the Senior Discharge Date),
- (ii) (to the extent otherwise prohibited under the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes remain outstanding) the relevant Senior Secured Notes Representative(s) (if on or before the Senior Secured Notes Discharge Date),

- (iii) the relevant Pari Passu Debt Representative(s) (if on or before the Pari Passu Debt Discharge Date),
- (iv) the relevant Second Lien Representative(s) (if on or before the Second Lien Notes Discharge Date);
- (v) the Majority Second Lien Lenders (if on or before the Second Lien Loan Discharge Date); and
- (vi) the High Yield Notes Trustee (if on or before the High Yield Discharge Date).

10.9 Subordinated Creditor Representations

Each Subordinated Creditor represents and warrants to the Primary Creditors, the Security Agent and the Agents on the date it becomes a Party that:

- (a) it is a company duly organised or a partnership duly formed, in either case, validly existing under the laws of its jurisdiction of incorporation or establishment;
- (b) subject to the Legal Reservations, the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations; and
- (c) the entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not violate:
 - (i) in any material respect, any law or regulation or official judgment or decree applicable to it;
 - (ii) in any material respect, its constitutional documents; or
 - (iii) any material agreement or instrument to which it is a party or binding on any of its assets, where such violation would or is reasonably likely to have a material adverse effect on the ability of that Subordinated Creditor to perform its payment obligations thereunder.

10.10 Obligation to accede as a Subordinated Creditor

No Debtor or member of the Group may incur any Subordinated Liabilities unless the relevant creditor is an Effective Date Subordinated Creditor or has executed and delivered to the Security Agent a Creditor Accession Undertaking as a Subordinated Creditor, agreeing to be bound by all the terms of this Deed as if it had originally been party to this Deed as a Subordinated Creditor.

11. INTRA-GROUP LENDERS AND INTRA-GROUP LIABILITIES

11.1 Restriction on Payment: Intra-Group Liabilities

Prior to the later of the Final Discharge Date and the Subordinated Discharge Date, the Debtors shall not, and shall procure that no member of the Group will, make any Payments of the Intra-Group Liabilities at any time unless that Payment is permitted under Clause 11.2 (Permitted Payments: Intra-Group Liabilities); or the taking or receipt of that Payment is permitted under paragraph (c) of Clause 11.7 (Permitted Enforcement: Intra-Group Lenders).

11.2 Permitted Payments: Intra-Group Liabilities

- (a) Subject to paragraph (b) below, the Debtors may make Payments in respect of the Intra-Group Liabilities (whether of principal, interest or otherwise) from time to time.
- (b) Payments in respect of the Intra-Group Liabilities may not be made pursuant to paragraph (a) above if, at the time of the Payment, an Acceleration Event has occurred, unless:
 - (i) Consent to that Payment being made is given by:
 - (A) prior to the Senior Secured Discharge Date, the Majority Senior Creditors, the Pari Passu Debt Representative(s) and the Senior Secured Notes Representative(s);
 - (B) prior to the Second Lien Loan Discharge Date, the Majority Second Lien Lenders;

- (C) prior to the Second Lien Notes Discharge Date, the Second Lien Notes Trustee;
- (D) prior to the Subordinated Discharge Date, the Majority Subordinated Creditors; and
- (E) prior to the High Yield Discharge Date, the High Yield Notes Trustee; or
- (ii) that Payment is made to facilitate Payment of the Senior Secured Liabilities, the Second Lien Liabilities, the Senior Agent Liabilities, the Second Lien Agent Liabilities, the Pari Passu Debt Representative Amounts, the Senior Secured Notes Trustee Amounts, the Second Lien Notes Trustee Amounts or the High Yield Notes Trustee Amounts.

11.3 Payment obligations continue

No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 11.1 (Restriction on Payment: Intra-Group Liabilities) and 11.2 (Permitted Payments: Intra-Group Liabilities) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

11.4 Acquisition of Intra-Group Liabilities

- (a) Subject to paragraph (b) below, each Debtor may, and may permit any member of the Group to:
 - (i) enter into any Liabilities Acquisition; or
 - (ii) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,
 in respect of any Intra-Group Liabilities at any time.
- (b) Subject to paragraph (c) below, no action described in paragraph (a) above may take place in respect of any Intra-Group Liabilities if:
 - (i) that action would result in a breach of (A) (prior to the Senior Discharge Date) the Senior Facilities Agreement, (B) (prior to the Senior Secured Notes Discharge Date) the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes remain outstanding, (C) (prior to the Pari Passu Debt Discharge Date) the Pari Passu Debt Document(s), (D) (prior to the Second Lien Loan Discharge Date) the Second Lien Loan Finance Documents or (E) (prior to the Second Lien Notes Discharge Date) the Second Lien Notes Finance Documents; or
 - (ii) at the time of that action, an Acceleration Event has occurred.
- (c) The restrictions in paragraph (b) above shall not apply if:
 - (i) prior to the later of the Senior Secured Discharge Date and the Second Lien Discharge Date, the applicable Instructing Group Consents to that action; or
 - (ii) that action is taken to facilitate Payment of the Senior Secured Liabilities, the Second Lien Liabilities, the Senior Agent Liabilities, the Second Lien Agent Liabilities, the Pari Passu Debt Representative Amounts, the Senior Secured Notes Trustee Amounts or the Second Lien Notes Trustee Amounts.

11.5 Security: Intra-Group Lenders

Prior to the later of the Final Discharge Date and the Subordinated Discharge Date, the Intra-Group Lenders may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of the Intra-Group Liabilities unless:

- (a) that Security, guarantee, indemnity or other assurance against loss is not prohibited under the terms of the Secured Debt Documents; or
- (b) prior to:
 - (i) the Senior Secured Discharge Date, the prior Consent of the Majority Senior Creditors, (to the extent otherwise prohibited under a Senior Secured Notes Indenture) the Senior

Secured Notes Representative(s), and (to the extent otherwise prohibited under the Pari Passu Debt Document(s)) the Pari Passu Debt Representative(s);

- (ii) the Second Lien Notes Discharge Date, the prior Consent of (to the extent otherwise prohibited under a Second Lien Notes Indenture) the Second Lien Notes Trustee;
- (iii) the Second Lien Loan Discharge Date, the prior Consent of (to the extent otherwise prohibited under a Second Lien Loan Finance Document) the Majority Second Lien Lenders; and
- (iv) the High Yield Discharge Date, the prior Consent of (to the extent otherwise prohibited under the High Yield Notes Finance Documents) the High Yield Notes Trustee, is obtained.

11.6 Restriction on enforcement: Intra-Group Lenders

Subject to Clause 11.7 (Permitted Enforcement: Intra-Group Lenders), none of the Intra-Group Lenders shall be entitled to take any Enforcement Action in respect of any of the Intra-Group Liabilities at any time prior to the Final Discharge Date.

11.7 Permitted Enforcement: Intra-Group Lenders

After the occurrence of an Insolvency Event in relation to any Debtor or any member of the Group, each Intra-Group Lender may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Intra-Group Lender in accordance with Clause 12.5 (Filing of claims) or under the Transaction Security Documents creating Security over the relevant Intra-Group Liabilities), exercise any right it may otherwise have against that member of the Group to:

- (a) accelerate any of that member of the Group's Intra-Group Liabilities or declare them prematurely due and payable or payable on demand;
- (b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Intra-Group Liabilities;
- (c) exercise any right of set-off or take or receive any Payment in respect of any Intra-Group Liabilities of that member of the Group; or
- (d) claim and prove in the liquidation of that member of the Group for the Intra-Group Liabilities owing to it.

11.8 Representations: Intra-Group Lenders

Each Intra-Group Lender which is not a Debtor represents and warrants to the Senior Secured Creditors, the Second Lien Finance Parties, the Security Agent and the Agents that:

- (a) it is a company duly organised or a partnership duly formed, in either case, validly existing under the laws of its jurisdiction of incorporation or establishment;
- (b) subject to the Legal Reservations, the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations; and
- (c) the entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not violate:
 - (i) in any material respect, any law or regulation or official judgment or decree applicable to it;
 - (ii) in any material respect, its constitutional documents; or
 - (iii) any material agreement or instrument to which it is a party or binding on any of its assets, where such violation would or is reasonably likely to have a material adverse effect on the ability of that Intra-Group Lender to perform its payment obligations thereunder.

12. EFFECT OF INSOLVENCY EVENT

12.1 SFA Cash Cover

This Clause 12 is subject to Clause 17.3 (Treatment of SFA Cash Cover and Senior Lender Cash Collateral) and, in the case of Notes Trustee Amounts, to Clause 29.1(a) and (c).

12.2 Payment of distributions

- (a) After the occurrence of an Insolvency Event in relation to any Debtor or any member of the Group, any Party entitled to receive a distribution out of the assets of that Debtor or member of the Group in respect of Liabilities owed to that Party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that Debtor or member of the Group to pay that distribution to the Security Agent until the Liabilities owing to the Secured Parties have been paid in full;
- (b) The Security Agent shall apply distributions paid to it under paragraph (a) above in accordance with Clause 17 (Application of Proceeds) and pending such application the Security Agent will hold such distribution for its own account, as joint and several creditor in respect of all obligations owed by all Debtors to the Finance Parties under the Finance Documents.

12.3 Set-Off

- (a) Subject to paragraph (b) below, to the extent that any Debtor's or member of the Group's Liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that Debtor or member of the Group, any Creditor which benefited from that set-off shall pay an amount equal to the amount of the Liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with Clause 17 (Application of Proceeds).
- (b) Paragraph (a) above shall not apply to:
 - (i) any such discharge of the Multi-account Overdraft Liabilities to the extent that the relevant discharge represents a reduction from a Permitted Gross Amount of a Multi-account Overdraft Facility to or towards its Designated Net Amount; and
 - (ii) any netting by a Hedge Counterparty or a Hedging Ancillary Lender:
 - (A) that constitutes Close-Out Netting, Payment Netting, Inter-Hedging Agreement Netting or Inter-Hedging Ancillary Document Netting; or
 - (B) to the extent that the related Hedging Liabilities are permitted to be paid under Clause 4.6 (Permitted Enforcement: Hedge Counterparties).

12.4 Non-cash distributions

If the Security Agent or any other Secured Party receives a distribution in a form other than in cash in respect of any of the Liabilities (other than as contemplated in Clause 16.2(e)(ii)(A)), the Liabilities will not be reduced by that distribution until and except to the extent that the realisation proceeds are actually applied towards the Liabilities.

12.5 Filing of claims

Without prejudice to any Ancillary Facility Lender's right of netting or set-off relating to a Multi-account Overdraft Facility (to the extent that the netting or set-off represents a reduction from a Permitted Gross Amount of that Multi-account Overdraft Facility to or towards its Designated Net Amount), after the occurrence of an Insolvency Event in relation to any Debtor or member of the Group, each Creditor irrevocably authorises the Security Agent (acting in accordance with Clause 12.7 (Security Agent instructions)), on its behalf, to:

- (a) take any Enforcement Action (in accordance with the terms of this Deed) against that Debtor or member of the Group;
- (b) demand, sue, prove and give receipt for any or all of that Debtor's or member of the Group's Liabilities;
- (c) collect and receive all distributions on, or on account of, any or all of that Debtor's or member of the Group's Liabilities; and
- (d) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that Debtor's or member of the Group's Liabilities.

12.6 Creditors' actions

Each Creditor will:

- (a) do all things that the Security Agent (acting in accordance with Clause 12.7 (Security Agent instructions)) reasonably requests in order to give effect to this Clause 12; and
- (b) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 12 or if the Security Agent (acting in accordance with Clause 12.7 (Security Agent instructions)) requests that a Creditor take that action, undertake that action itself in accordance with the instructions of the Security Agent (acting in accordance with Clause 12.7 (Security Agent instructions)) or grant a power of attorney to the Security Agent (on such terms as the Security Agent (acting in accordance with Clause 12.7 (Security Agent instructions)) may reasonably require, although no Notes Trustee shall be under any obligation to grant such powers of attorney) to enable the Security Agent to take such action.

12.7 Security Agent instructions

For the purposes of Clause 12.5 (Filing of claims) and Clause 12.6 (Creditors' actions) the Security Agent shall act:

- (a) (except in relation to the Liabilities of a HY Issuer) on the instructions of the group of Primary Creditors entitled, at that time, to give instructions under Clause 15.2 (Enforcement instructions) or Clause 15.3 (Manner of enforcement); or
- (b) in the absence of any such instructions, as the Security Agent sees fit.

12.8 Limitation by Applicable Laws

- (a) Each of the provisions of this Clause 12 shall apply only to the extent permitted by applicable laws.
- (b) Nothing in this Clause 12:
 - (i) entitles any Party to exercise or require any other Party to exercise such power or voting or representation to waive, reduce, discharge, extend the due date for payment or reschedule any of the Senior Secured Creditor Liabilities, the Hedging Liabilities, Second Lien Liabilities or High Yield Notes Liabilities; or
 - (ii) shall be deemed to require any Senior Secured Parties to hold a meeting of the relevant Creditors or pass any resolution at such meeting or give any consent pursuant to the terms of the relevant Secured Debt Documents or High Yield Notes Finance Documents.

13. TURNOVER OF RECEIPTS

13.1 SFA Cash Cover

This Clause 13 is subject to Clause 17.3 (Treatment of SFA Cash Cover and Senior Lender Cash Collateral) and, in the case of Notes Trustee Amounts, to Clauses 29.1(a) and (c).

13.2 Turnover by the Creditors

Subject to Clause 13.3 (Exclusions), Clause 13.4 (Permitted assurance and receipts) and Clause 19.1 (Senior Secured Creditor Liabilities Refinancing) and, in the case of Notes Trustee Amounts, to Clauses 29.1(a) and (c), if at any time prior to the Final Discharge Date, any Creditor receives or recovers from any Debtor or any member of the Group:

- (a) any Payment or distribution of, or on account of or in relation to, any of the Liabilities which is not either:
 - (i) a Permitted Payment; or
 - (ii) made in accordance with Clause 17 (Application of Proceeds);
- (b) other than where Clause 12.3 (Set-Off) applies, any amount by way of set-off in respect of any of the Liabilities owed to it which does not give effect to a Permitted Payment;

- (c) notwithstanding paragraphs (a) and (b) above, and other than where Clause 12.3 (Set-Off) applies, any amount:
 - (i) on account of, or in relation to, any of the Liabilities:
 - (A) after the occurrence of a Distress Event; or
 - (B) as a result of any other litigation or proceedings against a Debtor or a member of the Group (other than after the occurrence of an Insolvency Event in respect of that Debtor or member of the Group); or
 - (ii) by way of set-off in respect of any of the Liabilities owed to it after the occurrence of a Distress Event,

other than, in each case, any amount received or recovered in accordance with Clause 17 (Application of Proceeds);
- (d) the proceeds of any enforcement of any Transaction Security except in accordance with Clause 17 (Application of Proceeds); or
- (e) other than where Clause 12.3 (Set-Off) or Clause 19.1 (Senior Secured Creditor Liabilities Refinancing) applies, any distribution in cash or in kind or Payment of, or on account of or in relation to, any of the Liabilities owed by any Debtor or member of the Group which is not in accordance with Clause 17 (Application of Proceeds) and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that Debtor or member of the Group,

that Creditor will:

- (i) in relation to receipts and recoveries not received or recovered by way of set-off:
 - (A) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Deed; and
 - (B) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Security Agent for application in accordance with the terms of this Deed;
- (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of this Deed; and
- (iii) at the option of the relevant Creditor, (i) the Liability of the Debtors to such Creditor shall be increased (or treated as not having been reduced) by the amount turned over to the Security Agent pursuant to this Clause 13.2 (Turnover by the Creditors), or (ii) the Debtors shall fully indemnify such Creditor for such amount.

It is hereby agreed that, in relation to any jurisdiction the courts of which would not recognise or give effect to the trust expressed to be created by this Clause, such receipts and recoveries shall be held by such Creditor in a separate account and the relationship between the Security Agent and that Creditor in respect of such receipt and recoveries shall be construed as one of principal and agent.

13.3 Exclusions

Clause 13.2 (Turnover by the Creditors) shall not apply to any receipt or recovery:

- (a) by way of netting by a Hedge Counterparty or a Hedging Ancillary Lender that constitutes Close-Out Netting, Payment Netting, Inter-Hedging Agreement Netting or Inter-Hedging Ancillary Document Netting by a Hedge Counterparty or a Hedging Ancillary Lender;
- (b) by an Ancillary Facility Lender by way of that Ancillary Facility Lender's right of netting or set-off relating to a Multi-account Overdraft Facility (to the extent that that netting or set-off represents a reduction from a Permitted Gross Amount of that Multi-account Overdraft Facility to or towards its Designated Net Amount);
- (c) any refinancing subject to Clause 19 (Refinancing of Primary Creditor Liabilities); or

- (d) made in accordance with Clause 18 (Equalisation).

13.4 Permitted assurance and receipts

Nothing in this Deed shall restrict the ability of any Primary Creditor to:

- (a) arrange with any person which is not a Debtor or a member of the Group or a Holding Company of any Debtor or member of the Group any assurance against loss in respect of, or reduction of its credit exposure to, a Debtor (including assurance by way of credit based derivative or sub-participation); or
- (b) make any assignment or transfer permitted by Clause 22 (Changes to the Parties),
- which:

- (i) is permitted by the Senior Facilities Agreement and any Second Lien Facilities Agreement; and
- (ii) is not in breach of any provision of (if prior to the Senior Secured Discharge Date in respect of the Senior Secured Notes) the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes remain outstanding, (if prior to the Pari Passu Debt Discharge Date in respect of any Pari Passu Debt) the Pari Passu Debt Document(s) pursuant to which such Pari Passu Debt remains outstanding, (if prior to the Second Lien Notes Discharge Date in respect of the Second Lien Notes) the Second Lien Notes Indenture(s) pursuant to which any Second Lien Notes remain outstanding and (if prior to the High Yield Discharge Date in respect of the High Yield Notes) the High Yield Notes Indenture(s) pursuant to which any High Yield Notes remain outstanding,

and that Primary Creditor shall not be obliged to account to any other Party for any sum received by it as a result of that action.

13.5 Sums received by Debtors or Security Grantors

If any of the Debtors or Security Grantors receives or recovers any sum which, under the terms of any of the Debt Documents, should have been paid to the Security Agent, that Debtor or Security Grantors will:

- (a) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Deed; and
- (b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Security Agent for application in accordance with the terms of this Deed.

It is hereby agreed that, in relation to any jurisdiction the courts of which would not recognise or give effect to the trust expressed to be created by this Clause, such receipts and recoveries shall be held by such Creditor in a separate account and the relationship between the Security Agent and that Debtors and Security Grantors in respect of such receipt and recoveries shall be construed as one of principal and agent.

13.6 Saving provision

If, for any reason, any of the trusts expressed to be created in this Clause 13 should fail or be unenforceable, the affected Creditor, Debtor or Security Grantors will promptly pay an amount equal to that receipt or recovery to the Security Agent to the extent permitted by applicable law to be held on trust by the Security Agent for application in accordance with the terms of this Deed.

14. REDISTRIBUTION

14.1 Recovering Creditor's rights

- (a) Any amount paid by a Creditor (a **Recovering Creditor**) to the Security Agent under Clause 12 (Effect of Insolvency Event) or Clause 13 (Turnover of Receipts) shall be treated as having been paid by the relevant Debtor or Security Grantor and distributed to the Security Agent, Agents, Arrangers and Primary Creditors (each a **Sharing Creditor**) in accordance with the terms of this Deed.

- (b) On a distribution by the Security Agent under paragraph (a) above of a Payment received by a Recovering Creditor from a Debtor or Security Grantor, as between the relevant Debtor or Security Grantor and the Recovering Creditor an amount equal to the amount received or recovered by the Recovering Creditor and paid to the Security Agent (as the case may be) (the **Shared Amount**) will be treated as not having been paid by that Debtor or Security Grantor.

14.2 Reversal of redistribution

- (a) If any part of the Shared Amount received or recovered by a Recovering Creditor becomes repayable to a Debtor or Security Grantor and is repaid by that Recovering Creditor to that Debtor or Security Grantor, then:
 - (i) each Sharing Creditor shall (subject, in the case of Notes Trustee Amounts, to Clauses 29.1(a) and (c)), upon request of the Security Agent, pay to the Security Agent for the account of that Recovering Creditor an amount equal to the appropriate part of its share of the Shared Amount (together with an amount as is necessary to reimburse that Recovering Creditor for its proportion of any interest on the Shared Amount which that Recovering Creditor is required to pay) (the **Redistributed Amount**); and
 - (ii) as between the relevant Debtor or Security Grantor and each relevant Sharing Creditor, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Debtor or Security Grantor.
- (b) The Security Agent shall not be obliged to pay any Redistributed Amount to a Recovering Creditor under sub-paragraph (a)(i) above until it has been able to establish to its satisfaction that it has actually received that Redistributed Amount from the relevant Sharing Creditor.

14.3 Deferral of Subrogation

No Creditor, Debtor or Security Grantor will exercise any rights which it may have by reason of the performance by it of its obligations under the Debt Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor which ranks ahead of it in accordance with the priorities set out in Clause 2 (Ranking and Priority) until such time as all of the Liabilities owing to each prior ranking Creditor (or, in the case of any Debtor or Security Grantor, owing to each Creditor) have been irrevocably paid in full.

15. ENFORCEMENT OF TRANSACTION SECURITY

15.1 SFA Cash Cover

This Clause 15 is subject to Clause 17.3 (Treatment of SFA Cash Cover and Senior Lender Cash Collateral).

