

Lucerne issues writ of summons on Telenet, asking the Belgian courts to step in and to appoint an expert

Lucerne has taken note of Telenet's letter of 5 November 2018.

In its 12 October 2018 letter, Lucerne proposed to jointly and voluntarily appoint a corporate governance specialist to examine compliance by Telenet with the Belgian law conflict of interest rules and the applicable corporate governance framework. Lucerne's goal, as stated in that letter, was to establish whether or not Telenet was indeed acting in accordance with applicable laws, and to have said specialist formulate concrete recommendations in terms of the corporate governance set-up at Telenet.

Even though Telenet has repeatedly and publicly stated that it is acting in accordance with all applicable rules, it has now refused this constructive suggestion, merely citing that "there is no situation of crisis or emergency for Telenet". In its letter, Telenet goes on to repeat its blanket statement that "[a]s repeatedly explained to you, please do rest assured that Telenet fully complies with all Belgian company law rules as well as the Corporate Governance Code, including the applicable disclosure rules" and to hold Lucerne liable for all sorts of costs.

Lucerne, as a minority shareholder which holds over 3% of Telenet's shares, finds it very difficult to rest assured of anything having to do with the current Telenet corporate governance, and it certainly does not help in this respect that the Telenet board, led by its majority of Liberty Global directors, seems dead set on avoiding any sort of scrutiny whatsoever where it concerns the conflict of interest and corporate governance rules (including prior dealings between Telenet and Liberty Global) and how these have been applied in the past years.

As Telenet has definitively refused any and all constructive suggestions offered by Lucerne, whereas the obvious conflicts of interest persist and Lucerne's reasonable questions remain unanswered, Lucerne sees no other option than to now bring this matter before the Belgian courts as it had previously indicated it would in its 12 October 2018 letter.

Lucerne has therefore issued a writ of summons on Telenet earlier today, requesting the Dutch-speaking Enterprise Court of Brussels (*Nederlandstalige Ondernemingsrechtbank te Brussel*) to appoint one or more experts to review Telenet's corporate governance and its past dealings with Liberty Global and to issue a report of their findings. Lucerne hopes that this will help aid a return to proper corporate governance at Telenet, which would in Lucerne's view be in the best interest of Telenet and all its stakeholders, including its minority shareholders and its employees.