15.2 Enforcement instructions

- (a) The Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by:
 - (i) the Instructing Group; or
 - (ii) if required under paragraph (c) below, the Majority Second Lien Creditors.
- (b) Subject to the Transaction Security having become enforceable in accordance with its terms:
 - (i) the Instructing Group; or
 - (ii) to the extent permitted to enforce or to require the enforcement of the Transaction Security prior to the Senior Discharge Date under Clause 8.12 (Permitted enforcement: Second Lien Creditors), the Majority Second Lien Creditors,

may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.
- (c) Prior to the Senior Discharge Date:
 - (i) if the Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the Transaction Security; or
 - (ii) in the absence of instructions from the Instructing Group,

and, in each case, the Instructing Group has not required any Debtor to make a Distressed Disposal, the Security Agent shall give effect to any instructions to enforce the Transaction Security which the Majority Second Lien Creditors are then entitled to give to the Security Agent under Clause 8.12 (Permitted enforcement: Second Lien Creditors).

- (d) Notwithstanding the preceding paragraph (c) if at any time the Majority Second Lien Creditors are then entitled to give the Security Agent instructions to enforce the Transaction Security pursuant to the preceding paragraph (c) and the Majority Second Lien Creditors either give such instructions or indicate any intention to give such instructions, then either the Senior Agent or the Senior Secured Notes Representative(s) may give instructions to the Security Agent to enforce the Transaction Security as such Senior Agent or the Senior Secured Notes Representative(s) sees fit in lieu of any instructions to enforce given by the Majority Second Lien Creditors under Clause 8.12 (Permitted enforcement: Second Lien Creditors) and the Security Agent shall act on the first such instructions received from the Senior Agent or the Senior Secured Notes Representative(s).
- (e) The Security Agent is entitled to rely on and comply with instructions given, or deemed to be given, in accordance with this Clause 15.2.
- (f) No Secured Party shall have any independent power to enforce, or to have recourse to, any Transaction Security or to exercise any rights or powers arising under the Transaction Security Documents except through the Security Agent.

15.3 Manner of enforcement

If the Transaction Security is being enforced pursuant to Clause 15.2 (Enforcement instructions), the Security Agent shall enforce the Transaction Security in such manner (including, without limitation, the selection of any administrator of any Debtor or Security Grantor to be appointed by the Security Agent) as:

- (a) the relevant Instructing Group; or
- (b) prior to the Senior Secured Discharge Date, if:
 - (i) the Security Agent has, pursuant to paragraphs (a) and (c) of Clause 15.2 (Enforcement instructions), received instructions given by the Majority Second Lien Creditors to enforce the Transaction Security; and
 - (ii) the Instructing Group has not given instructions as to the manner of enforcement of the Transaction Security,

the Majority Second Lien Creditors shall instruct or, in the absence of any such instructions, as the Security Agent sees fit.

15.4 Exercise of voting rights

- (a) Each Creditor agrees (to the fullest extent permitted by law at the relevant time) with the Security Agent that it will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any Debtor or member of the Group as instructed by the Security Agent.
- (b) The Security Agent shall give instructions for the purposes of paragraph (a) above as directed by an Instructing Group.
- (c) Nothing in this Clause 15.4 entitles any Party to exercise or require any other Senior Secured Creditor to exercise such power of voting or representation to (i) waive, reduce, discharge, extend the due date for payment of or reschedule any of the Liabilities owed to that Senior Secured Creditor, or (ii) in the case of any Senior Secured Creditor, modify the terms of any Secured Debt Document to which that Senior Secured Creditor is a party in any other way that will treat that Senior Secured Creditor in a materially less beneficial manner than any other Senior Secured Creditor.

15.5 Waiver of rights

To the extent permitted under applicable law and subject to Clause 15.2 (Enforcement instructions), Clause 15.3 (Manner of enforcement), Clause 17 (Application of Proceeds) and paragraph (c) of

Clause 16.2 (Distressed Disposals), each of the Secured Parties, the Debtors and Security Grantors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

15.6 Duties owed

Each of the Secured Parties and the Debtors acknowledges that, in the event that the Security Agent enforces or is instructed to enforce the Transaction Security prior to the Senior Secured Discharge Date, the duties of the Security Agent and of any Receiver or Delegate owed to any Second Lien Finance Party or High Yield Creditor in respect of the method, type and timing of that enforcement or of the exploitation, management or realisation of any of that Transaction Security shall, subject to paragraph (c) of Clause 16.2 (Distressed Disposals), be no different to or greater than the duty that is owed by the Security Agent, Receiver or Delegate to the Debtors under general law.

15.7 Security held by other Creditors

If any Transaction Security is held by a Creditor other than the Security Agent, then Creditors may only enforce that Transaction Security in accordance with instructions given by an Instructing Group in accordance with this Clause (and for this purpose references to the Security Agent shall be construed as references to that Creditor).

15.8 Consultation Period

- (a) Subject to paragraph (b) below, before giving any instructions to the Security Agent to (i) enforce the Transaction Security or (ii) take any other Enforcement Action, the Agent(s) of the Creditors represented in the Instructing Group concerned shall consult with each other Agent and the Security Agent in good faith about the instructions to be given by the Instructing Group for a period of up to 5 days (or such shorter period as each other Agent and the Security Agent shall agree) (the **Consultation Period**), and only following the expiry of a Consultation Period, the Instructing Group shall be entitled to give any instructions to the Security Agent to (A) enforce the Transaction Security or (B) take any other Enforcement Action.
- (b) No Agent shall be obliged to consult in accordance with paragraph (a) above and the Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the Transaction Security or take any other Enforcement Action prior to the end of a Consultation Period if:
 - (i) the Transaction Security has become enforceable as a result of an Insolvency Event; or
 - (ii) the Instructing Group or any Agent of the Creditors represented in the Instructing Group determines in good faith (and notifies each Agent and the Security Agent) that to enter into such consultations and thereby delay the commencement of enforcement of the Transaction Security could reasonably be expected to have a material adverse effect on:
 - (A) the Security Agent's ability to enforce any of the Transaction Security; or
 - (B) the realisation proceeds of any enforcement of the Transaction Security.

16. PROCEEDS OF DISPOSALS

16.1 Non-Distressed Disposals

- (a) In this Clause 16.1:

Disposal Proceeds means the proceeds of a Non-Distressed Disposal (as defined in paragraph (b) below).

- (b) If:
 - (i) in respect of a disposal of:
 - (A) an asset by a Debtor; or
 - (B) an asset which is subject to the Transaction Security,

made by a Debtor or a member of the Group to a person or persons outside the Group; or

- (ii) a Debtor is resigning as a Borrower or Guarantor under (and as defined in) the Senior Facilities Agreement in accordance with the provisions of the Senior Facilities Agreement and the equivalent provisions (if any) of the other Debt Documents,

where:

- (A) (prior to the Senior Lender Discharge Date) the Company confirms in writing to the Security Agent that that disposal or resignation is permitted or not prohibited under the Senior Finance Documents or, after an Event of Default under the Senior Facilities Agreement, the Senior Agent (acting on the instructions of the Majority Senior Creditors) authorises the release in accordance with the terms of the Senior Finance Documents;
- (B) (prior to the Senior Secured Notes Discharge Date) the Company confirms in writing to the Security Agent that that disposal or resignation is permitted under or is not prohibited by the Senior Secured Notes Finance Documents or the relevant Senior Secured Notes Representative(s) authorises the release in accordance with the terms of the Senior Secured Notes Finance Documents;
- (C) (prior to the Pari Passu Debt Discharge Date) the Company confirms in writing to the Security Agent that disposal or resignation is permitted under or is not prohibited by the Pari Passu Debt Documents or the relevant Pari Passu Debt Representative authorises the release in accordance with the terms of the Pari Passu Debt Documents;
- (D) (prior to the Second Lien Discharge Date) the Company confirms in writing to the Security Agent that that disposal or resignation is permitted under or not prohibited under the Second Lien Finance Documents or the relevant Second Lien Representative(s) authorises the release in accordance with the terms of the Second Lien Finance Documents;
- (E) (prior to the High Yield Discharge Date) the Company confirms in writing to the Security Agent that that disposal or resignation is permitted under or is not prohibited by the High Yield Notes Finance Documents or the relevant High Yield Representative(s) authorises the release in accordance with the terms of the High Yield Notes Finance Documents; and
- (F) (in the case of a disposal) that disposal is not a Distressed Disposal,

(a **Non-Distressed Disposal**, which phrase shall include any resignation referred to above),

the Security Agent is irrevocably authorised and instructed to and hereby agrees (at the reasonable cost of the relevant Debtor or the Company and without any Consent, sanction, authority or further confirmation from any Creditor or Debtor) but subject to paragraph (c) below:

- I. to release the Transaction Security and any other claim (relating to a Debt Document) over that asset (or the assets of the resigning Borrower or Guarantor);
 - II. where that asset consists of shares in the capital of a Debtor, to release the Transaction Security and any other claim, including without limitation any Guarantee Liabilities or Other Liabilities (relating to a Debt Document) over that Debtor or its assets and (if any) the Subsidiaries of that Debtor and their respective assets; and
 - III. to execute and deliver or enter into any release of the Transaction Security or any claim described in sub-paragraphs (I) and II above and issue any certificates of non-crystallisation of any floating charge or any Consent to dealing that may be reasonably requested by the Company.
- (c) If that Non-Distressed Disposal is not made, each release of Transaction Security or any claim described in paragraph (b) above shall have no effect and the Transaction Security or claim subject to that release shall continue in such force and effect as if that release had not been effected.

- (d) If any Disposal Proceeds are required to be applied in mandatory prepayment of the Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Debt Liabilities, the Second Lien Liabilities or the High Yield Notes Liabilities (as applicable) then the Disposal Proceeds shall be applied (simultaneously with the payment by the relevant Debtor to the relevant Hedge Counterparties of any amounts due under any Hedging Agreement at the same time as, and as a result of, any Payment set out in sub-paragraphs (i), (ii) or (iii) below) in or towards Payment of:
- (i) **first**, (to the extent applicable) pro-rata between the Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Pari Passu Debt Liabilities, in accordance with the terms of the Senior Facilities Agreement, the Senior Secured Notes Indenture(s) and the applicable Pari Passu Debt Document, to the extent permitted by the Senior Facilities Agreement the Senior Secured Notes Indenture(s) and the applicable Pari Passu Debt Document (without any obligation to apply those amounts towards the Second Lien Liabilities or the High Yield Notes Liabilities);
 - (ii) **second**, the Second Lien Liabilities in accordance with the terms of the Second Lien Finance Documents (without any obligation to pay those amounts towards the High Yield Notes Liabilities); and
 - (iii) **then**, after the discharge in full of the Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Debt Liabilities and the Second Lien Liabilities, the High Yield Notes Liabilities in accordance with the terms of the High Yield Notes Finance Documents,

and the Consent of any other Party shall not be required for that application, provided that, if for whatever reason any amounts to be paid to any Hedging Counterparty pursuant to this Clause 16.1(d) are not paid in accordance with this Clause 16.1(d), then the relevant Debtor must notify each Creditor which has received payment in accordance with this Clause 16.1(d) and, upon receiving such notice:

- I. each relevant Creditor will (A) hold such amounts on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Deed (excluding this Clause 16.1(d)); and
- II. at the option of each relevant Creditor, (i) the Liability of the Debtors to such Creditor shall be increased (or treated as not having been reduced) by the amount turned over to the Security Agent pursuant to this Clause 16.1, or (ii) the Debtors shall fully indemnify such Creditor for such amount

16.2 Distressed Disposals

- (a) Subject to paragraphs (d) and (e) below, if a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorised (at the cost of the relevant Debtor, Security Grantor or the Company and without any Consent, sanction, authority or further confirmation from any Creditor, Debtor or Security Grantor):
- (i) *release of Security/non-crystallisation certificates*: to release the Transaction Security or any other claim over that asset and execute and deliver or enter into any release of that Transaction Security or claim and issue any letters of non-crystallisation of any floating charge or any Consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;
 - (ii) *release of liabilities and Security on a share sale (Debtor)*: if the asset which is disposed of consists of shares in the capital of a Debtor to release:
 - (A) that Debtor and any Subsidiary of that Debtor from all or any part of:
 - I. its Borrowing Liabilities;
 - II. its Guarantee Liabilities; and
 - III. its Other Liabilities;

- (B) any Transaction Security granted by that Debtor or any Subsidiary of that Debtor over any of its assets; and
- (C) any other claim of an Intra-Group Lender, a Subordinated Creditor, or another Debtor over that Debtor's assets or over the assets of any Subsidiary of that Debtor,

on behalf of the relevant Creditors, Senior Agent, Second Lien Representatives, Arrangers, Debtors, Pari Passu Debt Representative(s), Senior Secured Notes Representative(s) and the High Yield Representative(s);

(iii) *release of liabilities and Security on a share sale (Holding Company)*: if the asset which is disposed of consists of shares in the capital of any Holding Company of a Debtor to release:

- (A) that Holding Company and any Subsidiary of that Holding Company from all or any part of:
 - I. its Borrowing Liabilities;
 - II. its Guarantee Liabilities; and
 - III. its Other Liabilities;
- (B) any Transaction Security granted by that Holding Company or any Subsidiary of that Holding Company over any of its assets; and
- (C) any other claim of an Intra-Group Lender, a Subordinated Creditor or another Debtor over the assets of that Holding Company and any Subsidiary of that Holding Company,

on behalf of the relevant Creditors, Senior Agent, Second Lien Representatives, Arrangers, Debtors, Pari Passu Debt Representative(s), Senior Secured Notes Representative(s) and the High Yield Representative(s);

(iv) *disposal of liabilities on a share sale*: if the asset which is disposed of consists of shares in the capital of a Debtor or the Holding Company of a Debtor and the Security Agent (acting in accordance with paragraph (f) below) decides to dispose of all or any part of:

- (A) the Liabilities; or
- (B) the Debtor Liabilities,

owed by that Debtor or Holding Company or any Subsidiary of that Debtor or Holding Company:

- I. (if the Security Agent (acting in accordance with paragraph (f) below) does not intend that any transferee of those Liabilities or Debtor Liabilities (the **Transferee**) will be treated as a Primary Creditor or a Secured Party for the purposes of this Deed), to execute and deliver or enter into any agreement to dispose of all or part of those Liabilities or Debtor Liabilities **provided that** notwithstanding any other provision of any Debt Document the Transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of this Deed; and
- II. (if the Security Agent (acting in accordance with paragraph (f) below) does intend that any Transferee will be treated as a Primary Creditor or a Secured Party for the purposes of this Deed), to execute and deliver or enter into any agreement to dispose of:
 - (1) all (and not part only) of the Liabilities owed to the Primary Creditors; and
 - (2) all or part of any other Liabilities and the Debtor Liabilities,

on behalf of, in each case, the relevant Creditors and Debtors;

(v) *transfer of obligations in respect of liabilities on a share sale*: if the asset which is disposed of consists of shares in the capital of a Debtor or the Holding Company of a

Debtor (the **Disposed Entity**) and the Security Agent (acting in accordance with paragraph (f) below) decides to transfer to another Debtor (the **Receiving Entity**) all or any part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of:

- (A) the Intra-Group Liabilities; or
- (B) the Debtor Liabilities,

to execute and deliver or enter into any agreement to:

- I. agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtor Liabilities on behalf of the relevant Intra-Group Lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and
 - II. (provided the Receiving Entity is a Holding Company of the Disposed Entity which is also a guarantor of Senior Secured Liabilities) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtor Liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Liabilities or Debtor Liabilities are to be transferred.
- (b) The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of Liabilities or Debtor Liabilities pursuant to sub-paragraph (a)(iv) above) shall be paid to the Security Agent (as the case may be) for application in accordance with Clause 17 (Application of Proceeds) as if those proceeds were the proceeds of an enforcement of the Transaction Security and, to the extent that any disposal of Liabilities or Debtor Liabilities has occurred pursuant to sub-paragraph (a)(iv)(II above) above, as if that disposal of Liabilities or Debtor Liabilities had not occurred.
 - (c) In the case of a Distressed Disposal (or a disposal of Liabilities pursuant to paragraph (a)(iv)(II above) above) effected by or at the request of the Security Agent (acting in accordance with sub-paragraph (f) below), the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of Liabilities in order to achieve a higher price).
 - (d) Where Borrowing Liabilities in respect of any Senior Secured Liabilities would otherwise be released pursuant to paragraph (a) above, the Creditor concerned may elect to have those Borrowing Liabilities transferred to a Security Grantor, in which case the Security Agent is irrevocably authorised (at the cost of the relevant Debtor or Security Grantor and without any Consent, sanction, authority or further confirmation from any Creditor, Debtor or Security Grantor) to execute such documents as are required to so transfer those Borrowing Liabilities by way of debt assumption by a the relevant Security Grantor, as relevant.
 - (e) If:
 - (x) on or after the incurrence of Second Lien Liabilities but before the Second Lien Discharge Date (the **Second Lien Protection Period**); or
 - (y) on or after the first High Yield Notes Issue Date, but before the High Yield Discharge Date (the **High Yield Protection Period**),

a Distressed Disposal is being effected such that the Borrowing Liabilities or Guarantee Liabilities in respect of any Second Lien Liabilities, or any Transaction Security securing the Second Lien Liabilities, will be released (during the Second Lien Protection Period) or the High Yield Guarantees and Transaction Security over shares in the Company or assets of a High Yield Guarantor will be released (during the High Yield Protection Period) under Clause 16.2 (Distressed Disposals), it is a further condition to the release that either:

- (i) (during the High Yield Protection Period) the High Yield Notes Trustee and/or (during the Second Lien Protection Period) the Second Lien Representatives have approved the release; or
- (ii) where (during the High Yield Protection Period) shares or assets of a High Yield Guarantor or assets of the HY Issuer or (during the Second Lien Protection Period)

shares or assets of a Second Lien Guarantor or subject to Transaction Security securing the Second Lien Liabilities are sold:

- (A) the proceeds of such sale or disposal are in cash (or substantially in cash) and/or other marketable securities or, if the proceeds of such sale or disposal are not in cash (or substantially in cash) and/or other marketable securities, the requirements of sub-paragraph (C)III below are satisfied;
 - (B) all claims of the Senior Secured Creditors against a Debtor or a member of the Group (if any) all of whose shares are pledged in favour of the Senior Finance Parties are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its Affiliates), and all Security under the Security Documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):
 - I. the Senior Agent and Senior Secured Notes Representative(s) determine acting reasonably and in good faith that the Senior Finance Parties and the Senior Secured Notes Finance Parties (respectively) will recover more than if such claim was released or discharged; and
 - II. the Senior Agent and Senior Secured Notes Representative(s) serve a notice on the Security Agent notifying the Security Agent of the same, in which case the Security Agent shall be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser); and
 - (C) such sale or disposal (including any sale or disposal of any claim) is made:
 - I. pursuant to a Competitive Process;
 - II. pursuant to any process or proceedings approved or supervised by or on behalf of any court of law where there is a determination of value by or on behalf of the court; or
 - III. where an independent investment bank or an internationally recognised firm of accountants or a reputable internationally recognised independent third party professional firm which is regularly engaged in providing valuations in respect of the relevant type and size of the assets, in each case selected by the Security Agent has delivered an opinion (a copy of which has been provided on a non-reliance basis to the High Yield Notes Trustee on behalf of the High Yield Noteholders and the Second Lien Representatives on behalf of the Second Lien Creditors) in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement and such opinion shall be conclusive evidence of the fairness of the amount received provided that the liability of such investment bank or internationally recognised firm of accountants or third party professional firm in giving such opinion may be limited to the amount of its fees in respect of such engagement.
- (f) For the purposes of paragraphs (a)(ii) to (a)(v) and (c) above, the Security Agent shall act:
- (i) if the relevant Distressed Disposal is being effected by way of enforcement of the Transaction Security, in accordance with Clause 15.3 (Manner of enforcement); and
 - (ii) in any other case:
 - (A) on the instructions of the Instructing Group; or
 - (B) in the absence of any such instructions, as the Security Agent sees fit.

16.3 Creditors' and Debtors' actions

Each Creditor, each Debtor and each Security Grantor will:

- (a) do all things that the Security Agent reasonably requests in order to give effect to this Clause 16 (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent may reasonably consider to be necessary to give effect to the releases or disposals contemplated by this Clause 16); and
- (b) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 16 or if the Security Agent requests that any Creditor, Debtor or Security Grantor take any such action, take that action itself in accordance with the reasonable instructions of the Security Agent,

provided that the proceeds of those disposals are applied in accordance with Clause 16.1 (Non-Distressed Disposals) or Clause 16.2 (Distressed Disposals) as the case may be.

17. APPLICATION OF PROCEEDS

17.1 Order of application of Group Recoveries

Subject to Clause 17.2 (Prospective liabilities) and Clause 17.3 (Treatment of SFA Cash Cover and Senior Lender Cash Collateral), all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Debt Document (other than recoveries from a HY Issuer other than pursuant to (1) the Transaction Security Documents or (2) Clause 13 (Turnover of Receipts)) or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this Clause 17, the **Group Recoveries**) shall be held by the Security Agent on trust, to the extent legally permitted, to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 17), in the following order of priority:

- (a) in payment of all costs, charges, expenses, losses and liabilities (and all interest thereon as provided in the Security Documents) incurred by or on behalf of the Security Agent or by such other party as the case may be (including, for the avoidance of doubt, any Agent or Senior Secured Creditor) in enforcing the Security Documents and, any Receiver. Delegate, attorney or agent, in each case, in connection with carrying out, or purporting to carry out, its duties or exercising its powers and discretions under the Security Documents (including, for the avoidance of doubt, any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Deed or any action taken at the request of the Security Agent under Clause 12.6 (Creditors' actions) and the remuneration of every Receiver under the Security Documents, each on a *pari passu* basis;
- (b) in discharging any sums owing to the Second Lien Agent (in respect of the Second Lien Agent Liabilities), any sums owing to a *Pari Passu* Debt Representative (in respect of its *Pari Passu* Debt Representative Amounts) and any Senior Secured Notes Trustee Amounts, Second Lien Notes Trustee Amounts or High Yield Notes Trustee Amounts on a *pari passu* basis;
- (c) in payment to:
 - (i) the Senior Agent on its own behalf and on behalf of the Arrangers and the Senior Lenders;
 - (ii) each *Pari Passu* Debt Representative on its own behalf and on behalf of the *Pari Passu* Creditors;
 - (iii) each Senior Secured Notes Representative on its own behalf and on behalf of the Senior Secured Notes Creditor; and
 - (iv) the Hedge Counterparties,

for application towards the discharge of:

- (A) sums owing to the Senior Agent (in respect of the Senior Agent Liabilities);
- (B) sums owing to the Security Agent (other than as set out in paragraph (a) above);

- (C) the Senior Arranger Liabilities and the Senior Lender Liabilities (in accordance with the terms of the Senior Finance Documents);
- (D) the Pari Passu Debt Liabilities (in accordance with the terms of the Pari Passu Debt Documents);
- (E) the Senior Secured Notes Liabilities (in accordance with the terms of the Senior Secured Notes Finance Documents); and
- (F) the Hedging Liabilities (on a *pro rata* basis between the Hedging Liabilities of each Hedge Counterparty) (provided that, any Group Recoveries from a Non-ECP Debtor shall not be applied towards the discharge of any Hedging Liability that constitutes an Excluded Swap Obligation),

on a *pro rata* basis (excluding, for the purposes of calculating the pro rata distribution in accordance with this Clause, any amounts owed by a Debtor in respect of any Ancillary Facility or any Letter of Credit to the extent, and in the amount, that SFA Cash Cover has been provided by a Debtor in respect of that amount and is available to the relevant Lender (in respect of an Ancillary Facility) or the party it has been provided for (in respect of a Letter of Credit) pursuant to the relevant SFA Cash Cover Document) and ranking *pari passu* between sub-paragraphs (A) to (F) above;

in payment to each Second Lien Representative on its own behalf and on behalf of the other Second Lien Finance Parties (other than the Security Agent) for application (in accordance with the terms of the Second Lien Finance Documents) towards the discharge of the Second Lien Liabilities on a pro rata and pari passu basis;

- (d) in payment to each High Yield Representative on its own behalf and on behalf of the High Yield Notes Finance Parties for application (in accordance with the terms of the High Yield Notes Finance Documents) towards the discharge of the High Yield Notes Liabilities; and
- (e) the balance, if any, in payment to the relevant Debtor or Security Grantor.

All amounts from time to time received or recovered by the Security Agent from a HY Issuer pursuant to the terms of any Debt Document (other than pursuant to the Transaction Security Documents or Clause 13 (Turnover of Receipts)) will be applied by the Security Agent in accordance with this Clause 17.1 save that, in this case, payments under paragraph (d) above will be made on a *pro rata* basis and will rank *pari passu* with each of the payment referred to in paragraph (c) above.

17.2 Prospective liabilities

Following a Distress Event, the Security Agent may, in its discretion, hold any amount of the Group Recoveries not in excess of the Expected Amount (as defined below) in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit until otherwise directed by an Instructing Group (provided that the Security Agent is not obliged to act on such instructions given by an Instructing Group with respect to an Expected Amount that the Security Agent reasonably believes might become owing to it) (the interest being credited to the relevant account) for later application under Clause 17.1 (Order of application of Group Recoveries) in respect of:

- (a) any sum to any Security Agent, any Receiver or any Delegate; and
- (b) any part of the Liabilities, the Agent Liabilities or the Arranger Liabilities,

that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future (the **Expected Amount**).

17.3 Treatment of SFA Cash Cover and Senior Lender Cash Collateral

- (a) Nothing in this Deed shall prevent any Issuing Bank or Ancillary Facility Lender taking any Enforcement Action in respect of any SFA Cash Cover which has been provided for it in accordance with the Senior Facilities Agreement or any Pari Passu Debt Document.
- (b) To the extent that any SFA Cash Cover is not held with the Relevant Issuing Bank or Relevant Ancillary Lender, all amounts from time to time received or recovered in connection with the realisation or enforcement of that SFA Cash Cover shall be paid to the Security

Agent and shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority:

- (i) to the Relevant Issuing Bank or Relevant Ancillary Lender towards the discharge of the Senior Lender Liabilities for which that SFA Cash Cover was provided; and
- (ii) the balance, if any, in accordance with Clause 17.1 (Order of application of Group Recoveries).
- (c) To the extent that any SFA Cash Cover is held with the Relevant Issuing Bank or Relevant Ancillary Lender, nothing in this Deed shall prevent that Relevant Issuing Bank or Relevant Ancillary Lender receiving and retaining any amount in respect of that SFA Cash Cover.
- (d) Nothing in this Deed shall prevent any Issuing Bank receiving and retaining any amount in respect of any Senior Lender Cash Collateral provided for it in accordance with the terms of the Senior Facilities Agreement.

17.4 Investment of proceeds

Prior to the application of the proceeds of the Security Property in accordance with Clause 17.1 (Order of application of Group Recoveries) the Security Agent may, in its discretion, hold all or part of those proceeds (but not in excess of the amounts due or to become due and while so held the excess of the interest charged on the Liabilities shall not exceed the interest earned on such suspect or impersonal account(s)) in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit until otherwise directed by an Instructing Group (the interest being credited to the relevant account) pending the application from time to time of those moneys in the Security Agent's discretion in accordance with the provisions of this Clause 17.

17.5 Currency Conversion

- (a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Security Agent may convert any moneys received or recovered by it from one currency to another, at the Security Agent's Spot Rate of Exchange.
- (b) The obligations of any Debtor or Security Grantor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

17.6 Permitted Deductions

The Security Agent shall be entitled, in its discretion, (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Deed, and to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Debt Documents or otherwise (other than in connection with its remuneration for performing its duties under this Deed).

17.7 Good Discharge

- (a) An acknowledgement of receipt signed by the relevant person to whom payments are to be made under this Clause 17 shall be a good discharge, to the extent of that payment, by the Security Agent.
- (b) The Security Agent is not under any obligation to make the payments to the Agents or the Hedge Counterparties under paragraph (a) above of this Clause 17.7 (Good Discharge) in the same currency as that in which the Liabilities owing to the relevant Creditor are denominated.

17.8 Calculation of Amounts

For the purpose of calculating any person's share of any sum payable to or by it, the Security Agent shall be entitled to:

- (a) notionally convert the Liabilities owed to any person into a common base currency (decided in its discretion by the Security Agent), that notional conversion to be made at the spot rate at

which the Security Agent is able to purchase the notional base currency with the actual currency of the Liabilities owed to that person at the time at which that calculation is to be made; and

- (b) assume that all moneys received or recovered as a result of the enforcement or realisation of the Security Property are applied in discharge of the Liabilities in accordance with the terms of the Debt Documents under which those Liabilities have arisen.

18. EQUALISATION

18.1 Equalisation definitions

For the purposes of this Clause 18:

Enforcement Date means the first date (if any) on which a Senior Secured Creditor takes enforcement action of the type described in paragraphs (a)(i) to (a)(iv) (other than the making of any declaration that any Liabilities are payable on demand) or paragraph (c) of the definition of **Enforcement Action** in accordance with the terms of this Deed.

Exposure means:

- (a) in relation to a Senior Lender, the aggregate amount of its participation (if any, and without double counting) in all Utilisations outstanding under the Senior Facilities Agreement at the Enforcement Date (assuming all contingent liabilities which have become actual liabilities since the Enforcement Date to have been actual liabilities at the Enforcement Date (but not including, for these purposes only, any interest that would have accrued from the Enforcement Date to the date of actual maturity in respect of those liabilities) and assuming any transfer of claims in respect of amounts outstanding under the Revolving Facility and each Ancillary Facility in accordance with clause 7.3 (Ancillary Facility Default) of the Senior Facilities Agreement which has taken place since the Enforcement Date to have taken place at the Enforcement Date) together with the aggregate amount of all accrued interest, fees and commission owed to it under the Senior Facilities Agreement and amounts owed to it by a Debtor in respect of any Ancillary Facility but excluding:
 - (i) any amount owed to it by a Debtor in respect of any Ancillary Facility to the extent that that amount would not be outstanding but for a breach by that Senior Lender of any provision of the Senior Facilities Agreement governing that Ancillary Facility;
 - (ii) any amount owed to it by a Debtor in respect of any Ancillary Facility to the extent (and in the amount) that SFA Cash Cover has been provided by a Debtor in respect of that amount and is available to that Senior Lender pursuant to the relevant SFA Cash Cover Document; and
 - (iii) any amount outstanding in respect of a Letter of Credit to the extent (and in the amount) that SFA Cash Cover has been provided by a Debtor in respect of that amount and is available to the relevant Senior Finance Party (as applicable) pursuant to the relevant SFA Cash Cover Document; and
- (b) in relation to a Senior Secured Notes Creditor, the Senior Secured Notes Liabilities owed by the Debtors to that Senior Secured Notes Creditor;
- (c) in relation to a Hedge Counterparty:
 - (i) if that Hedge Counterparty has terminated or closed out any hedging transaction under any Hedging Agreement in accordance with the terms of this Deed on or prior to the Enforcement Date, the amount, if any, payable to it under that Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (taking into account any interest accrued on that amount) to the extent that amount is unpaid at the Enforcement Date (that amount to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement); and
 - (ii) if that Hedge Counterparty has not terminated or closed out any hedging transaction under any Hedging Agreement on or prior to the Enforcement Date:
 - (A) if the relevant Hedging Agreement is based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in

respect of that hedging transaction if the Enforcement Date was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

- (B) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction if the Enforcement Date was deemed to be the date similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case, to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement; and

- (d) in relation to a Pari Passu Creditor:

- (i) in respect of any Pari Passu Debt in which it has a participation (other than Pari Passu Debt in the form of any notes), the aggregate amount of its participation (if any, and without double counting) in all utilisations outstanding under the relevant Pari Passu Debt Document at the Enforcement Date (assuming all contingent liabilities which have become actual liabilities since the Enforcement Date had become actual liabilities at the Enforcement Date (but not including, for these purposes only, any interest that would have accrued from the Enforcement Date to the date of actual maturity in respect of those liabilities) and assuming any transfer of claims between Pari Passu Creditors under that Pari Passu Debt Document pursuant to any loss-sharing arrangement in such Pari Passu Debt Document which has taken place since the Enforcement Date had taken place at the Enforcement Date) together with the aggregate amount of all accrued interest, fees and commission owed to it under such Pari Passu Debt Document and amounts owed to it by a Debtor in respect of any Ancillary Facility entered into pursuant to such Pari Passu Debt Document but excluding:
 - (A) any amount owed to it by a Debtor in respect of any Ancillary Facility to the extent that that amount would not be outstanding but for a breach by that Pari Passu Creditor of any provision of that Pari Passu Debt Document governing that Ancillary Facility;
 - (B) any amount owed to it by a Debtor in respect of any such Ancillary Facility to the extent (and in the amount) that SFA Cash Cover has been provided by a Debtor in respect of that amount and is available to that Pari Passu Creditor pursuant to the relevant SFA Cash Cover Document; and
 - (C) any amount outstanding in respect of a Letter of Credit to the extent (and in the amount) that SFA Cash Cover has been provided by a Debtor in respect of that amount and is available to the party it has been provided for pursuant to the relevant SFA Cash Cover Document; and
- (ii) in respect of any Pari Passu Debt in the form of any notes held by such Pari Passu Creditor, the aggregate outstanding principal amount of all such Pari Passu Debt which are held by Pari Passu Creditors at the Enforcement Date.

Utilisation has the meaning given to the term “Utilisation” in the Senior Facilities Agreement.

18.2 Implementation of equalisation

The provisions of this Clause 18 shall be applied at such time or times after the Enforcement Date as the Security Agent shall consider appropriate. Without prejudice to the generality of the preceding sentence, if the provisions of this Clause 18 have been applied before all the Liabilities have matured and/or been finally quantified, the Security Agent may elect to re-apply those provisions on the basis of revised Exposures and the Senior Secured Creditors shall make appropriate adjustment payments amongst themselves.

18.3 Equalisation

If, for any reason, any Senior Secured Liabilities remain unpaid after the Enforcement Date and the resulting losses are not borne by the Senior Secured Creditors in the proportions which their respective Exposures at the Enforcement Date bore to the aggregate Exposures of all the Senior Secured Creditors at the Enforcement Date, the Senior Secured Creditors (subject in the case of Notes Trustee Amounts, to Clauses 29.1(a) and (c)) will make such payments amongst themselves as the Security Agent shall require to put the Senior Secured Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

18.4 Turnover of enforcement proceeds

If:

- (a) the Security Agent, the Senior Agent, any Pari Passu Debt Representative or any Senior Secured Notes Representative or Second Lien Representative is not entitled, for reasons of applicable law, to pay amounts received pursuant to the making of a demand under any guarantee, indemnity or other assurance against loss or the enforcement of the Transaction Security to the Senior Secured Creditors and/or the Second Lien Creditors but is entitled to distribute those amounts to Creditors (such Creditors, the **Receiving Creditors**) who, in accordance with the terms of this Deed, are subordinated in right and priority of payment to the Senior Secured Creditors; and
- (b) the later of the Senior Secured Discharge Date and the Second Lien Discharge Date has not yet occurred (nor would occur after taking into account such payments),

then the Receiving Creditors shall make such payments to the Senior Secured Creditors and/or the Second Lien Creditors as the Security Agent shall require to place the Senior Secured Creditors in the position they would have been in had such amounts been available for application against the Senior Secured Liabilities.

18.5 Notification of Exposure

Before each occasion on which it intends to implement the provisions of this Clause 18, the Security Agent shall send notice to each Hedge Counterparty, the Senior Agent (on behalf of the Senior Lenders) and each Senior Secured Notes Representative (on behalf of the Senior Secured Notes Creditors) and each Pari Passu Debt Representative (on behalf of the Pari Passu Creditors) requesting that it notify the Security Agent of, respectively, its Exposure, the Exposure of each Senior Secured Notes Creditor and Pari Passu Creditor and the Exposure of each Senior Lender (if any).

18.6 Default in payment

If a Creditor fails to make a payment due from it under this Clause 18, the Security Agent shall be entitled (but not obliged) to take action on behalf of the Senior Secured Creditor(s) to whom such payment was to be redistributed (subject to being indemnified to its satisfaction by such Senior Secured Creditor(s) in respect of costs) but shall have no liability or obligation towards such Senior Secured Creditor(s), any other Senior Secured Creditor or Creditor as regards such default in payment and any loss suffered as a result of such default shall lie where it falls.

19. REFINANCING OF PRIMARY CREDITOR LIABILITIES

19.1 Senior Secured Creditor Liabilities Refinancing

It is hereby agreed that the Senior Secured Creditor Liabilities may be discharged, refinanced, replaced or exchanged in whole or in part on terms and in a manner that does not breach the terms of this Deed, the Senior Facilities Agreement, any Senior Secured Notes Indenture, any Pari Passu Debt Document, any Second Lien Facilities Agreement, any Second Lien Notes Indenture or any High Yield Notes Indenture without the consent of any other Creditors and that:

- (a) any obligations incurred by any Debtor or member of the Group pursuant to such refinancing or replacement of the Senior Lender Liabilities (**Senior Refinancing Lender Liabilities**), Pari Passu Debt Liabilities (**Pari Passu Debt Refinancing Liabilities**) or the Senior Secured Notes Liabilities (**Senior Secured Notes Refinancing Liabilities**) and, together with any

Senior Refinancing Lender Liabilities and Pari Passu Debt Refinancing Liabilities, the **Senior Secured Refinancing Liabilities**) will, to the extent so designated by the Company:

- (i) in the case of Senior Secured Refinancing Liabilities that are Senior Refinancing Loans, rank as Senior Lender Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
 - (ii) in the case of Senior Secured Refinancing Liabilities that are Senior Secured Notes, rank as Senior Secured Notes Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
 - (iii) in the case of Senior Secured Refinancing Liabilities that are Pari Passu Debt, rank as Pari Passu Debt Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
 - (iv) in the case of Senior Secured Refinancing Liabilities that are Second Lien Liabilities, rank as Second Lien Liabilities in the manner described in Clause 2.1 (Creditor Liabilities); and
 - (v) in the case of Senior Secured Refinancing Liabilities that are High Yield Notes, rank as High Yield Notes Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
- (b) subject to Clause 19.6 (New Security), the Transaction Security Documents shall secure such Senior Secured Refinancing Liabilities (other than Senior Secured Refinancing Liabilities that are High Yield Notes) and in respect of such Transaction Security Documents and any new security granted by any Debtor, member of the Group or Security Grantor to secure such Senior Secured Refinancing Liabilities, such Senior Secured Refinancing Liabilities will:
 - (i) in the case of Senior Secured Refinancing Liabilities that are Senior Refinancing Loans, rank as Senior Lender Liabilities in the manner described in Clause 2.2 (Transaction Security);
 - (ii) in the case of Senior Secured Refinancing Liabilities that are Senior Secured Notes, rank as Senior Secured Notes Liabilities in the manner described in Clause 2.2 (Transaction Security);
 - (iii) in the case of Senior Secured Refinancing Liabilities that are Pari Passu Debt, rank as Pari Passu Debt Liabilities in the manner described in Clause 2.2 (Transaction Security); and
 - (iv) in the case of Senior Secured Refinancing Liabilities that are Second Lien Liabilities, rank as Second Lien Liabilities in the manner described in Clause 2.2 (Transaction Security); and
- (c) This Deed shall be construed to permit the assumption of any Senior Secured Refinancing Liabilities and to give effect to the ranking set out in Clauses 19.1 (a) and (b) above, provided that:
 - (i) any trustee or representative of the creditors of such Senior Secured Refinancing Liabilities (a **Senior Refinancing Agent**), accedes to this Deed in accordance with Clause 22.11 (Creditor Accession Undertaking) on the same terms as a Senior Agent; and
 - (ii) each creditor in relation to such Senior Secured Refinancing Liabilities (that is not a Senior Refinancing Agent) accedes to this Deed in accordance with Clause 22.11 (Creditor Accession Undertaking) or is deemed to accede to this Deed pursuant to the terms of its relevant finance documents, in each case on the same terms as a Senior Creditor.

19.2 Second Lien Liabilities Refinancing

It is hereby agreed that the Second Lien Liabilities may be refinanced, replaced or exchanged in whole or in part on terms and in a manner that does not breach the terms of this Deed, the Senior Facilities Agreement, any Senior Secured Notes Indenture, any Pari Passu Debt Document, any

Second Lien Facilities Agreement, any Second Lien Notes Indenture or any High Yield Notes Indenture without the consent of any other Creditors and that:

- (a) any obligations incurred by any Debtor or other member of the Group pursuant to such refinancing or replacement of the Second Lien Liabilities (**Second Lien Refinancing Liabilities**) will, to the extent so designated by the Company:
 - (i) in the case of Second Lien Refinancing Liabilities that are Senior Refinancing Loans, rank as Senior Lender Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
 - (ii) in the case of Second Lien Refinancing Liabilities that are Senior Secured Notes, rank as Senior Secured Notes Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
 - (iii) in the case of Second Lien Refinancing Liabilities that are Pari Passu Debt, rank as Pari Passu Debt Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
 - (iv) in the case of Second Lien Refinancing Liabilities that are Second Lien Liabilities, rank as Second Lien Liabilities in the manner described in Clause 2.1 (Creditor Liabilities); and
 - (v) in the case of Second Lien Refinancing Liabilities that are High Yield Notes, rank as High Yield Notes Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
- (b) subject to Clause 19.6 (New Security), the Transaction Security Documents shall secure such Second Lien Refinancing Liabilities (other than Second Lien Refinancing Liabilities that are High Yield Notes) and in respect of such Transaction Security Documents and any new security granted by any Debtor, member of the Group or Security Grantor to secure such Second Lien Refinancing Liabilities, such Senior Secured Refinancing Liabilities will:
 - (i) in the case of Second Lien Refinancing Liabilities that are Senior Refinancing Loans, rank as Senior Lender Liabilities in the manner described in Clause 2.2 (Transaction Security);
 - (ii) in the case of Second Lien Refinancing Liabilities that are Senior Secured Notes, rank as Senior Secured Notes Liabilities in the manner described in Clause 2.2 (Transaction Security);
 - (iii) in the case of Second Lien Refinancing Liabilities that are Pari Passu Debt, rank as Pari Passu Debt Liabilities in the manner described in Clause 2.2 (Transaction Security); and
 - (iv) in the case of Second Lien Refinancing Liabilities that are Second Lien Refinancing Loans, rank as Second Lien Liabilities in the manner described in Clause 2.2 (Transaction Security); and
- (c) this Deed shall be construed to permit the assumption of any Second Lien Refinancing Liabilities and to give effect to the ranking set out in paragraphs 19.1(a) and 19.1(b) above, provided that:
 - (i) any trustee or representative of the creditors of such Senior Secured Refinancing Liabilities (a **Senior Refinancing Agent**), accedes to this Deed in accordance with Clause 22.11 (Creditor Accession Undertaking) on the same terms as a Senior Agent; and
 - (ii) each creditor in relation to such Senior Secured Refinancing Liabilities (that is not a Senior Refinancing Agent) accedes to this Deed in accordance with Clause 22.11 (Creditor Accession Undertaking) or is deemed to accede to this Deed pursuant to the terms of its relevant finance documents, in each case on the same terms as a Senior Creditor.

19.3 High Yield Notes Refinancing

- (a) It is agreed that the High Yield Notes Liabilities may be discharged, refinanced, replaced or exchanged in whole or in part from:
- (i) the proceeds of issues of share capital by a HY Issuer or, to the extent not secured by the assets of, or guaranteed by, any Debtor (other than the HY Issuer) or any member of the Group, subordinated loans or other extensions of credit made to a HY Issuer by its Subordinated Creditors; or
 - (ii) with equity securities or, to the extent not secured by the assets of, or guaranteed by, any Debtor (other than the HY Issuer) or any member of the Group, debt securities of a HY Issuer; or
 - (iii) (if prior to the Senior Lender Discharge Date) in each case to the extent permitted or not prohibited by the Senior Facilities Agreement, (and if prior to the Senior Secured Notes Discharge Date,) in each case to the extent permitted or not prohibited by the Senior Secured Notes Finance Documents, (and if prior to the Pari Passu Debt Discharge Date) in each case to the extent permitted or not prohibited by the Pari Passu Debt Documents, (and if prior to the Second Lien Loan Discharge Date) in each case to the extent permitted or not prohibited by the Second Lien Facilities Agreement and (if prior to the Second Lien Notes Discharge Date) in each case to the extent permitted or not prohibited by the Second Lien Notes Finance Documents, from the proceeds of:
 - (A) an issue by a HY Issuer of High Yield Notes;
 - (B) Senior Refinancing Loans;
 - (C) Second Lien Refinancing Loans;
 - (D) an issue by a Senior Secured Notes Issuer of Senior Secured Notes;
 - (E) an issue by a Second Lien Notes Issuer of Second Lien Notes; or
 - (F) the incurrence of Pari Passu Debt,

and in each case and for the avoidance of doubt:

- I. any such High Yield Notes shall rank as High Yield Notes Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
- II. any such Senior Refinancing Loans shall rank as Senior Lender Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
- III. any such Pari Passu Debt shall rank as Pari Passu Debt Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
- IV. any such Second Lien Refinancing Loans shall rank as Second Lien Loan Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
- V. any such Second Lien Notes shall rank as Second Lien Notes Liabilities in the manner described in Clause 2.1 (Creditor Liabilities);
- VI. any such Senior Secured Notes shall rank as Senior Secured Notes Liabilities in the manner described in Clause 2.1 (Creditor Liabilities); and
- VII. subject to Clause 19.6 (New Security), the Transaction Security Documents shall secure such Senior Secured Notes, Pari Passu Debt, Senior Refinancing Loans, Second Lien Notes and/or Second Lien Refinancing Loans and in respect of such Transaction Security Documents and any new security granted by any Debtor, Security Grantor or member of the Group to secure such Senior Secured Notes, Senior Refinancing Loans, Second Lien Notes, Second Lien Refinancing Loans and/or Pari Passu Debt, such Senior Secured Notes, Second Lien

Notes, Senior Refinancing Loans, Second Lien Refinancing Loans and/or Pari Passu Debt will:

- (aa) in the case of Pari Passu Debt, rank as Pari Passu Debt Liabilities in the manner described in Clause 2.2 (Transaction Security);
- (bb) in the case of Senior Refinancing Loans, rank as Senior Lender Liabilities in the manner described in Clause 2.2 (Transaction Security); and
- (cc) in the case of Second Lien Refinancing Loans, rank as Second Lien Loan Liabilities in the manner described in Clause 2.2 (Transaction Security);
- (dd) in the case of Second Lien Notes, rank as Second Lien Notes Liabilities in the manner described in Clause 2.2 (Transaction Security); and
- (ee) in the case of Senior Secured Notes, rank as Senior Secured Notes Liabilities in the manner described in Clause 2.2 (Transaction Security).

19.4 Further assurance

Each High Yield Representative, each Senior Secured Notes Trustee, the Pari Passu Debt Representative, the Senior Agent, each Second Lien Representative and the Security Agent, will and is hereby authorised and instructed to enter into such agreement or agreements with the Debtors and/or the holders of the Liabilities pursuant to Clause 19.1 (Senior Secured Creditor Liabilities Refinancing) and/or Clause 19.2 (Second Lien Liabilities Refinancing) and/or Clause 19.3 (High Yield Notes Refinancing) and/or their agents and trustees, whether by way of supplement, amendment or restatement of the terms of this Deed or by a separate deed, as may be necessary to give effect to the terms of Clause 19.1 (Senior Secured Creditor Liabilities Refinancing), Clause 19.2 (Second Lien Liabilities Refinancing) or Clause 19.3 (High Yield Notes Refinancing). Any such amendment shall not require the consent of any Creditor save as provided for in such Clauses and shall be effective and binding on all Parties upon the execution thereof by the Debtors, the Obligors (as defined in the Senior Facilities Agreement), each High Yield Representative, each Senior Secured Notes Trustee, the Pari Passu Debt Representative, the Senior Agent, each Second Lien Representative and the Security Agent (as applicable).

19.5 Release of Securities

Where the terms of a refinancing, restructuring, replacement or increase falling within Clause 19.1 (Senior Secured Creditor Liabilities Refinancing) or 19.2 (Second Lien Liabilities Refinancing) requires the release of any Security by the Security Agent and any consent required under the Senior Finance Documents, the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents, the Second Lien Finance Documents or the High Yield Notes Finance Documents, as applicable, in respect of such release of Security has been obtained, the Security Agent shall release such Security which has been granted to it provided that such release occurs on the date of such refinancing, restructuring, replacement or increase and is within the terms of such consent (if any).

19.6 New Security

- (a) To the extent any Liabilities as contemplated in:
 - (i) Clause 19.1 (Senior Secured Creditor Liabilities Refinancing) (**Refinancing Senior Liabilities**) above; or
 - (ii) clause 2.1 (Telenet Additional Facility) of the Senior Facilities Agreement (**Additional Senior Secured Liabilities**),

cannot be secured *pari passu* with the then existing Senior Secured Liabilities under the existing Security Documents (the **Initial Security Documents**) without the Security under such Initial Security Documents first being released, the Parties agree that such Refinancing Senior Liabilities or Additional Senior Secured Liabilities (as the case may be) will (to the

extent permitted by applicable law) be secured pursuant to the execution of additional security documents (the **Additional Senior Security Documents**) on a second or lesser ranking basis.

- (b) Notwithstanding paragraph (a) above, to the extent permitted by applicable law (and, in the case of Additional Senior Secured Liabilities, the Senior Facilities Agreement), any Refinancing Senior Liabilities or Additional Senior Secured Liabilities (as the case may be) which do not benefit from the Initial Security Documents on a pari passu basis will nonetheless be deemed and treated for the purpose of this Deed and Clause 17 (Application of Proceeds) as secured by the Initial Security Documents and the Additional Senior Security Documents pari passu with other Liabilities which would otherwise have the same ranking as contemplated by Clause 19.1 (Senior Secured Creditor Liabilities Refinancing) or clause 2.1 (Telenet Additional Facility) of the Senior Facilities Agreement (as the context requires).
- (c) To the extent any Liabilities as contemplated in:
 - (i) Clause 19.2 (Second Lien Liabilities Refinancing) (**Refinancing Second Lien Liabilities**) above; or
 - (ii) the “Increase” and “Additional Facilities” provisions of any Second Lien Finance Documents (**Additional Second Lien Liabilities**),

cannot be secured *pari passu* with the then existing Second Lien Liabilities under the existing Security Documents that secure Second Lien Liabilities (the **Initial Second Lien Security Documents**) without the Security under such Initial Second Lien Security Documents first being released, the Parties agree that such Refinancing Second Lien Liabilities or Additional Second Lien Liabilities (as the case may be) will (to the extent permitted by applicable law) be secured pursuant to the execution of additional security documents (the **Additional Second Lien Security Documents**) on a second or lesser ranking basis.

- (d) Notwithstanding paragraph (b) above, to the extent permitted by applicable law (and, in the case of Additional Second Lien Liabilities, any Second Lien Finance Documents), any Refinancing Second Lien Liabilities or Additional Second Lien Liabilities (as the case may be) which do not benefit from the Initial Second Lien Security Documents on a pari passu basis will nonetheless be deemed and treated for the purpose of this Deed and Clause 17 (Application of Proceeds) as secured by the Initial Second Lien Security Documents and the Additional Second Lien Security Documents pari passu with other Liabilities which would otherwise have the same ranking as contemplated by Clause 19.2 (Second Lien Liabilities Refinancing) or the “Increase” and “Additional Facilities” provisions of any Second Lien Facilities Agreement (as the context requires).

20. THE SECURITY AGENT

20.1 Appointment by Secured Parties

- (a) Each Secured Party (other than the Security Agent) irrevocably appoints the Security Agent in accordance with the following provisions of this Clause 20 to act as its agent, trustee, joint and several creditor or beneficiary of a parallel debt (as the case may be) under this Deed and with respect to the Security Documents, and irrevocably authorises the Security Agent on its behalf to:
 - (i) execute each Security Document expressed to be executed by the Security Agent on its behalf; and
 - (ii) perform such duties and exercise such rights and powers under this Deed and the Security Documents as are specifically delegated to the Security Agent by the terms thereof, together with such rights, powers and discretions as are reasonably incidental thereto including enforcing the Transaction Security in accordance with the terms of this Deed and the relevant Transaction Security Document.
- (b) Each Secured Party (other than the Security Agent) hereby appoints the Security Agent as its representative in the sense of Article 5 of the Belgian Financial Collateral Act of 15 December 2004 (*Wet van 15 december 2004 betreffende financiële zekerheden en houdende diverse fiscale bepalingen inzake zakelijke-zekerheidsovereenkomsten en leningen met betrekking tot financiële instrumenten*) and any other applicable legislation.

- (c) Each Secured Party confirms that:
 - (i) the Security Agent has authority to accept on its behalf the terms of any reliance letter or engagement letter relating to any reports or letters provided in connection with the Secured Debt Documents or the transactions contemplated by the Secured Debt Documents, to bind it in respect of those reports or letters and to sign that reliance letter or engagement letter on its behalf and to the extent that reliance letter or engagement letter has already been entered into ratifies those actions; and
 - (ii) it accepts the terms and qualifications set out in that reliance letter or engagement letter.
- (d) The Security Agent shall have only those duties, obligations and responsibilities which are expressly specified in this Deed and/or the Security Documents to which the Security Agent is a Party (and no others shall be implied). The Security Agent's duties under this Deed and/or the Security Documents to which the Security Agent is a Party are solely of a mechanical and administrative nature.
- (e) The Security Agent is released from any applicable restrictions on entering into any transaction as a representative of:
 - (i) two or more principals contracting with each other; and
 - (ii) one or more principals with whom it is contracting in its own name.

20.2 Trust

- (a) The Security Agent declares that it shall hold the Security Property on trust for the Secured Parties on the terms contained in this Deed.
- (b) Each of the parties to this Deed agrees that the Security Agent shall have only those duties, obligations and responsibilities expressly specified in this Deed or in the Security Documents to which the Security Agent is expressed to be a party (and no others shall be implied).

20.3 Parallel Debt (Covenant to pay the Security Agent)

- (a) The Parties to this Deed agree that the Security Agent shall be the joint and several creditor of each and every obligation of any Debtor towards each of the Secured Parties under each Secured Debt Document, and that accordingly the Security Agent will have its own independent right to demand performance by the relevant Debtor of those obligations, in accordance with this Clause 20.3 (Parallel Debt (Covenant to pay the Security Agent)).
- (b) In this Clause 20.3:

Secured Party Claim means any amount which a Debtor owes to a Secured Party under or in connection with the Secured Debt Documents, the Second Lien Finance Documents and any High Yield Notes Finance Documents.

Security Agent Claim has the meaning given to it in paragraph (c) below.
- (c) Each Debtor irrevocably and unconditionally undertakes to pay to the Security Agent, as an independent and separate creditor, an amount equal to each Secured Party Claim owed by such Debtor on the due date of such Secured Party Claim (the **Security Agent Claims**).
- (d) Each Security Agent Claim is created on the understanding that the Security Agent must:
 - (i) share the proceeds of each Security Agent Claim with the other Secured Parties; and
 - (ii) pay those proceeds to the Secured Parties in accordance with Clause 17 (Application of Proceeds) of this Deed.
- (e) The Security Agent may enforce performance of any Security Agent Claim in its own name as an independent and separate right. This includes any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in respect of any kind of insolvency proceeding.
- (f) Each Secured Party must, at the request of the Security Agent, perform any act required in connection with the enforcement of any Security Agent Claim. This includes joining in any proceedings as co-claimant with the Security Agent.

- (g) Unless the Security Agent fails to enforce a Security Agent Claim within a reasonable time after its due date, a Secured Party may not take any action to enforce the corresponding Secured Party Claim unless it is requested to do so by the Security Agent.
- (h) Each Debtor irrevocably and unconditionally waives any right it may have to require a Secured Party to join in any proceedings as co-claimant with the Security Agent in respect of any Security Agent Claim.
- (i)
 - (i) Discharge by a Debtor of a Secured Party Claim will discharge the corresponding Security Agent Claim in the same amount.
 - (ii) Discharge by a Debtor of a Security Agent Claim will discharge the corresponding Secured Party Claim in the same amount.
 - (iii) The aggregate amount of the Security Agent Claims will never exceed the aggregate amount of Secured Party Claims.
- (j)
 - (i) A defect affecting a Security Agent Claim against a debtor will not affect any Secured Party Claim.
 - (ii) A defect affecting a Secured Party Claim against a debtor will not affect any Security Agent Claim.
- (k) If the Security Agent returns to any Debtor, whether in any kind of insolvency proceedings or otherwise, any recovery in respect of which it has made a payment to a Creditor, that Creditor must repay an amount equal to that recovery to the Security Agent.
- (l) Without limiting or affecting the Security Agent's rights against any Debtor (whether under this Clause 20.3(or under any other provision of the Secured Debt Documents, the Second Lien Finance Documents or High Yield Notes Finance Documents), the Security Agent agrees with each other Secured Party (on a several and divided basis) that it will not exercise its rights in respect of the Security Agent Claims except with the consent of the Instructing Group. However, for the avoidance of doubt, nothing in the previous sentence shall in any way limit the Security Agent's right to act in the protection or preservation of rights under any Transaction Security Document or to enforce any Transaction Security as contemplated by this Deed, the relevant Transaction Security Document or any other Secured Debt Documents, Second Lien Finance Documents or High Yield Notes Finance Documents (or to do any act reasonably incidental to the foregoing).

20.4 Existing Security

- (a) Each Security Grantor confirms that it has been duly informed of the terms of the Senior Facilities Agreement (as amended and restated pursuant to the Supplemental Deed) and the transactions contemplated therein.
- (b) Each Debtor and each Security Grantor, with effect from the date of this Deed, confirms that the Security created by it under any Existing Security Document and any Pre-Effective Date Security Document will:
 - (i) continue in full force and effect;
 - (ii) secure (A) the Secured Obligations, under and as defined in paragraph (a) of that definition and (B) the liabilities and obligations of the Debtors to the Security Agent under clause 2.4 (Security Agent as joint creditor) of the Senior Facilities Agreement and Clause 20.3 (Parallel Debt (Covenant to pay the Security Agent)) of this Deed.

20.5 No independent power for the Secured Parties

Subject to Clause 17.3 (Treatment of SFA Cash Cover and Senior Lender Cash Collateral), the Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any rights or powers arising under the Security Documents (other than the Senior Facilities Agreement and/or any Second Lien Facilities Agreement) except through the Security Agent.

20.6 Instructions to Security Agent and exercise of discretion

- (a) Subject to paragraphs (e) and (f) below, the Security Agent shall act in accordance with any instructions given to it by an Instructing Group or, if so instructed by an Instructing Group,

refrain from exercising any right, power, authority or discretion vested in it as Security Agent and shall be entitled to assume that (i) any instructions received by it from an Agent, the Creditors or a group of Creditors are duly given in accordance with the terms of the Debt Documents and (ii) unless it has received actual notice of revocation, that those instructions or directions have not been revoked.

- (b) The Security Agent shall be entitled to request instructions, or clarification of any direction, from an Instructing Group (or from the Majority Second Lien Creditors (to the extent it is entitled to give instructions to the Security Agent pursuant to Clause 15 (Enforcement of Transaction Security))) as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, authorities and discretions and the Security Agent may refrain from acting unless and until those instructions or clarification are received by it.
- (c) Save as provided in Clause 15 (Enforcement of Transaction Security), any instructions given to the Security Agent by an Instructing Group shall override any conflicting instructions given by any other Parties.
- (d) Any instructions or votes given or to be given to the Security Agent by any Creditor shall be provided by the relevant Creditor's representative (including, in respect of the Noteholder(s) or Senior Secured Notes Liabilities or Second Lien Notes Liabilities, by the relevant Notes Trustee(s)) and the Security Agent shall be entitled to communicate with any Creditor or Creditors through such Creditor(s') representative and shall have no obligation to communicate with any Creditor or Creditors other than through such Creditor(s') representative.
- (e) Paragraph (a) above shall not apply:
 - (i) where a contrary indication appears in this Deed;
 - (ii) where this Deed requires the Security Agent to act in a specified manner or to take a specified action;
 - (iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties including, without limitation, the provisions set out in Clauses 20.8 (Security Agent's discretions) to Clause 20.23 (Disapplication);
 - (iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:
 - (A) Clause 16.1 (Non-Distressed Disposals);
 - (B) Clause 17.1 (Order of application of Group Recoveries);
 - (C) Clause 17.2 (Prospective liabilities);
 - (D) Clause 17.3 (Treatment of SFA Cash Cover and Senior Lender Cash Collateral); and
 - (E) Clause 17.6 (Permitted Deductions).
- (f) If giving effect to instructions given by an Instructing Group would (in the Security Agent's good faith opinion) have an effect equivalent to an Intercreditor Amendment, the Security Agent shall not act in accordance with those instructions unless Consent to it so acting is obtained from each Party (other than the Security Agent) whose Consent would have been required in respect of that Intercreditor Amendment.
- (g) In exercising any discretion to exercise a right, power or authority under this Deed where either:
 - (i) it has not received any instructions from an Instructing Group as to the exercise of that discretion; or
 - (ii) the exercise of that discretion is subject to sub-paragraph (e)(iv) above,

the Security Agent shall:

- (A) other than where sub-paragraph (B) below applies, do so having regard to the interests of all the Secured Parties; or

- (B) if (in its opinion) there is a Creditor Conflict in relation to the matter in respect of which the discretion is to be exercised:
 - I. prior to the Senior Secured Discharge Date, do so having regard only to the interests of all the Senior Secured Creditors; or
 - II. prior to the Second Lien Discharge Date but after the Senior Secured Discharge Date, do so having regard only to the interests of the Second Lien Creditors.

20.7 Security Agent's Actions

Without prejudice to the provisions of Clause 15 (Enforcement of Transaction Security) and Clause 20.6 (Instructions to Security Agent and exercise of discretion), the Security Agent may (but shall not be obliged to), in the absence of any instructions to the contrary, take such action in the exercise of any of its powers and duties under the Debt Documents as it considers in its **good faith** discretion to be appropriate.

20.8 Security Agent's discretions

The Security Agent may:

- (a) assume (unless it has received actual notice to the contrary from a Hedge Counterparty or from one of the Agents) that (i) no Default has occurred and no Debtor or Security Grantor is in breach of or default under its obligations under any of the Debt Documents and (ii) any right, power, authority or discretion vested by any Debt Document in any person has not been exercised;
- (b) if it receives any instructions or directions under Clause 15 (Enforcement of Transaction Security) to take any action in relation to the Transaction Security, assume that all applicable conditions under the Debt Documents for taking that action have been satisfied;
- (c) engage, pay for and rely on the advice or services of any legal advisers, accountants, tax advisers, surveyors or other experts (whether obtained by the Security Agent or by any other Secured Party) whose advice or services may at any time seem necessary, expedient or desirable;
- (d) act under the Debt Documents through its personnel and agents;
- (e) rely upon any communication or document believed by it to be genuine and, as to any matters of fact which might reasonably be expected to be within the knowledge of a Secured Party, any Creditor, a Debtor or Security Grantor, upon a certificate signed by or on behalf of that person; and
- (f) refrain from acting in accordance with the instructions of any Party (including bringing any legal action or proceeding arising out of or in connection with the Debt Documents) until it has received any indemnification and/or security that it may in its discretion require (whether by way of payment in advance or otherwise) for all costs, losses and liabilities which it may incur in so acting.

20.9 Security Agent's obligations

The Security Agent shall promptly:

- (a) copy to (i) each Agent and (ii) each Hedge Counterparty the contents of any notice or document received by it from any Debtor or any Security Grantor under any Debt Document;
- (b) forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party **provided that**, except where a Debt Document expressly provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party;
- (c) inform (i) each Agent and (ii) each Hedge Counterparty of the occurrence of any Default or any default by a Debtor or a Security Grantor in the due performance of or compliance with its obligations under any Debt Document of which the Security Agent has received notice from any other party to this Deed; and

- (d) to the extent that a Party (other than the Security Agent) is required to calculate a Common Currency Amount, and upon a request by that Party, notify that Party of the relevant Security Agent's Spot Rate of Exchange.

20.10 Excluded obligations

Notwithstanding anything to the contrary expressed or implied in the Debt Documents, the Security Agent shall not:

- (a) be bound to enquire as to (i) whether or not any Default has occurred or (ii) the performance, default or any breach by a Debtor or a Security Grantor of its obligations under any of the Debt Documents;
- (b) be bound to account to any other Party for any sum or the profit element of any sum received by it for its own account;
- (c) be bound to disclose to any other person (including but not limited to any Secured Party) (i) any confidential information or (ii) any other information if disclosure would, or might in its reasonable opinion, constitute a breach of any law or be a breach of fiduciary duty; and
- (d) have or be deemed to have any relationship of trust or agency with, any Debtor.

20.11 Exclusion of liability

None of the Security Agent, any Receiver nor any Delegate shall accept responsibility or be liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent or any other person in or in connection with any Debt Document or the transactions contemplated in the Debt Documents, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;
- (c) any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to any of the Debt Documents, the Security Property or otherwise, whether in accordance with an instruction from an Agent or otherwise unless directly caused by its gross negligence or wilful misconduct;
- (d) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with any of the Debt Documents, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, the Debt Documents or the Security Property; or
- (e) any shortfall which arises on the enforcement or realisation of the Security Property.

20.12 No proceedings

No Party (other than the Security Agent, that Receiver or that Delegate) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Debt Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.3 (Third Party Rights) and the provisions of the Third Parties Rights Act.

20.13 Own responsibility

Without affecting the responsibility of any Debtor or any Security Grantor for information supplied by it or on its behalf in connection with any Debt Document, each Secured Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own

independent appraisal and investigation of all risks arising under or in connection with any Debt Document including but not limited to:

- (a) the financial condition, status and nature of each Debtor, each member of the Group and each Security Grantor;
- (b) the legality, validity, effectiveness, adequacy and enforceability of any Debt Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;
- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Debt Document, the Security Property, the transactions contemplated by the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;
- (d) the adequacy, accuracy and/or completeness of any information provided by the Security Agent or by any other person under or in connection with any Debt Document, the transactions contemplated by any Debt Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property,

and each Secured Party warrants to the Security Agent that it has not relied on and will not at any time rely on the Security Agent in respect of any of these matters.

20.14 No responsibility to perfect Transaction Security

The Security Agent shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Debtor or any Security Grantor to any of the Charged Property;
- (b) obtain any licence, Consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of the Debt Documents or the Transaction Security;
- (c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any applicable laws in any jurisdiction or to give notice to any person of the execution of any of the Debt Documents or of the Transaction Security;
- (d) take, or to require any of the Debtors or the Security Grantor to take, any steps to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under the laws of any jurisdiction; or
- (e) require any further assurances in relation to any of the Security Documents.

20.15 Insurance by Security Agent

- (a) The Security Agent shall be under no obligation to insure any of the Charged Property, to require any other person to maintain any insurance or to verify any obligation to arrange or maintain insurance contained in the Debt Documents. The Security Agent shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy of any such insurance.
- (b) Where the Security Agent is named on any insurance policy as an insured party and/or loss payee, the Security Agent shall not be responsible for any loss which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless an Agent shall have requested it to do so in writing and the Security Agent shall have failed to do so within 14 Business Days after receipt of that request.

20.16 Custodians and nominees

The Security Agent may (to the extent legally permitted) appoint and pay any person to act as a custodian or nominee on any terms in relation to any assets of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Deed or any document relating to the trust created under this Deed and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Deed or be bound to supervise the proceedings or acts of any person.

20.17 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any of the Debtors or the Security Grantor may have to any of the Charged Property and shall not be liable for or bound to require any Debtor or any Security Grantor, as applicable to remedy any defect in its right or title.

20.18 Refrain from illegality

Notwithstanding anything to the contrary expressed or implied in the Debt Documents, the Security Agent may refrain from doing anything which in its opinion will or may be contrary to any relevant law, directive or regulation of any jurisdiction and the Security Agent may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation. The Security Agent shall be entitled to seek out and rely upon the advice of any legal advisers or other experts in order to determine whether any instruction received by it from an Instructing Group may conflict with any relevant law, directive or regulation of any jurisdiction.

20.19 Business with the Debtors or Security Grantor

The Security Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with any of the Debtors or the Security Grantor.

20.20 Winding up of trust

If the Security Agent, with the approval of each of the Agents and each Hedge Counterparty, determines that (1) all of the Secured Obligations and all other obligations secured by the Security Documents have been fully and finally discharged and (2) none of the Secured Parties is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Debtor pursuant to the Debt Documents:

- (a) the trusts set out in this Deed shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Security Documents; and
- (b) any Retiring Security Agent shall release, without recourse or warranty, all of its rights under each of the Security Documents.

20.21 Powers supplemental

The rights, powers and discretions conferred upon the Security Agent by this Deed shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by general law or otherwise.

20.22 Trustee division separate

- (a) In acting as trustee for the Secured Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any of its other divisions or departments.
- (b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.

20.23 Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of either of the Security Agent in relation to the trusts constituted by this Deed. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of that act.

20.24 Intra-Group Lenders, Subordinated Creditors and Debtors: Power of Attorney

Each Intra-Group Lender, Subordinated Creditor, Debtor and Security Grantor by way of security for its obligations under this Deed irrevocably appoints the Security Agent to be its attorney to do anything which that Intra-Group Lender, Subordinated Creditor, Debtor or Security Grantor has authorised the Security Agent or any other Party to do under this Deed or is itself required to do under this Deed but has failed to do (and the Security Agent may delegate that power on such terms as it sees fit).

21. CHANGE OF SECURITY AGENT

21.1 Resignation of the Security Agent

- (a) The Security Agent may resign and appoint one of its affiliates as successor by giving notice to the Company, the Senior Secured Creditors, the Second Lien Creditors and the High Yield Representative(s).
- (b) Alternatively the Security Agent may resign by giving notice to the other Parties in which case the Majority Senior Lenders, the Senior Secured Notes Representative(s) and the Pari Passu Debt Representative(s) and the Majority Second Lien Creditors may, with the approval of the Company (acting reasonably), appoint a successor Security Agent.
- (c) If the Majority Senior Lenders and the Senior Secured Notes Representative(s) and the Pari Passu Debt Representative(s) and the Majority Second Lien Creditors have not appointed a successor Security Agent in accordance with paragraph (b) above within 30 days after the notice of resignation was given, the Security Agent (after consultation with the other Agents) may, with the approval of the Company (acting reasonably), appoint a successor Security Agent.
- (d) The retiring Security Agent (the **Retiring Security Agent**) shall, at its own cost:
 - (i) make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Debt Documents; and
 - (ii) enter into and deliver to the successor Security Agent those documents and effect any registrations as may be required for the transfer or assignment of all of its rights and benefits under the Debt Documents to the successor Security Agent.
- (e) A Debtor must, at its own reasonable cost, take any action and enter into and deliver any document which is reasonably required by the Retiring Security Agent to ensure that a Security Document provides for effective and perfected Security in favour of any successor Security Agent (including any documents or evidence reasonably required to ensure that the security position of the Secured Parties is not materially adversely affected by such resignation).
- (f) The Security Agent's resignation notice shall only take effect upon (i) the appointment of a successor and (ii) the transfer of all of the Security Property to that successor.
- (g) Upon the appointment of a successor, the Retiring Security Agent shall be discharged from any further obligation in respect of the Debt Documents (other than its obligations under paragraph (b) of Clause 20.20 (Winding up of trust) and under paragraph (d) above) but shall, in respect of any act or omission by it whilst it was the Security Agent, remain entitled to the benefit of Clauses 20 (The Security Agent), 24.1 (Debtors' indemnity) and 24.3 (Primary Creditors' indemnity). Its successor and each of the other Parties shall have the same rights

and obligations amongst themselves as they would have had if that successor had been an original Party.

- (h) The Majority Senior Lenders, the Senior Secured Notes Representative(s), the Pari Passu Debt Representative(s) and the Majority Second Lien Creditors (or, after the Second Lien Discharge Date, the High Yield Representative(s)) may, with the approval of the Company (acting reasonably), by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (d) above shall be for the account of the Company or any other Debtor.
- (i) Provided no Default is continuing, the Company may, by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above and the Company shall appoint a successor Security Agent but the cost referred to in paragraph (d) above shall be for the account of the Company or any other Debtor.

21.2 Delegation

- (a) The Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by any of the Debt Documents.
- (b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate.

21.3 Additional Security Agents

- (a) The Security Agent may, with the approval of the Company (acting reasonably), at any time appoint (and subsequently remove), to the extent legally permitted, any person to act as a separate trustee or as a co-trustee jointly with it (i) if it in good faith considers that appointment to be in the interests of the Secured Parties or (ii) for the purposes of conforming to any legal requirements, restrictions or conditions which the Security Agent deems to be relevant (acting reasonably) or (iii) for obtaining or enforcing any judgment in any jurisdiction, and the Security Agent shall give prior notice to the Company and each of the Agents of that appointment.
- (b) Any person so appointed shall have the rights, powers and discretions (not exceeding those conferred on the Security Agent by this Deed) and the duties and obligations that are conferred or imposed by the instrument of appointment.

22. CHANGES TO THE PARTIES

22.1 Assignments and transfers

No Party may assign any of its rights and benefits or transfer any of its rights, benefits and obligations in respect of any Debt Documents or the Liabilities except as permitted by this Clause 22.

22.2 Subordinated Creditor

- (a) Subject to paragraph (b) below, a Subordinated Creditor may assign any of its rights and benefits or transfer any of its rights, benefits and obligations in respect of Subordinated Liabilities if any assignee or transferee has executed and delivered to the Security Agent a Creditor Accession Undertaking agreeing to be bound by all the terms of this Deed as if it had originally been party to this Deed as a Subordinated Creditor (or has otherwise subordinated the indebtedness owing to it by any Debtor to the Liabilities owing to the Primary Creditors in a manner satisfactory to the Primary Creditors).
- (b) Despite paragraph (a) above, on and from the first High Yield Notes Issue Date, the HY Issuer may not assign any of its rights and benefits or transfer any of its rights, benefits

and obligations in respect of Subordinated Liabilities to the extent relating to any Proceeds Loan Agreement until after the High Yield Discharge Date or other than with the Consent of (prior to the Senior Lender Discharge Date) the Senior Agent and (after any Pari Passu Debt has been incurred and before the Pari Passu Debt Discharge Date) the Pari Passu Debt Representative and as contemplated in the High Yield Notes Indenture(s) and (if after the Senior Secured Notes Issue Date and prior to the Senior Secured Notes Discharge Date) the Senior Secured Notes Indenture(s).

22.3 Change of Senior Lender, Pari Passu Creditors, Second Lien Lender and Noteholders

- (a) A Senior Lender or Pari Passu Creditor (other than a Pari Passu Debt Representative) may assign any of its rights and benefits or transfer by novation any of its rights, benefits and obligations in respect of any Debt Documents or the Liabilities if:
 - (i) that assignment or transfer is in accordance with the terms of the Senior Facilities Agreement or the Pari Passu Debt Documents as applicable; and
 - (ii) any assignee or transferee has (if not already party to this Deed as a Senior Lender or Pari Passu Creditor) acceded to this Deed as a Senior Lender or a Pari Passu Creditor pursuant to Clause 22.11 (Creditor Accession Undertaking) unless (in the case of Pari Passu Debt in the form of debt securities) a Pari Passu Debt Representative is, or has acceded as, a party to this Deed on behalf of each relevant assignee or transferee of a Pari Passu Creditor.
- (b) A Second Lien Lender may assign any of its rights and benefits or transfer by novation any of its rights, benefits and obligations in respect of any Debt Documents or the Liabilities if:
 - (i) that assignment or transfer is in accordance with the terms of any Second Lien Facilities Agreement; and
 - (ii) any assignee or transferee has (if not already party to this Deed as a Second Lien Lender) acceded to this Deed as a Second Lien Lender pursuant to Clause 22.11 (Creditor Accession Undertaking).
- (c) Any Senior Secured Noteholder, Second Lien Noteholder or High Yield Noteholder may assign, transfer or novate any of its rights and obligations to any person without the need for such person to execute and deliver to a Security Agent a duly completed Creditor Accession Undertaking, provided that such person is subject to the terms and conditions of this Deed as provided under the terms of the relevant Notes Indenture.

22.4 Change of Hedge Counterparty

- (a) A Hedge Counterparty may (in accordance with the terms of the relevant Hedging Agreement and subject to any consent required under that Hedging Agreement) transfer any of its rights and benefits and corresponding obligations in respect of the Hedging Agreements to which it is a party if any transferee has (if not already Party as a Hedge Counterparty) acceded to this Deed as a Hedge Counterparty pursuant to Clause 22.11 (Creditor Accession Undertaking) and delivered copies of the proposed Hedging Agreements to the Security Agent if and to the extent that such person has not delivered copies of such documents to the Senior Agent on or before the Effective Date.
- (b) A person may become a Hedge Counterparty if:
 - (i) the Hedging Agreements to which it is party comply with the terms of this Deed; and
 - (ii) that person has acceded to this Deed as a Hedge Counterparty pursuant to Clause 22.11 (Creditor Accession Undertaking); and
 - (iii) that person has delivered copies of the proposed Hedging Agreements to the Security Agent, if and to the extent that such person has not delivered copies of such documents to the Senior Agent on or before the Effective Date.

22.5 Change of Agent

No person shall become a Senior Agent or a Second Lien Agent unless at the same time, it accedes to this Deed in such capacity pursuant to Clause 22.11 (Creditor Accession Undertaking).

22.6 New Pari Passu Creditors and Pari Passu Debt Representatives

- (a) In order for indebtedness in respect of any issuance of public debt securities to constitute “Pari Passu Debt” for the purposes of this Deed, (i) the trustee in respect of those debt securities shall accede to this Deed as the Representative in relation to that Pari Passu Debt pursuant to Clause 22.11 (Creditor Accession Undertaking) and (ii) the instrument constituting or evidencing such Pari Passu Debt must be governed by English or New York law and state that the document and the Pari Passu Debt constituted or evidenced thereby is subject to the terms of this Deed, and the Senior Secured Creditors in respect of the Senior Secured Liabilities must be given (or have as a matter of law) third party beneficiary rights in respect of such statement.
- (b) In order for indebtedness under any other loan or credit or debt facility to constitute “Pari Passu Debt” for the purposes of this Deed:
 - (i) each creditor (or its Agent on its behalf) in respect of that loan or credit or debt facility shall accede to this Deed as a Pari Passu Creditor; and
 - (ii) the facility agent in respect of that loan or credit or debt facility shall accede to this Deed as the Agent in relation to that loan or credit or debt facility pursuant to Clause 22.11 (Creditor Accession Undertaking).
- (c) No creditor shall be entitled to share in any of the Transaction Security or in the benefit of any provisions of this Deed as a Pari Passu Creditor unless such creditor (or, as the case may be, the trustee or Agent in relation to the indebtedness held by such creditor) has acceded to this Deed in accordance with paragraph (a) or (b) above.

22.7 New Second Lien Lenders

- (a) In order for indebtedness under any other loan or credit or debt facility to constitute “Second Lien Loan Liabilities” for the purposes of this Deed:
 - (i) each creditor (or its Agent on its behalf) in respect of that loan or credit or debt facility shall accede to this Deed as a Second Lien Lender or a Second Lien Agent (as applicable); and
 - (ii) the facility agent in respect of that loan or credit or debt facility shall accede to this Deed as the Agent in relation to that loan or credit or debt facility pursuant to Clause 22.11 (Creditor Accession Undertaking).
- (b) No creditor shall be entitled to share in any of the Transaction Security or in the benefit of any provisions of this Deed as a Second Lien Lender unless such creditor (or, as the case may be, the Agent in relation to the indebtedness held by such creditor) has acceded to this Deed in accordance with paragraph (a) above.

22.8 Change of Intra-Group Lender

Subject to Clause 11.4 (Acquisition of Intra-Group Liabilities) and to the terms of the other Debt Documents, any Intra-Group Lender may assign any of its rights and benefits or transfer any of its rights, benefits and obligations in respect of the Intra-Group Liabilities to another member of the Group if that member of the Group has (if not already Party as an Intra-Group Lender) acceded to this Deed as an Intra-Group Lender, pursuant to Clause 22.11 (Creditor Accession Undertaking) (provided that such member of the Group will not be required to accede to this Deed as an Intra-Group Lender under this Clause if it would otherwise not have been required to do so under the terms of Clause 22.9 (New Intra Group Lender) if it had been the original creditor of such Intra-Group Liability).

22.9 New Intra-Group Lender

If any Intra-Group Lender or any member of the Group makes any loan to or grants any credit to or makes any other financial arrangement having similar effect (but excluding any trade credit in the ordinary course of trading) with any Debtor, and the aggregate amount of all such loans, credits and financial arrangements from such Intra-Group Lender or member of the Group to that Debtor and/or any other Debtor at any time equals or exceeds EUR 10,000,000, the Company will procure that the

person giving that loan, granting that credit or making that other financial arrangement (if not already Party as an Intra-Group Lender) accedes to this Deed, as an Intra-Group Lender pursuant to Clause 22.11 (Creditor Accession Undertaking).

22.10 New Ancillary Facility Lender

If any Affiliate of a Senior Lender becomes an Ancillary Facility Lender in accordance with the Senior Facilities Agreement or any Pari Passu Debt Document, it shall not be entitled to share in any of the Transaction Security or in the benefit of any guarantee or indemnity in respect of any of the liabilities arising in relation to its Ancillary Facilities unless it has (if not already Party as a Senior Lender) acceded to this Deed as a Senior Lender or Pari Passu Creditor (as the case may be) and to the Senior Facilities Agreement or that Pari Passu Debt Document (as the case may be) as an Ancillary Facility Lender pursuant to Clause 22.11 (Creditor Accession Undertaking).

22.11 Creditor Accession Undertaking

With effect from the date of acceptance by the Security Agent of a Creditor Accession Undertaking duly executed and delivered to the Security Agent by the relevant acceding party or, if later, the date specified in that Creditor Accession Undertaking:

- (a) any Party ceasing entirely to be a Creditor shall be discharged from further obligations towards the Security Agent and other Parties under this Deed and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date);
- (b) as from that date, the replacement or new Creditor shall assume the same obligations and become entitled to the same rights, as if it had been an original Party to this Deed in that capacity; and
- (c) any new Ancillary Facility Lender (which is an Affiliate of a Senior Lender) shall also become party to the Senior Facilities Agreement or relevant Pari Passu Debt Document as an Ancillary Facility Lender and shall assume the same obligations and become entitled to the same rights as if it had been an original party to the Senior Facilities Agreement or relevant Pari Passu Debt Document as an Ancillary Facility Lender.

22.12 Accession of High Yield Notes Trustee

- (a) the Company shall procure that, on or prior to any High Yield Notes Issue Date, the relevant High Yield Notes Trustee (and, if such entity ceases to act as trustee in relation to the High Yield Notes for any reason, any successor or other person which is appointed or acts as trustee under the relevant High Yield Notes Indenture) shall promptly complete, sign and deliver to the Security Agent a Creditor Accession Undertaking under which such High Yield Notes Trustee agrees to be bound by this Deed as a High Yield Notes Trustee as if it had originally been a Party to this Deed in such capacity. In connection with the foregoing, the Security Agent shall make such changes to the terms hereof relating to the rights and duties of such High Yield Notes Trustee and any other Party as are required by such High Yield Notes Trustee without the Consent of any other Party provided that such changes would not have a material adverse effect on the other Parties.
- (b) Each Party (other than the relevant proposed trustee under paragraph (a) above) irrevocably authorises the Security Agent to execute on its behalf any Creditor Accession Undertaking which has been duly completed and signed on behalf of that person.

22.13 Accession of Second Lien Notes Trustee

- (a) The Company shall procure that, on or prior to any Second Lien Notes Issue Date, the relevant Second Lien Notes Trustee (and, if such entity ceases to act as trustee in relation to the Second Lien Notes for any reason, any successor or other person which is appointed or acts as trustee under the relevant Second Lien Notes Indenture) shall promptly complete, sign and deliver to the Security Agent a Creditor Accession Undertaking under which such Second Lien Notes Trustee agrees to be bound by this Deed as a Second Lien Notes Trustee as if it had originally been a Party to this Deed in such capacity. In connection with the foregoing, the Security Agent shall make such changes to the terms hereof relating to the rights and

duties of such Second Lien Notes Trustee and any other Party as are required by such Second Lien Notes Trustee without the Consent of any other Party provided that such changes would not have a material adverse effect on the other Parties.

- (b) Each Party (other than the relevant proposed trustee under paragraph (a) below) irrevocably authorises the Security Agent to execute on its behalf any Creditor Accession Undertaking which has been duly completed and signed on behalf of that person.

22.14 Accession of Senior Secured Notes Trustee

- (a) The Company shall procure that, on or prior to any Senior Secured Notes Issue Date, the relevant Senior Secured Notes Trustee (and, if such entity ceases to act as trustee in relation to the Senior Secured Notes for any reason, any successor or other person which is appointed or acts as trustee under the relevant Senior Secured Notes Indenture) shall promptly complete, sign and deliver to the Security Agent a Creditor Accession Undertaking under which such Senior Secured Notes Trustee agrees to be bound by this Deed as a Senior Secured Notes Trustee as if it had originally been a Party to this Deed in such capacity. In connection with the foregoing, the Security Agent shall make such changes to the terms hereof relating to the rights and duties of such Senior Secured Notes Trustee and any other Party as are required by such Senior Secured Notes Trustee without the Consent of any other Party provided that such changes would not have a material adverse effect on the other Parties.
- (b) Each Party (other than the relevant proposed trustee under paragraph (a) above) irrevocably authorises the Security Agent to execute on its behalf any Creditor Accession Undertaking which has been duly completed and signed on behalf of that person.

22.15 New Debtor or Security Grantor

- (a) If any member of the Group, Senior Borrower, Second Lien Borrower, borrower or issuer of Pari Passu Debt, Senior Secured Notes Issuer, Second Lien Notes Issuer, Borrower Holdco, SuperHoldco, Permitted Affiliate Holdco, Intra-Group Debtor, Subordinated Creditor (in its capacity as grantor under the relevant Pledge of Subordinated Shareholder Loans (as defined in the Senior Facilities Agreement)), HY Issuer or any Subsidiary of SuperHoldco or any Permitted Affiliate Holdco which is permitted to issue, and has issued, Holdco Debt (as defined in the Senior Facilities Agreement):
 - (i) incurs any Liabilities (other than Intra-Group Liabilities); or
 - (ii) gives any security, guarantee, indemnity or other assurance against loss in respect of any of such Liabilities,

the Debtors will procure that the person incurring those Liabilities or giving that assurance accedes to this Deed as a Debtor or (if the person is not a Senior Guarantor, a HY Issuer, an Effective Date Subordinated Creditor or a member of the Group) a Security Grantor, in accordance with paragraph (d) below, no later than contemporaneously with the incurrence of those Liabilities or the giving of that assurance, unless the Liability incurred or security, guarantee, indemnity or other assurance against loss given in respect of any of the Liabilities does not meet or exceed EUR 1,000,000 in aggregate.

- (b) If any Affiliate of a Debtor becomes a borrower of an Ancillary Facility in accordance with the Senior Facilities Agreement or any Pari Passu Debt Document, the relevant Debtor shall procure that its Affiliate accedes to this Deed as a Debtor no later than contemporaneously with the date on which it becomes a borrower.
- (c) If any Affiliate of the Company guarantees any Senior Facilities Agreement, Senior Secured Notes, Pari Passu Debt or Second Lien Liabilities, the Company shall procure that such Affiliate accedes to this Deed as a Debtor no later than contemporaneously with the date on which it provides such guarantee.
- (d) With effect from the date of acceptance by the Security Agent of a Debtor Accession Deed duly executed and delivered to the Security Agent by the new Debtor or new Security Grantor (together with any board resolutions, opinions or other documents or evidence that the Security Agent may require) or, if later, the date specified in the Debtor Accession Deed, the new Debtor or new Security Grantor, as applicable shall assume the same obligations and

become entitled to the same rights as if it had been an original Party as a Debtor or Security Grantor.

22.16 Additional parties

- (a) Each of the Parties appoints the Security Agent to receive and execute on its behalf each Debtor Accession Deed and Creditor Accession Undertaking delivered to the Security Agent and the Security Agent shall, as soon as reasonably practicable after receipt by it, sign and accept the same if it appears on its face to have been completed, executed and, where applicable, delivered in the form contemplated by this Deed or, where applicable, by the Senior Facilities Agreement or any Second Lien Facilities Agreement.
- (b) In the case of a Creditor Accession Undertaking delivered to the Security Agent by any new Ancillary Facility Lender (which is an Affiliate of a Senior Lender) or any party acceding to this Deed as a Hedge Counterparty:
 - (i) the Security Agent shall, as soon as practicable after signing and accepting that Creditor Accession Undertaking in accordance with paragraph (a) above, deliver that Creditor Accession Undertaking to the Senior Agent; and
 - (ii) the Senior Agent shall, as soon as practicable after receipt by it, sign and accept that Creditor Accession Undertaking if it appears on its face to have been completed, executed and delivered in the form contemplated by this Deed.

22.17 Resignation of a Debtor

- (a) The Company may request that a Debtor ceases to be a Debtor by delivering to the Security Agent a Debtor Resignation Request.
- (b) The Security Agent shall accept a Debtor Resignation Request and notify the Company and each other Party of its acceptance if:
 - (i) the Company has confirmed that no Default is continuing or would result from the acceptance of the Debtor Resignation Request;
 - (ii) to the extent that the Senior Lender Discharge Date has not occurred, the Senior Agent notifies the Security Agent that that Debtor is not, or has ceased to be, a Senior Borrower or a Senior Guarantor;
 - (iii) to the extent that the Pari Passu Debt Discharge Date has not occurred, the Pari Passu Debt Representative(s) notifies the Security Agent that that Debtor is not, or has ceased to be, a borrower or an issuer or a Pari Passu Debt Guarantor;
 - (iv) each Hedge Counterparty notifies the Security Agent that that Debtor is under no actual or contingent obligations to that Hedge Counterparty in respect of the Hedging Liabilities;
 - (v) to the extent the Senior Secured Notes Discharge Date has not occurred, the Senior Secured Notes Representative(s) notifies the Security Agent that that Debtor is not, or has ceased to be a borrower or an issuer of a Senior Secured Notes Guarantor;
 - (vi) to the extent that the Second Lien Loan Discharge Date has not occurred, the Second Lien Agent notifies the Security Agent that that Debtor is not, or has ceased to be, a Second Lien Borrower or a Second Lien Guarantor;
 - (vii) to the extent that the Second Lien Notes Discharge Date has not occurred, the Second Lien Notes Trustee notifies the Security Agent that the Debtor is not, or has ceased to be, a Second Lien Notes Issuer or a Second Lien Guarantor;
 - (viii) to the extent the High Yield Discharge Date has not occurred, the High Yield Representative(s) notifies the Security Agent that the Debtor is not, or has ceased to be, a borrower or an issuer or a High Yield Guarantor; and
 - (ix) the Company confirms that Debtor is under no actual or contingent obligations in respect of the Intra-Group Liabilities.

- (c) Upon notification by the Security Agent to the Company of its acceptance of the resignation of a Debtor, that person shall cease to be a Debtor and shall have no further rights or obligations under this Deed as a Debtor.

22.18 Resignation of Creditors

The Parties agree that:

- (a) with respect to a Senior Lender, on the first date on which all Senior Lender Liabilities owed to that Senior Lender have been fully and finally discharged to the satisfaction of the Senior Agent (acting reasonably), whether or not as the result of an enforcement, and that Senior Lender (in that capacity) is under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents, that Senior Creditor shall cease automatically to be a Party;
- (b) with respect to a Senior Secured Notes Creditor, on the first date on which all Senior Secured Notes Liabilities owed to that Senior Secured Notes Creditor have been fully and finally discharged to the satisfaction of the relevant Senior Secured Notes Representative (acting reasonably), that Senior Secured Notes Creditor shall cease automatically to be a Party;
- (c) with respect to a Pari Passu Creditor, on the first date on which all Pari Passu Debt owed to that Pari Passu Creditor has been fully and finally discharged in cash to the satisfaction of the relevant Pari Passu Debt Representative (acting reasonably), whether or not as the result of an enforcement, and that Pari Passu Creditor is under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents, that Pari Passu Creditor shall cease automatically to be a Party;
- (d) with respect to a Second Lien Creditor, on the first date on which all Second Lien Liabilities owed to that Second Lien Creditor have been fully and finally discharged in cash to the satisfaction of the relevant Second Lien Representative (acting reasonably), whether or not as the result of an enforcement, and (to the extent such Second Lien Creditor is a Second Lien Lender) that such Second Lien Lender is under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents, that Second Lien Creditor shall cease automatically to be a Party; and
- (e) with respect to a High Yield Notes Creditor, on the first date on which all High Yield Notes Liabilities owed to that High Yield Notes Creditor has been fully and finally discharged in cash to the satisfaction of the relevant High Yield Representative (acting reasonably), whether or not as the result of an enforcement, and that High Yield Notes Creditor is under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents, that High Yield Notes Creditor shall cease automatically to be a Party.

23. COSTS AND EXPENSES

23.1 Security Agent's ongoing costs

In the event of:

- (a) an Event of Default (other than in relation to a Debt Document evidencing Intra-Group Liabilities or Subordinated Liabilities); or
- (b) the Security Agent being requested by a Debtor or an Instructing Group to undertake duties which the Security Agent and the Company agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security Agent under the Debt Documents,

the Company shall (or another Debtor or Security Grantor so elected shall) pay to the Security Agent any additional remuneration (together with any applicable VAT) that may be agreed between them.

23.2 Transaction expenses

The Company shall (or another Debtor so elected shall), promptly on demand, pay the Security Agent the amount of all reasonable costs and expenses (including legal fees subject to any agreed arrangements) (together with any applicable VAT) reasonably incurred by the Security Agent and

any Receiver or Delegate in connection with the negotiation, preparation, printing, execution and perfection of:

- (a) this Deed and any other documents referred to in this Deed and the Transaction Security; and
- (b) any other Debt Documents executed after the date of this Deed.

23.3 Stamp taxes

The Company shall (or another Debtor so elected shall) pay and, promptly following demand, indemnify the Security Agent against any cost, loss or liability the Security Agent incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Debt Document (other than any such Tax payable in respect of a transfer certificate or assignment agreement or other document relating to a transfer or assignment by any Senior Secured Creditor and/or any Second Lien Creditor of any of its rights and/or obligations under any Debt Document to which it is a party).

23.4 Interest on demand

Without duplication of any default interest payable under any Secured Debt Document, if any Creditor or Debtor or Security Grantor fails to pay any amount payable by it under this Deed on its due date, interest shall (to the extent such accrual does not result in any double counting under the provisions of this Deed and the provisions of the other Secured Debt Documents) accrue on the overdue amount (and be compounded with it) from the due date up to the date of actual payment (both before and after judgment and to the extent interest at a default rate is not otherwise being paid on that sum) at the rate which is 1% per annum over the rate at which the Security Agent was being offered, by leading banks in the London interbank market, deposits in an amount comparable to the unpaid amounts in the currencies of those amounts for any period(s) that the Security Agent may from time to time select.

23.5 Enforcement and preservation costs

The Company shall (or another Debtor or Security Grantor so elected shall), within three Business Days of demand, pay to the Security Agent the amount of all costs and expenses (including legal fees and together with any applicable VAT) incurred by it in connection with the enforcement of or the preservation of any rights under any Debt Document, the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights (but excluding any costs and expenses arising as a result of the Security Agent's gross negligence or wilful default).

24. INDEMNITIES

24.1 Debtors' indemnity

Subject to any limitations applicable to any guarantee and indemnity obligations of any Debtor under the Secured Debt Documents, each Debtor shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT) incurred (but excluding any costs and expenses arising as a result of the Security Agent's negligence or wilful default) by any of them:

- (a) in relation to or as a result of:
 - (i) any failure by the Company to comply with obligations under Clause 23 (Costs and Expenses);
 - (ii) the taking, holding, protection or enforcement of the Transaction Security;
 - (iii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent, each Receiver and each Delegate by the Debt Documents or by law; or
 - (iv) any default by any Debtor or Security Grantor in the performance of any of the obligations expressed to be assumed by it in the Debt Documents; or
- (b) which otherwise relates to any of the Security Property or the performance of the terms of this Deed (otherwise than as a result of its gross negligence or wilful misconduct).

Each Debtor expressly acknowledges and agrees that the continuation of its indemnity obligations under this Clause 24.1 will not be prejudiced by any release or disposal under Clause 16.2 (Distressed Disposals) taking into account the operation of that Clause 16.2 (Distressed Disposals).

24.2 Priority of indemnity

The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in Clause 24.1 (Debtors' indemnity) and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it, in each case in accordance with Clause 17.1 (Order of application of Group Recoveries).

24.3 Primary Creditors' indemnity

- (a) Each Primary Creditor (other than the Notes Trustees) shall (in the proportion that the Liabilities due to it bears to the aggregate of the Liabilities due to all the Primary Creditors for the time being (or, if the Liabilities due to each of those Primary Creditors is zero, immediately prior to their being reduced to zero)), indemnify the Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct) in acting as Security Agent, Receiver or Delegate under the Debt Documents (unless the relevant Security Agent, Receiver or Delegate has been reimbursed by a Debtor or Security Grantor pursuant to a Debt Document) and the Debtors or the Security Grantors shall jointly and severally indemnify each Senior Secured Creditor against any payment made by it under this Clause 24.3.
- (b) For the purposes only of paragraph (a) above, to the extent that any hedging transaction under a Hedging Agreement has not been terminated or closed-out, the Hedging Liabilities due to any Hedge Counterparty in respect of that hedging transaction will be deemed to be:
 - (i) if the relevant Hedging Agreement is based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of those hedging transactions, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement),
 - (ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case, to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement.

24.4 The Company's indemnity to Senior Secured Creditors

The Company shall promptly and as principal obligor indemnify each Primary Creditor against any cost, loss or liability (together with any applicable VAT), whether or not reasonably foreseeable, reasonably incurred by any of them in relation to or arising out of the operation of Clause 16.2 (Distressed Disposals).

25. INFORMATION

25.1 Information and dealing

- (a) The Creditors shall provide to the Security Agent from time to time (through their respective Agents in the case of a Senior Lender, a Second Lien Creditor, a Senior Secured Notes

Creditor, a Pari Passu Creditor or a High Yield Creditor) any information that the Security Agent may reasonably specify as being necessary or desirable to enable the Security Agent to perform its functions as trustee.

- (b) Subject to clause 36.5 (Communication when Facility Agent is Impaired Agent) of the Senior Facilities Agreement and any equivalent clause in any Second Lien Facilities Agreement, each Senior Lender and each Second Lien Lender shall deal with the Security Agent exclusively through its Agent and the Hedge Counterparties shall deal directly with the Security Agent and shall not deal through any Agent.
- (c) No Agent shall be under any obligation to act as agent or otherwise on behalf of any Hedge Counterparty except as expressly provided for in, and for the purposes of, this Deed.

25.2 Disclosure

Notwithstanding any agreement to the contrary, each of the Debtors and each of the Security Grantor Consents, until the Final Discharge Date, to the disclosure by any of the Primary Creditors, the Agents, the Arrangers and the Security Agent to each other (whether or not through an Agent and/or the Security Agent) of such information concerning the Debtors and/or the Security Grantor as any Primary Creditor, any Agent, any Arranger or the Security Agent shall see fit and (i) which does not breach any applicable law, and (ii) prior to the taking of any Enforcement Action, would result in any High Yield Noteholder, Second Lien Noteholder or Senior Secured Noteholder receiving any material non-public information.

25.3 Notification of prescribed events

- (a) If a Senior Default or a Senior Secured Notes Default or a Pari Passu Debt Default either occurs or ceases to be continuing the Senior Agent or the Senior Secured Notes Representative(s) or the Pari Passu Debt Representative (as applicable) shall, upon becoming aware of that occurrence or cessation, notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Second Lien Representative(s), the High Yield Representative(s) and each Hedge Counterparty.
- (b) If a Senior Acceleration Event occurs the Senior Agent shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Party.
- (c) If a Senior Secured Notes Acceleration Event occurs the relevant Senior Secured Notes Representative(s) shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Party.
- (d) If a Pari Passu Debt Acceleration Event occurs the relevant Pari Passu Debt Representative(s) shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Party.
- (e) If a Second Lien Default either occurs or ceases to be continuing the relevant Second Lien Representative(s) shall, upon becoming aware of that occurrence or cessation, notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Senior Agent, the Senior Secured Notes Representative(s), the Pari Passu Debt Representative(s), the High Yield Representative(s), any other Second Lien Representative(s) and each Hedge Counterparty.
- (f) If a Second Lien Acceleration Event occurs the relevant Second Lien Representative(s) shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Party.
- (g) If a High Yield Notes Acceleration Event occurs the relevant High Yield Representative(s) shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Party.
- (h) If the Security Agent receives a Second Lien Enforcement Notice under paragraph (b) of Clause 8.12 (Permitted enforcement: Second Lien Creditors) it shall, upon receiving that notice, notify, and send a copy of that notice to, the Senior Agent, the Senior Secured Notes Representative(s), any other Second Lien Representative(s) each Hedge Counterparty and the High Yield Representative(s).

- (i) If the Security Agent receives a High Yield Enforcement Notice under paragraph (b) of Clause 9.11 (Permitted High Yield Guarantee and Proceed Loan Enforcement) it shall, upon receiving that notice, notify, and send a copy of that notice to, the Senior Agent, the Second Lien Representative(s), the Senior Secured Notes Representative(s) and each Hedge Counterparty.
- (j) If the Security Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify each Party of that action.
- (k) If any Primary Creditor exercises any right it may have to enforce, or take any action to enforce, any of the Transaction Security, it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Party of that action.
- (l) If a Debtor defaults on any Payment due under a Hedging Agreement, the Hedge Counterparty which is party to that Hedging Agreement shall, upon becoming aware of that default, notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Senior Agent, the Second Lien Representative(s), the relevant Senior Secured Notes Representative(s), the relevant Pari Passu Debt Representative(s), each other Hedge Counterparty and the relevant High Yield Representative(s).
- (m) If a Hedge Counterparty terminates or closes-out, in whole or in part, any hedging transaction under any Hedging Agreement under Clause 4.6 (Permitted Enforcement: Hedge Counterparties), the relevant Debtor shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each Agent and each other Hedge Counterparty.
- (n) If the Security Agent receives a notice under sub-paragraph (a)(iii) of Clause 3.8 (Option to purchase: Senior Secured Notes Creditors and Pari Passu Creditors) it shall upon receiving that notice, notify, and send a copy of that notice to, the Senior Agent.
- (o) If the Security Agent receives a notice under paragraph (a) of Clause 3.9 (Hedge Transfer: Purchasing Senior Secured Creditors) it shall upon receiving that notice, notify, and send a copy of that notice to, each Hedge Counterparty.
- (p) If the Security Agent receives a notice under paragraph (a) of Clause 8.13 (Option to Purchase: Second Lien Creditors) it shall upon receiving that notice, notify, and send a copy of that notice to, the Senior Agent and the relevant Senior Secured Notes Representative.
- (q) If the Security Agent receives a notice under paragraph (a) of Clause 8.14 (Hedge Transfer: Second Lien Creditors)) it shall upon receiving that notice, notify, and send a copy of that notice to, each Hedge Counterparty.
- (r) If the Security Agent receives a notice under paragraph (a) of Clause 9.15 (Option to purchase: High Yield Creditors) it shall upon receiving that notice, notify, and send a copy of that notice to, the Senior Agent, the relevant Senior Secured Notes Representative and the Second Lien Representatives.
- (s) If the Security Agent receives a notice under paragraph (a) of Clause 9.16 (Hedge Transfer: High Yield Creditors) it shall upon receiving that notice, notify, and send a copy of that notice to, each Hedge Counterparty.
- (t) Each of the Hedge Counterparties, Senior Secured Notes Trustee, Senior Agent, Second Lien Representatives, Pari Passu Debt Representative and High Yield Representative(s) will on the request of the others notify the others in writing of details of the outstanding amount of the Hedging Liabilities, Senior Secured Notes Liabilities, Senior Lender Liabilities, Second Lien Liabilities, Pari Passu Debt Liabilities or High Yield Notes Liabilities (as applicable).

26. NOTICES

26.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made in person, by fax or letter.

26.2 Security Agent's communications with Primary Creditors

The Security Agent shall be entitled to carry out all dealings:

- (a) with the Senior Lenders, the Second Lien Creditors, the Arrangers, the Senior Secured Notes Creditors, Pari Passu Creditors and the High Yield Creditors through their respective Agents and may give to the Agents, as applicable, any notice or other communication required to be given by the Security Agent to a Senior Lender, a Second Lien Creditor, an Arranger, the Senior Secured Notes Creditors, Pari Passu Creditors or High Yield Creditors; and
- (b) with each Hedge Counterparty directly with that Hedge Counterparty.

26.3 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is that notified in writing to the Agent and/or Security Agent on or prior to the date on which it becomes a Party or any substitute address, fax number or department or officer which that Party may notify to the Security Agent (or the Security Agent may notify to the other Parties, if a change is made by the Security Agent) by not less than five Business Days' notice.

26.4 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 26.3 (Addresses), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by it and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).
- (c) Any communication or document made or delivered to the Company in accordance with this Clause 26.4 will be deemed to have been made or delivered to each of the Security Grantors, each of the Debtors and each of the Creditors (other than a Primary Creditor).

26.5 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 26.3 (Addresses) or changing its own address or fax number, the Security Agent shall notify the other Parties.

26.6 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with this Deed may be made by electronic mail or other electronic means, if the Security Agent and the relevant Parties:
 - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iii) notify each other of any change to their address or any other such information supplied by them.

- (b) Any electronic communication made under or in connection with this Deed will be effective only when actually received in readable form and in the case of any electronic communication made by a Party only if it is addressed in such a manner as the Security Agent shall specify for this purpose.
- (c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5 pm in the place of receipt shall be deemed to become effective on the following day.

26.7 English language

- (a) Any notice given under or in connection with this Deed must be in English.
- (b) All other documents provided under or in connection with this Deed must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

26.8 Notices to all Creditors

- (a) Where any request for a Consent, amendment or waiver which requires the Consent of all the Parties to this Deed or any class of creditors (or percentage thereof) (as the case may be) is received by an Agent from a Debtor, the relevant Agent shall provide notice of such request to such Parties or the relevant class of Creditors at the same time.
- (b) Where an instruction is required by an Agent from a class of Creditors (or a percentage thereof), notice of such instruction shall be provided to each Creditor in the relevant class at the same time.

27. PRESERVATION

27.1 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

27.2 No impairment

If, at any time after its date, any provision of a Debt Document (including this Deed) is not binding on or enforceable in accordance with its terms against a person expressed to be a party to that Debt Document, neither the binding nature nor the enforceability of that provision or any other provision of that Debt Document will be impaired as against the other party(ies) to that Debt Document.

27.3 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Party, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

27.4 Waiver of defences

The provisions of this Deed will not be affected by an act, omission, matter or thing which, but for this Clause 27.4, would reduce, release or prejudice the subordination and priorities expressed to be created by this Deed including (without limitation and whether or not known to any Party):

- (a) any time, waiver or Consent granted to, or composition with, any Debtor, any Security Grantor or other person;

- (b) the release of any Debtor, any Security Grantor or any other person under the terms of any composition or arrangement with any creditor of any member of Group or any Security Grantor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor, any Security Grantor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Debtor, Security Grantor or other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Debt Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or security;
- (g) any intermediate Payment of any of the Liabilities owing to the Primary Creditors in whole or in part;
- (h) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any Debtor under any Relevant Document resulting from any insolvency, liquidation (*vereffening*) or dissolution (*ontbinding*) proceedings or from any law, regulation or order); or
- (i) any other insolvency or similar proceedings.

27.5 Priorities not affected

Except as otherwise provided in this Deed the priorities referred to in Clause 2 (Ranking and Priority) will:

- (a) not be affected by any reduction or increase in the principal amount secured by the Transaction Security in respect of the Liabilities owing to the Primary Creditors or by any intermediate reduction or increase in, amendment or variation to any of the Debt Documents, or by any variation or satisfaction of, any of the Liabilities or any other circumstances;
- (b) apply regardless of the order in which or dates upon which this Deed and the other Debt Documents are executed or registered or notice of them is given to any person; and
- (c) secure the Liabilities owing to the Primary Creditors in the order specified, regardless of the date upon which any of the Liabilities arise or of any fluctuations in the amount of any of the Liabilities outstanding.

28. CONSENTS, AMENDMENTS AND OVERRIDE

28.1 Required Consents

- (a) Subject to paragraphs (b) and (c) below, Clause 28.2 (Amendments and Waivers: Transaction Security Documents) and to Clause 28.4 (Exceptions), this Deed and/or a Security Document may be amended or waived only with the Consent of the Agents, the Majority Senior Creditors, the Majority Second Lien Lenders, the relevant Senior Secured Notes Representative(s), the relevant Second Lien Notes Trustee, the relevant Pari Passu Debt Representative(s), the relevant High Yield Representative(s), the Security Agent and the Company.
- (b) An amendment or waiver of this Deed that has the effect of changing or which relates to:
 - (i) Clause 14 (Redistribution), Clause 17 (Application of Proceeds) or this Clause 28;
 - (ii) paragraphs (e)(iii), (f) and (g) of Clause 20.6 (Instructions to Security Agent and exercise of discretion); and
 - (iii) the order of priority or subordination under this Deed,

shall not be made without the Consent of:

- (A) the Agents;
 - (B) the Senior Lenders;
 - (C) the Second Lien Lenders;
 - (D) the Pari Passu Debt Representatives (acting on behalf of the relevant Pari Passu Creditors);
 - (E) the Senior Secured Notes Trustees (acting on behalf of the relevant Senior Secured Notes Creditors);
 - (F) the Second Lien Notes Trustees (acting on behalf of the relevant Second Lien Notes Creditors);
 - (G) the High Yield Notes Trustee (acting on behalf of the relevant High Yield Creditors);
 - (H) each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty); and
 - (I) the Security Agent.
- (c) Each Notes Trustee shall, to the extent consented to by the requisite percentage of Noteholders in accordance with the relevant Notes Indenture, act on such instructions in accordance therewith unless to the extent any amendments so consented to relate to any provision affecting the rights and obligations of a Notes Trustee in its capacity as such.

28.2 Amendments and Waivers: Transaction Security Documents

- (a) Subject to paragraph (b) below and to Clause 28.4 (Exceptions) and unless the provisions of any Debt Document expressly provide otherwise, the Security Agent may, if authorised by an Instructing Group, and if the Company Consents, amend the terms of, waive any of the requirements of or grant Consents under, any of the Transaction Security Documents which shall be binding on each Party.
- (b) Subject to paragraphs (c) and (d) of Clause 28.4 (Exceptions), the prior Consent of the Senior Agent, the Second Lien Agent, each Senior Secured Notes Trustee, each Second Lien Notes Trustee, each Pari Passu Debt Representative the High Yield Notes Trustee and each Hedge Counterparty is required to authorise in case of any amendment or waiver of, or Consent under, any Transaction Security Document which would adversely affect the nature or scope of the Charged Property or the manner in which the proceeds of enforcement of the Transaction Security are distributed.

28.3 Effectiveness

Any amendment, waiver or Consent given in accordance with this Clause 28 will be binding on all Parties and the Security Agent may effect, on behalf of any Agent, Arranger or Creditor, any amendment, waiver or Consent permitted by this Clause 28.

28.4 Exceptions

- (a) If an amendment to any provision of this Deed adversely affects the rights or obligations of the Hedge Counterparties and only affects the rights and obligations of the Hedge Counterparties (including without limitation an amendment to Clause 2 (Ranking and Priority) or Clause 17 (Application of Proceeds) that only adversely affects the ranking of the Hedge Counterparties or their right to receive amounts under Clause 17 (Application of Proceeds), such amendment may only be made if, in addition to the Consents otherwise required pursuant to this Clause 28 (Consents, Amendments and Override)), the relevant Hedge Counterparties so agree in writing.

- (b) Without prejudice to paragraph (a) above and subject to paragraphs (d) and (e) below, if the amendment, waiver or Consent may impose new or additional obligations on or withdraw or reduce the rights of any Party other than:
 - (i) in the case of a Primary Creditor, in a way which affects or would affect Primary Creditors of that Party's class generally; or
 - (ii) in the case of a Debtor, to the extent Consented to by the Company under paragraph (a) of Clause 28.2 (Amendments and Waivers: Transaction Security Documents),
the Consent of that Party is required.
- (c) Subject to paragraphs (d) and (e) below, an amendment, waiver or Consent which relates to the rights or obligations of an Agent, an Arranger or the Security Agent (including, without limitation, any ability of the Security Agent to act in its discretion under this Deed) may not be effected without the Consent of that Agent or, as the case may be, that Arranger or the Security Agent.
- (d) Neither paragraph (b) nor (c) above or paragraph (b) of Clause 28.2 (Amendments and Waivers: Transaction Security Documents) shall apply:
 - (i) to any release of Transaction Security, claim or Liabilities; or
 - (ii) to any Consent,
 which, in each case, the Security Agent gives in accordance with Clause 16 (Proceeds of Disposals).
- (e) Paragraphs (b) and (c) above shall apply to an Arranger only to the extent that Arranger Liabilities are then owed to that Arranger.

28.5 Calculation of Senior Secured Credit Participations

- (a) For the purpose of ascertaining whether any relevant percentage of Senior Secured Credit Participations has been obtained under this Deed, the Security Agent may notionally convert the Senior Secured Credit Participations into their Common Currency Amounts.
- (b) Each Senior Secured Notes Representative and each Pari Passu Debt Representative will, upon the request of the Security Agent, promptly provide the Security Agent with details of the Senior Secured Credit Participations of the Senior Secured Creditors whom it represents and (if applicable) details of the extent to which such Senior Secured Credit Participations have been voted for or against any request.
- (c) Each Second Lien Representative will, upon the request of the Security Agent, promptly provide the Security Agent with details of the Second Lien Outstandings of the Second Lien Creditors whom it represents and (if applicable) details of the extent to which such Second Lien Outstandings have been voted for or against any request.
- (d) Each High Yield Representative will, upon the request of the Security Agent, promptly provide the Security Agent with details of the High Yield Notes Outstandings of the High Yield Noteholder whom it represents and (if applicable) details of the extent to which such High Yield Notes Outstandings have been voted for or against any request.

28.6 Deemed Consent

- (a) If, at any time prior to the Senior Discharge Date, the Senior Lenders and the Company give a Consent in respect of the Senior Finance Documents then, if that action was permitted by the terms of this Deed, the Intra-Group Lenders, the Company and the Subordinated Creditors will (or will be deemed to):
 - (i) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents to which they are a party; and
 - (ii) do anything (including executing any document) that the Senior Lenders may reasonably require to give effect to this paragraph (a).
- (b) If, at any time on or after the Senior Discharge Date and before the Senior Secured Notes Discharge Date, the Senior Secured Notes Creditors and the Company give a Consent in

respect of the Senior Secured Notes Finance Documents then, if that action was permitted by the terms of this Deed, the Intra-Group Lenders and the Subordinated Creditors will (or will be deemed to):

- (i) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents to which they are a party; and
 - (ii) do anything (including executing any document) that the Senior Secured Notes Creditors and the Company may reasonably require to give effect to this paragraph (b).
- (c) If, at any time on or after the Senior Discharge Date and before the Pari Passu Debt Discharge Date, the Pari Passu Creditors and the Company give a Consent in respect of the Pari Passu Debt Documents then, if that action was permitted by the terms of this Deed, the Intra-Group Lenders and the Subordinated Creditors will (or will be deemed to):
 - (i) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents to which they are a party; and
 - (ii) do anything (including executing any document) that the Pari Passu Creditors and the Company may reasonably require to give effect to this paragraph (c).
- (d) If, at any time prior to the Second Lien Discharge Date, the Second Lien Creditors and the Company give a Consent in respect of any Second Lien Finance Documents then, if that action was permitted by the terms of this Deed, the Intra-Group Lenders and the Subordinated Creditors will (or will be deemed to):
 - (i) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents to which they are a party; and
 - (ii) do anything (including executing any document) that the Senior Secured Notes Creditors and the Company may reasonably require to give effect to this paragraph (d).
- (e) If, at any time on or after the Second Lien Discharge Date, but before the High Yield Discharge Date, the High Yield Creditors give a Consent in respect of the High Yield Notes Finance Documents then, if that action was permitted by the terms of this Deed, the Intra-Group Lenders and the Subordinated Creditors will (or will be deemed to):
 - (i) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents to which they are a party; and
 - (ii) do anything (including executing any document) that the High Yield Creditors and the Company may reasonably require to give effect to paragraph (d) above.

28.7 Excluded Consents

Clause 28.6 (Deemed Consent) does not apply to any Consent which has the effect of:

- (a) increasing or decreasing the Liabilities;
- (b) changing the basis upon which any Permitted Payments are calculated (including the timing, currency or amount of such Payments); or
- (c) changing the terms of this Deed or of any Security Document.

28.8 High Yield Noteholder administrative Consents

If the Senior Agent (or Majority Senior Lenders), or Senior Secured Notes Representative(s), or the Second Lien Agent (or the Majority Second Lien Lenders), or the Second Lien Notes Trustee at any time in respect of the Senior Finance Documents and/or the Second Lien Finance Documents (as applicable) gives or give any Consent of a minor technical or administrative nature which does not adversely affect the interests of the High Yield Creditors or change the commercial terms contained in the High Yield Notes Finance Documents then, if that action was permitted by the terms of this Deed, the High Yield Creditors will (or will be deemed to):

- (a) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents to which they are a party; and

- (b) do anything (including executing any document) that the Senior Lenders and/or the Second Lien Creditors and/or Senior Secured Notes Representative(s) and the Company may reasonably require to give effect to this Clause 28.8.

28.9 No liability

None of the Senior Lenders, the Pari Passu Creditors, the Pari Passu Debt Representative(s), the Senior Agent, the Senior Secured Notes Creditors, the Senior Secured Notes Representative(s), the Second Lien Creditors, the Second Lien Representative(s) or the Hedge Counterparties will be liable to any other Creditor, Agent or Debtor for any Consent given or deemed to be given under this Clause 28.

28.10 Agreement to override

- (a) Unless expressly stated otherwise in this Deed or the Supplemental Deed, this Deed overrides anything in the Debt Documents to the contrary.
- (b) Notwithstanding anything to the contrary in this Deed, the preceding paragraph (a) as between any Creditor and any Debtor or any member of the Group will not cure, postpone, waive or negate any breach, Default or Event of Default under any Debt Document (or any event that would but for paragraph (a) above constitute a breach, Default or Event of Default) as provided in the relevant Debt Document.

29. NOTES TRUSTEE

In this Clause 29, a reference to a Senior Secured Notes Trustee includes a Pari Passu Debt Representative in respect of Pari Passu Debt in the form of debt securities and references to Noteholders and Notes Finance Documents shall be construed as references to the relevant Pari Passu Creditors and Pari Passu Debt Documents in respect of such Pari Passu Debt.

29.1 Liability

- (a) It is expressly understood and agreed by the Parties that this Deed is executed and delivered by each Notes Trustee not individually or personally but solely in its capacity as trustee in the exercise of the powers and authority conferred and vested in it under the relevant Notes Finance Documents for and on behalf of the Noteholders only for which the Notes Trustee acts as trustee and it shall have no liability for acting for itself or in any capacity other than as trustee and nothing in this Deed shall impose on it any obligation to pay any amount out of its personal assets. Notwithstanding any other provision of this Deed, its obligations hereunder (if any) to make any payment of any amount or to hold any amount on trust shall be only to make payment of such amount to or hold any such amount on trust to the extent that (i) it has actual knowledge that such obligation has arisen and (ii) it has received and, on the date on which it acquires such actual knowledge, has not distributed to the Noteholders for which it acts as trustee in accordance with the relevant Notes Indenture (in relation to which it is trustee) any such amount.
- (b) It is further understood and agreed by the Parties that in no case shall any Notes Trustee be (i) personally responsible or accountable in damages or otherwise to any other party for any loss, damage or claim incurred by reason of any act or omission performed or omitted by that Notes Trustee in good faith in accordance with this Deed or any of the Notes Finance Documents in a manner that such Notes Trustee believed to be within the scope of the authority conferred on it by this Deed or any of the Notes Finance Documents or by law, or (ii) personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of any other Party, all such liability, if any, being expressly waived by the Parties and any person claiming by, through or under such Party; provided however, that each Notes Trustee shall be personally liable under this Deed for its own gross negligence or wilful misconduct. It is also acknowledged and agreed that no Notes Trustee shall have any responsibility for the actions of any individual Creditor or Noteholder (save in respect of its own actions).
- (c) The Parties acknowledge and agree that the Notes Trustee shall not be charged with knowledge or existence of facts that would impose an obligation on it hereunder to make any

payment or prohibit it from making any payment unless, not less than two Business Days prior to the date of such payment, a Responsible Officer of the Notes Trustee receives written notice satisfactory to it that such payments are required or prohibited by this Deed.

- (d) Notwithstanding anything contained herein, no provision of this Deed shall alter or otherwise affect the rights and obligations of the Notes Issuer or any Debtor to make payments in respect of Notes Trustee Amounts as and when the same are due and payable pursuant to the applicable Notes Finance Documents or the receipt and retention by the Notes Trustee of the same or the taking of any step or action by the Notes Trustee in respect of its rights under the Notes Finance Documents to the same.
- (e) The Notes Trustee is not responsible for the appointment or for monitoring the performance of the Security Agent.
- (f) The Security Agent agrees and acknowledges that it shall have no claim against the Notes Trustee in respect of any fees, costs, expenses and liabilities due and payable to, or incurred by, the Security Agent.
- (g) The Notes Trustee shall be under no obligation to instruct or direct the Security Agent to take any Security Enforcement Action unless it shall have been instructed to do so by the Noteholders and if it shall have been indemnified and/or secured to its satisfaction.
- (h) The provisions of this Clause 29 shall survive the termination of this Deed.

29.2 No action

- (a) Notwithstanding any other provision of this Deed, no Notes Trustee shall have any obligation to take any action under this Deed unless it is indemnified and/or secured to its satisfaction in respect of all costs, expenses and liabilities which it would in its opinion thereby incur (together with any associated VAT). No Notes Trustee shall have an obligation to indemnify (out of its personal assets) any other person, whether or not a Party, in respect of any of the transactions contemplated by this Deed. In no event shall the permissive rights of a Notes Trustee to take action under this Deed be construed as an obligation to do so.
- (b) Prior to taking any action under this Deed any Notes Trustee may request and rely upon an opinion of counsel or opinion of another qualified expert, at the expense of the Company or another Debtor.
- (c) Notwithstanding any other provisions of this Deed or any other Notes Finance Document to which a Notes Trustee is a party to, in no event shall a Notes Trustee be liable for special, indirect, punitive or consequential loss or damages of any kind whatsoever (including but not limited to loss of business, goodwill, opportunity or profits) whether or not foreseeable even if such Notes Trustee has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

29.3 Reliance on certificates

The Notes Trustee shall at all times be entitled to and may rely on any notice, Consent or certificate given or granted by any Party without being under any obligation to enquire or otherwise determine whether any such notice, Consent or certificate has been given or granted by such Party properly acting in accordance with the provisions of this Deed.

29.4 No fiduciary duty

No Notes Trustee shall be deemed to owe any fiduciary duty to any Creditor (save in respect of such persons for whom it acts as trustee) and shall not be personally liable to any Creditor if it shall in good faith mistakenly pay over or distribute to any Creditor or to any other person cash, property or securities to which any other Creditor shall be entitled by virtue of this Deed or otherwise. With respect to the Creditors, each Notes Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in the Notes Finance Documents pursuant to which it acts as trustee and this Deed and no implied agreement, covenants or obligations with respect to the other Creditors shall be read into this Deed against the Notes Trustee.

29.5 Debt assumptions

- (a) The Senior Secured Notes Trustee is entitled to assume that:
- (i) no Senior Payment Default or Second Lien Payment Default has occurred;
 - (ii) no Senior Default, Second Lien Default, Pari Passu Debt Default or High Yield Default has occurred;
 - (iii) none of the Senior Creditor Liabilities, Second Lien Liabilities, Pari Passu Debt Liabilities or High Yield Notes Liabilities have been accelerated;
 - (iv) no Default, Event of Default or termination event (however described) has occurred; and
 - (v) none of the Senior Discharge Date, the Second Lien Discharge Date, Pari Passu Debt Discharge Date or the High Yield Discharge Date has occurred,
- unless a Responsible Officer of the Senior Secured Notes Trustee has actual knowledge to the contrary.
- (b) The Second Lien Notes Trustee is entitled to assume that:
- (i) no Senior Payment Default or Second Lien Payment Default has occurred;
 - (ii) no Senior Default, Second Lien Default, Pari Passu Debt Default or High Yield Default has occurred;
 - (iii) none of the Senior Creditor Liabilities, Second Lien Liabilities, Pari Passu Debt Liabilities or High Yield Notes Liabilities have been accelerated;
 - (iv) no Default, Event of Default or termination event (however described) has occurred; and
 - (v) none of the Senior Discharge Date, the Second Lien Discharge Date, Pari Passu Debt Discharge Date or the High Yield Discharge Date has occurred,
- unless a Responsible Officer of the Second Lien Notes Trustee has actual knowledge to the contrary.
- (c) The High Yield Notes Trustee is entitled to assume that:
- (i) no Senior Payment Default or Second Lien Payment Default has occurred;
 - (ii) no Senior Default, Second Lien Default, Pari Passu Debt Default or Senior Secured Notes Default has occurred;
 - (iii) none of the Senior Secured Liabilities, Pari Passu Debt Liabilities or Second Lien Liabilities have been accelerated;
 - (iv) no Default, Event of Default or termination event (however described) has occurred; and
 - (v) none of the Senior Discharge Date, the Second Lien Discharge Date, Pari Passu Debt Discharge Date or the Senior Secured Notes Discharge Date has occurred,
- unless a Responsible Officer of the High Yield Notes Trustee has actual knowledge to the contrary.
- (d) The Notes Trustee is not obliged to monitor or enquire whether any Event of Default has occurred.

29.6 Senior Lenders, Hedge Counterparties, Senior Secured Notes Creditors, Pari Passu Creditors, Second Lien Creditors and High Yield Creditors

In acting pursuant to this Deed and the Notes Indenture, the Notes Trustee is not required to have any regard to the interests of the Senior Lenders, the Pari Passu Creditors, the Second Lien Creditors, Hedge Counterparties, (in the case of Senior Secured Notes Trustee) the Senior Secured Notes Creditors or (in the case of the High Yield Notes Trustee) the High Yield Creditors.

29.7 Claims of Security Agent

The Security Agent agrees and acknowledges that it shall have no rights of indemnification or claim against the Notes Trustee in respect of any fees, costs, expenses and liabilities due and payable to, or incurred by, (including in each case by another Party) the Security Agent.

29.8 Reliance and advice

The Notes Trustee may:

- (a) rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
- (b) rely on any statement made by any person regarding any matters which may be assumed to be within its knowledge or within its powers to verify; and
- (c) engage, pay for and rely on professional advisers selected by it (including those representing a person other than the Notes Trustee).

29.9 Provisions survive termination

The provisions of this Clause 29 shall survive any termination of this Deed.

29.10 Other Parties not affected

No provision of this Clause 29 shall alter or change the rights and obligations as between the other Parties in respect of each other. This Clause is intended to afford protection to the Notes Trustees only.

29.11 Instructions

In acting under this Deed, the Notes Trustee is entitled to seek instructions from the Noteholders at any time and, where it acts on the instructions of the Noteholders, the Notes Trustee shall not incur any liability to any person for so acting. The Notes Trustee is not liable to any person for any loss suffered as a result of any delay caused as a result of it seeking instructions from the Noteholders.

29.12 Responsibility of Notes Trustee

- (a) No Notes Trustee shall be responsible to any other Senior Finance Party, Second Lien Finance Parties, Hedge Counterparty, Senior Secured Notes Finance Party and High Yield Notes Finance Party for the legality, validity, effectiveness, enforceability, adequacy, accuracy, completeness or performance of:
 - (i) any Senior Finance Document, Senior Secured Notes Finance Document, Second Lien Finance Documents, Hedging Agreement, High Yield Notes Finance Document or any other document;
 - (ii) any statement or information (whether written or oral) made in or supplied in connection with any Senior Finance Document, Senior Secured Notes Finance Document, Pari Passu Debt Document, Second Lien Finance Document, Hedging Agreement, High Yield Notes Finance Document or any other document; or
 - (iii) any observance by any Debtor of its obligations under any Debt Document or any other documents.
- (b) Each Notes Trustee may rely and shall be fully protected in acting or refraining from acting upon any notice, certificate or other document reasonably believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person.

29.13 Confirmation

Without affecting the responsibility of any Debtor or the Company for information supplied by it or on its behalf in connection with any Debt Document, each Senior Finance Party, Second Lien Finance Party, Hedge Counterparty, each Pari Passu Creditor, Senior Secured Notes Finance Party

and High Yield Notes Finance Party (other than the Notes Trustee (in its personal capacity) and the Security Agent) confirms that it:

- (a) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Senior Finance Documents, the Senior Secured Notes Finance Documents, Pari Passu Debt Document, the Second Lien Finance Documents, the High Yield Notes Finance Documents or the Hedging Agreement (including the financial condition and affairs of each Debtor, a HY Issuer or their related entities and the nature and extent of any recourse against any Party or its assets); and
- (b) has not relied on any information provided to it by the Notes Trustee in connection with any Senior Finance Document, Senior Secured Notes Finance Document, Pari Passu Debt Document, Second Lien Finance Document, High Yield Notes Finance Document or Hedging Agreement.

29.14 Provision of information

No Notes Trustee is obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party. No Notes Trustee is responsible for:

- (a) providing any Senior Lender, each Pari Passu Creditor, Senior Secured Notes Creditor, Second Lien Creditor, Hedge Counterparty or High Yield Creditor with any credit or other information concerning the risks arising under or in connection with the Debt Documents (including any information relating to the financial condition or affairs of any Debtor or Security Grantor or their related entities or the nature or extent of recourse against any Party or its assets) whether coming into its possession before, on or after the date of this Deed; or
- (b) obtaining any certificate or other document from any Debtor or the Company.

29.15 Departmentalism

In acting as the Notes Trustee, each Notes Trustee shall be treated as acting through its agency division which shall be treated as a separate entity from its other divisions and departments. Any information received or acquired by a Notes Trustee which, in its opinion, is received or acquired by some other division or department or otherwise than in its capacity as the Notes Trustee may be treated as confidential by the Notes Trustee and will not be treated as information possessed by the Notes Trustee in its capacity as such.

29.16 Disclosure of information

Each Debtor irrevocably authorises any Notes Trustee to disclose to any Senior Finance Party, Hedge Counterparty, Senior Secured Notes Finance Party, each Pari Passu Creditor, Second Lien Finance Party and High Yield Notes Finance Party any information that is received by the Notes Trustee in its capacity as the Notes Trustee.

29.17 Illegality

- (a) Each Notes Trustee may refrain from doing anything (including disclosing any information) which might, in its opinion, constitute a breach of any law or regulation and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation.
- (b) Furthermore, each Notes Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

29.18 Resignation of Notes Trustee

Each Notes Trustee may resign or be removed in accordance with the terms of the applicable Notes Indenture, provided that a replacement Notes Trustee agrees with the Parties to become the replacement trustee under this Deed by the execution of a Creditor Accession Undertaking.

29.19 Notes Trustee assumptions

- (a) The Notes Trustee is entitled to assume that:
 - (i) any payment or other distribution made pursuant to this Deed in respect of the High Yield Notes Liabilities, the Second Lien Notes Liabilities or Senior Secured Note Liabilities (as the case may be) has been made in accordance with the ranking in Clause 2 (Ranking and Priority) and is not prohibited by any provisions of this Deed and is made in accordance with these provisions;
 - (ii) the proceeds of enforcement of any Security conferred by the Transaction Security Documents have been applied in the order set out in Clause 17 (Application of Proceeds);
 - (iii) any Security, collateral, guarantee or indemnity or other assurance granted to it has been done so in compliance with Clauses 3.3 (Security and guarantees: Senior Secured Creditors), 8.10 (Security and guarantees: Second Lien Creditors) and 9.2 (Restriction on Payment and dealings: High Yield Notes Liabilities); and
 - (iv) any Senior Secured Notes, Second Lien Notes or High Yield Notes issued comply with the provisions of this Deed including, without limitation, Clauses 6 (Issue of Senior Secured Notes), 8 (Second Lien Creditors and Second Lien Liabilities) and 9 (High Yield Creditors and High Yield Notes Liabilities).
- (b) The Notes Trustee is entitled to assume that any payment or distribution made in respect of the High Yield Notes Liabilities, Second Lien Notes Liabilities or Senior Secured Note Liabilities (as the case may be) is not prohibited by this Deed, unless it has actual knowledge to the contrary provided, however, that the Notes Trustee shall be liable under this Deed for its own gross negligence or wilful misconduct.
- (c) The Notes Trustee shall not have any obligation under Clause 12 (Effect of Insolvency Event) or Clause 14 (Redistribution) in respect of amounts received or recovered by it unless (i) it has actual knowledge that the receipt or recovery falls within paragraph (a) or (b) above, and (ii) it has not distributed to the relevant Noteholders in accordance with the Notes Indenture any amount so received or recovered.
- (d) The Notes Trustee shall not be obliged to monitor performance by the Debtors, the Security Agent or any other Party to this Deed or the Noteholders of their respective obligations under, or compliance by them with, the terms of this Deed.

29.20 Agents

Each Notes Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care by it hereunder.

29.21 No Requirement for bond or surety

No Notes Trustee shall be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Deed.

29.22 Notes Trustee Liabilities and payments

No provision of this Deed shall alter or otherwise affect the rights and obligations of any Debtor to make payments in respect of the Notes Trustee Liabilities as and when the same are due and payable and demand, receipt and retention by any Notes Trustee of the same or taking of any step or action by any Notes Trustee in respect of its rights under the Notes Finance Documents to the same.

30. COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

31. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

32. ENFORCEMENT

32.1 Jurisdiction

- (a) For the benefit of the Secured Parties, each other party irrevocably agrees that the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**) and accordingly submit to the jurisdiction of the English Courts.
- (b) Each Secured Party irrevocably agrees that the Courts of England have jurisdiction to settle any disputes in connection with this Deed and accordingly submits to the jurisdiction of the English Courts.
- (c) The Parties:
 - (i) agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary (on grounds of inconvenient forum or otherwise);
 - (ii) agree that a judgment or order of an English court in connection with this Deed is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction; and
 - (iii) hereby to the fullest extent permitted by law waive any rights they may have in any jurisdiction to have any proceeding take the form of a trial by jury.

32.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law each Debtor, each Security Grantor and Subordinated Creditor (unless incorporated in England and Wales):
 - (i) irrevocably appoints Law Debenture Trustee Company as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed;
 - (ii) agrees that failure by a process agent to notify the relevant Debtor or Security Grantor, as applicable, of the process will not invalidate the proceedings concerned; and
 - (iii) consents to the service of process relating to any such proceedings by the posting of a copy of the process to its address for the time being applying for the purposes of clause 39.2 (Service of Process) of the Senior Facilities Agreement.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Company (on behalf of all the Debtors and Subordinated Creditors) must immediately (and in any event within five days of becoming aware of such event taking place) appoint another agent as agent on terms acceptable to the Senior Agent or, after the Senior Discharge Date, Senior Secured Notes Representative(s) and Pari Passu Debt Representative(s) or, after the Senior Secured Notes Liabilities, the Second Lien Representative(s) or after the Second Lien Liabilities, the High Yield Representative(s). Failing this, the Senior Agent, the Senior Secured Notes Representative(s), the Pari Passu Debt Representative(s), the Second Lien Representative(s) or the High Yield Representative(s) (as the case may be) may appoint another agent for this purpose.
- (c) Each Debtor and Subordinated Creditor expressly agrees and Consents to the provisions of this Clause 32 and Clause 31 (Governing Law).

THIS DEED has been duly executed by the parties hereto on the date stated at the beginning of this Deed and is intended to be and is delivered by them as a deed on the date specified above.

SCHEDULE 1
FORM OF DEBTOR ACCESSION DEED

THIS DEED is made on [●] and made

BETWEEN:

- (1) [Insert full name of New Debtor] (the **Acceding [Debtor]/[Security Grantor]**); and
- (2) [Insert full name of current Security Agent] (the **Security Agent**), for itself and each of the other parties to the intercreditor agreement referred to below.

This Deed is made on [date] by the Acceding [Debtor]/[Security Grantor] in relation to an intercreditor agreement (the **Intercreditor Agreement**) dated 10 October 2007 (as amended and/or amended and restated from time to time) between, amongst others, Telenet BVBA., [●] as security agent, [●] as senior agent, the other Creditors and the other Debtors and Security Grantors (each as defined in the Intercreditor Agreement).

The Acceding [Debtor]/[Security Grantor] intends to [incur Liabilities under the following documents]/[give a guarantee, indemnity or other assurance against loss in respect of Liabilities under the following documents]:

[Insert details (date, parties and description) of relevant documents]

the **Relevant Documents**.

IT IS AGREED as follows:

1. Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Deed, bear the same meaning when used in this Deed.
2. The Acceding [Debtor]/[Security Grantor] and the Security Agent agree that the Security Agent shall hold:
 - (a) any Security in respect of Liabilities (including any Security Agent Claim) created or expressed to be created pursuant to the Relevant Documents;
 - (b) all proceeds of that Security; and
 - (c) all obligations expressed to be undertaken by the Acceding [Debtor]/[Security Grantor] to pay amounts in respect of the Liabilities to the Security Agent as trustee or as agent or otherwise for the benefit of the Secured Parties (in the Relevant Documents or otherwise and including any Security Agent Claim) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding [Debtor]/[Security Grantor] (in the Relevant Documents or otherwise) in favour of the Security Agent as trustee or otherwise for the benefit of the Secured Parties,to the extent permitted by applicable law on trust or as agent or otherwise for the benefit of the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.
3. The Acceding [Debtor]/[Security Grantor] confirms that it intends to be party to the Intercreditor Agreement as a [Debtor]/[Security Grantor], undertakes to perform all the obligations expressed to be assumed by a [Debtor]/[Security Grantor] under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.
4. [In consideration of the acceding Debtor being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, the acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement].²

[4]/[5] This Deed and any non-contractual obligations arising out of or in connection with it are governed by, English law.

² Include this paragraph in the relevant Debtor Accession Deed if the acceding Debtor is also to accede as an Intra-Group Lender to the Intercreditor Agreement.

THIS DEED has been signed on behalf of the Security Agent and executed as a deed by the acceding Debtor and is delivered on the date stated above.

Acceding [Debtor]/[Security Grantor]

[EXECUTED AS A DEED)

By: *[Full name of Acceding [Debtor]/[Security Grantor]]*)

Director

Director/Secretary

OR

[EXECUTED AS A DEED

By: *[Full name of Acceding [Debtor]/[Security Grantor]]*

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness]

Address for notices:

Address:

Fax:

The Security Agent

[Full name of current Security Agent]

By:

Date:

SCHEDULE 2
FORM OF CREDITOR ACCESSION UNDERTAKING

To: *[Insert full name of current Security Agent]* for itself and each of the other parties to the Intercreditor Agreement referred to below.

[To: *[Insert full name of current Senior Agent]* as Senior Agent.]³

From: *[Acceding Creditor]*

THIS UNDERTAKING is made on *[date]* by *[insert full name of new Senior Lender / Pari Passu Creditor / Hedge Counterparty / Senior Agent / Intra-Group Lender / Subordinated Creditor / Senior Secured Notes Trustee / High Yield Notes Trustee / Second Lien Notes Trustee / Second Lien Agent / Second Lien Lender]* (the **Acceding [Senior Lender / Hedge Counterparty / Senior Agent / Intra-Group Lender / Pari Passu Creditor / Subordinated Creditor / Senior Secured Notes Trustee / High Yield Notes Trustee / Second Lien Notes Trustee / Second Lien Agent / Second Lien Lender]**) in relation to the intercreditor agreement (the **Intercreditor Agreement**) dated 10 October 2007 (as amended and/or amended and restated from time to time) between, among others, Telenet BVBA, [●] as security agent, [●] as senior agent, the other Creditors and the other Debtors (each as defined in the Intercreditor Agreement). Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Undertaking, bear the same meanings when used in this Undertaking.

In consideration of the Acceding *[Senior Lender / Pari Passu Creditor / Hedge Counterparty / Senior Agent / Intra-Group Lender / Subordinated Creditor / Senior Secured Notes Trustee / High Yield Notes Trustee / Second Lien Notes Trustee / Second Lien Agent / Second Lien Lender]* being accepted as a *[Senior Lender / Hedge Counterparty / Intra-Group Lender / Pari Passu Creditor / Senior Agent / Subordinated Creditor / Senior Secured Notes Trustee / High Yield Notes Trustee / Second Lien Notes Trustee / Second Lien Agent / Second Lien Lender]* for the purposes of the Intercreditor Agreement, the Acceding *[Senior Lender / Hedge Counterparty / Senior Agent / Intra-Group Lender / Pari Passu Creditor / Subordinated Creditor / Senior Secured Notes Trustee / High Yield Notes Trustee / Second Lien Notes Trustee / Second Lien Agent / Second Lien Lender]* confirms that, as from *[date]*, it intends to be party to the Intercreditor Agreement as a *[Senior Lender / Hedge Counterparty / Senior Agent / Intra-Group Lender / Pari Passu Creditor / Subordinated Creditor / Senior Secured Notes Trustee / High Yield Notes Trustee / Second Lien Notes Trustee / Second Lien Agent / Second Lien Lender]* and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a *[Senior Lender / Hedge Counterparty / Senior Agent / Intra-Group Lender / Pari Passu Creditor / Subordinated Creditor / Senior Secured Notes Trustee / High Yield Notes Trustee / Second Lien Notes Trustee / Second Lien Agent / Second Lien Lender]* and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

[The acceding Lender is an Affiliate of a Senior Lender and has become a provider of an Ancillary Facility. In consideration of the acceding Lender being accepted as an Ancillary Facility Lender for the purposes of the Senior Facilities Agreement, the acceding Lender confirms, for the benefit of the parties to the Senior Facilities Agreement, that, as from *[date]*, it intends to be party to the Senior Facilities Agreement as an Ancillary Facility Lender, and undertakes to perform all the obligations expressed in the Senior Facilities Agreement to be assumed by a Senior Finance Party and agrees that it shall be bound by all the provisions of the Senior Facilities Agreement, as if it had been an original party to the Senior Facilities Agreement as an Ancillary Facility Lender.]

[The acceding Hedge Counterparty has become a provider of hedging arrangements to *[the Company/[name of Debtor]]*].

This Undertaking and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS UNDERTAKING has been entered into on the date stated above [and is executed as a deed by the acceding Creditor, if it is acceding as an Intra-Group Lender and is delivered on the date stated above].

Acceding *[Creditor]*

[EXECUTED as a DEED]

³ Include only in the case of (i) a Hedge Counterparty or (ii) an Ancillary Facility Lender which is an Affiliate of a Senior Lender.

[insert full name of Acceding
Creditor]

By:

Address:

Fax:

Accepted by the Security Agent

[Accepted by the Senior Agent]

for and on behalf of

for and on behalf of

[Insert full name of current Security Agent]

[Insert full name of current Senior Agent]

Date:

Date:]⁴

⁴ Include only in the case of (i) a Hedge Counterparty or (ii) an Ancillary Facility Lender which is an Affiliate of a Senior Lender.

SCHEDULE 3
FORM OF DEBTOR RESIGNATION REQUEST

To: [●] as Security Agent

From: [*resigning Debtor*] and [*the Company*]

Dated:

Dear Sirs

Intercreditor Agreement originally dated 10 October 2007 (as amended and/or amended and restated from time to time) (the Intercreditor Agreement)

1. We refer to the Intercreditor Agreement. This is a Debtor Resignation Request. Terms defined in the Intercreditor Agreement have the same meaning in this Debtor Resignation Request unless given a different meaning in this Debtor Resignation Request.
2. Pursuant to Clause 22.17 (Resignation of a Debtor) of the Intercreditor Agreement we request that [*resigning Debtor*] be released from its obligations as a Debtor under the Intercreditor Agreement.
3. We confirm that:
 - (a) no Default is continuing or would result from the acceptance of this request; and
 - (b) [*resigning Debtor*] is under no actual or contingent obligations in respect of the Intra-Group Liabilities.
4. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

[the Company]

By:

[*resigning Debtor*]

By:

SCHEDULE 4
HIGH YIELD NOTES MAJOR TERMS

1. Secured Debt Documents

- (a) The High Yield Notes Indenture permits the Secured Debt Documents to be refinanced, amended, restated, extended, supplemented or modified.
- (b) The High Yield Notes Indenture permits the guarantees and security taken in respect of the Secured Obligations in accordance with this Deed.

2. Subject to Intercreditor Agreement

Each of the High Yield Notes and the High Yield Notes Indenture states that the document is, and each High Yield Notes Finance Document is, subject to the terms of this Deed; the rights and benefits of the High Yield Notes Finance Parties are subject to the terms of this Deed; the High Yield Notes Indenture is governed by the laws of England or the State of New York; and the Senior Finance Parties, the Senior Secured Notes Finance Parties and Hedge Counterparties, acting through agents or trustees, are granted (or have as a matter of law) third party beneficiary right in respect of such statements.

3. Trust Indenture Act

If any High Yield Notes Finance Documents are registered under the Securities Act of 1933 of the United States of America or required to be qualified under the Trust Indenture Act of 1939 of the United States of America, those High Yield Notes Finance Documents comply with that Trust Indenture Act having regard to, and in a manner consistent with, this Deed, which may include such High Yield Notes Finance Documents providing that no payment obligations of any Debtor or member of the Group under those High Yield Notes Finance Documents will become due unless and until payment of the High Yield Guarantee Liabilities may be demanded in accordance with Clause 9.11(a) or until the Senior Secured Discharge Date has occurred or unless an Instructing Group otherwise agrees.

SCHEDULE 5
SECOND LIEN MAJOR TERMS

1. Senior Secured Liabilities

- (a) The Second Lien Finance Documents permit each document evidencing Senior Secured Liabilities to be refinanced, amended, restated, extended, supplemented or modified.
- (b) The Second Lien Finance Documents permit the guarantees and security taken in respect of the Senior Secured Liabilities in accordance with this Deed.

2. Subject to Intercreditor Agreement

The Second Lien Facilities Agreement, the Second Lien Notes and/or and Second Lien Notes Indenture (as applicable) states that the document is, and each Second Lien Finance Document is, subject to the terms of this Deed; the rights and benefits of the Second Lien Finance Parties are subject to the terms of this Deed; the Second Lien Facilities Agreement is governed by the laws of England; the Second Lien Notes Indenture is governed by the laws of England or the State of New York; and the Senior Finance Parties, the Senior Secured Notes Finance Parties, the Pari Passu Creditors and Hedge Counterparties, acting through agents or trustees, are granted (or have as a matter of law) third party beneficiary right in respect of such statements.

3. Trust Indenture Act

If any Second Lien Notes Finance Documents are registered under the Securities Act of 1933 of the United States of America or required to be qualified under the Trust Indenture Act of 1939 of the United States of America, those Second Lien Notes Finance Documents comply with that Trust Indenture Act having regard to, and in a manner consistent with, this Deed.

SCHEDULE 6
EFFECTIVE DATE SUBORDINATED CREDITORS

Name	Jurisdiction of incorporation	Registration number
Telenet Group Holding NV	Belgium	RLP Antwerp, Enterprise No.: 0477.702.333

SCHEDULE 7**EFFECTIVE DATE DEBTORS AND EFFECTIVE DATE SECURITY GRANTORS****EFFECTIVE DATE DEBTORS**

Name	Jurisdiction of Incorporation	Registration Number
The Company	Belgium	RLP Antwerp, Enterprise No.: 0473.416.418
Telenet International Finance S.à r.l.	Luxembourg	B 155066
Telenet Financing USD LLC	Delaware, USA	202238284
Telenet Vlaanderen NV	Belgium	RLP Antwerp, Enterprise No.: 0458.840.088
Telenet Group BVBA	Belgium	RLP Brussels, Enterprise No.: 0462.925.669

EFFECTIVE DATE SECURITY GRANTORS

Name	Jurisdiction of incorporation	Registration Number
Telenet Group Holding NV	Belgium	RLP Antwerp, department Mechelen Enterprise No.: 0477.702.333

SCHEDULE 8
EFFECTIVE DATE INTRA-GROUP LENDERS

<u>Name of Intra-Group Lender</u>	<u>Jurisdiction of Incorporation</u>	<u>Registration Number</u>
The Company	Belgium	RLP Antwerp, Enterprise No.: 0473.416.418
Telenet International Finance S.à r.l.	Luxembourg	B 155066
Telenet Financing USD LLC	Delaware, USA	202238284
Telenet Group BVBA	Belgium	RLP Brussels, Enterprise No.: 0462.925.669
Finance Center Telenet S.à r.l.	Luxembourg	B165944
Ulana Business Management Limited	Ireland	536635

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[Original signature pages not restated]

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Telenet Finance Luxembourg Notes S.à r.l.

\$1,000,000,000 5.500% Senior Secured Notes due 2028

€600,000,000 3.500% Senior Secured Notes due 2028



Joint Bookrunners for the Dollar Notes

Deutsche Bank	BNP PARIBAS	Credit Suisse	Goldman Sachs International	J.P. Morgan
Rabobank		RBC Capital Markets	Scotiabank	Société Générale

Joint Bookrunners for the Euro Notes

Credit Suisse	BNP PARIBAS	BofA Merrill Lynch	Deutsche Bank	Goldman Sachs International
J.P. Morgan		Rabobank	RBC Capital Markets	Société Générale