Management Report Proximus PLC under Belgian Public Law

2024

proximus

Report by the Board of Directors to the annual general meeting of shareholders on 16 April 2025 on the annual accounts of Proximus PLC under public law as at 31 December 2024

Dear Shareholders,

We are pleased to report on the operations of the 2024 financial year and to submit for your approval, the annual accounts per 31 December 2024.

1 The development and the results of Proximus in 2024

1.1 Comments on the annual accounts

1.1.1 Balance sheet

Intangible fixed assets decreased by €444 million to €1,431 million. This was due to the amortization of goodwill, arising from mergers by absorption, and regular amortizations exceeding new investments in IT assets and broadcasting rights.

Tangible fixed assets increased by €234 million to €3,844 million, largely due to significant investments in fiber optics and digital transformation, as well as the renewal and consolidation of the mobile network, supporting the growth and efficiency ambitions of Proximus NV.

Participations in affiliated companies and companies with a participating interest increased by €850 million to €3,490 million. The remaining shares of Fiberklaar were purchased for €243 million. In 2024, various capital increases took place in other subsidiaries of the Proximus Group, including Proximus Global (€1,385 million) and Proximus NXT (€70 million, partly in cash & partly via the contribution in kind of the ICT business activity from Proximus to Proximus NXT), Fiberklaar (€70 million) & others (€17 million). The shares of Belgacom International Carrier Services SA (BICS) were transferred from Proximus NV to Proximus Global as part of a capital increase in Proximus Global (-€768 million), and part of the shares in Proximus Global were sold to Clearbridge (-€165 million).

Inventories and work in progress decreased by €35 million to €108 million. Receivables due within one year decreased by €191 million to €465 million, mainly due to dividends granted by subsidiaries in 2023, which were received in 2024 for €230 million.

Investments decreased by €350 million to €243 million, mainly due to the revaluation of treasury shares (-€50 million), a decrease in deposits on term accounts, and the purchase of commercial paper.

Cash and cash equivalents slightly decreased by €2 million to €153 million.

Equity increased by €167 million to €1,470 million, mainly because the net result was higher than the profit allocation.

Provisions for risks and charges decreased by €29 million to €459 million, mainly due to the slight decrease in the discount rate and outgoing payments, which affected the provisions for post-employment benefits. On the other hand, there was a decrease in the provision set up for restoring sites to their original state.

Debts over one year increased by €828 million to €4,735 million due to the issuance of a new 10-year bond under the existing EMTN program for €700 million and the issuance of a hybrid bond for €700 million. Additionally, there was the transfer to debts under one year of a bond of €500 million maturing in 2025, and lower trade debts.

Debts under one year decreased by €891 million to €2,949 million. The short-term portion of debts over one year decreased by €434 million due to the transfer of debts over one year for a loan of €500 million maturing in 2025, the repayment in 2024 of both a loan of €600 million and an intercompany loan of €400 million. Financial debts increased by €376 million due to a renewed intercompany loan of €400 million, which was considered as debts under one year of a long-term loan in 2023. Trade debts decreased by €104 million. The main reasons for this decrease are the transfer of the ICT activities to Proximus NXT, and the fiber capex expenses that are over the peak.

Advances on contracts decreased by €34 million. Other debts decreased by €696 million because the payment for the transfer of shares of BICS to Proximus NV for €551 million took place in 2024, and also due to the decrease in the dividend to be paid (-€194 million). Deferred income decreased by €22 million.

As of December 31, 2024, current liabilities exceed current assets. However, Proximus benefits from various financing sources, such as directly available cash surpluses within the Group, the issuance of short-term paper from the commercial paper program, the use of existing credit facilities, and/or the use of its existing Euro Medium Term Notes program.

1.1.2 Income Statement

Compared to 2023, operating income in 2024 increased from €4,481 million to €4,503 million. The turnover increased by €30 million, on the one hand due to prices increases & growing businesses but compensated on the other hand by the transfer of the ICT business to Proximus NXT.Further we see an increase in the other operating revenues, and a decrease in produced fixed assets. Proximus received in 2023, in the framework of the sales of the Towers, a non reimbursable advance of €30 million of Immobel. As Immobel did not exercise the option to purchase in 2024, the advance was booked as a non-recurrent operating revenue.

Operating costs decreased by €11 million to €4,372 million. The purchase of trade goods decreased by €58 million. The decrease in services and other goods by €21 million in 2024 is partly due to further cost control and stabilizing prices for services and utilities. Wages increased by €14 million. This is mainly due to the fact that the collective bonus scheme via the profit allocation (no impact on the wages), was replaced by a new bonus system that is recorded as part of the wages. Due to still high investments, depreciations increased by €19 million.

Non-recurring operating costs increased by €51 million, mainly due to exceptional depreciations on buildings and settlements.

The operating result for 2024 corresponds to a profit of €131 million, compared to a profit of €97 million in 2023.

Financial income increased by €254 million to €532 million, mainly due to capital gains realized on the sale and transfer of financial fixed assets (Proximus Global & Belgacom International Carrier Services), partially offset by fewer dividends received in 2024.

Financial expenses increased by €90 million to €275 million. This was due to the revaluation of treasury shares, leading to a loss of €50 million in 2024 compared to a loss of €3 million in 2023, and an increase in interest expenses by €57 million.

Profit before taxes in 2024 amounted to €388 million (compared to €191 million in 2023).

Corporate tax decreased by €28 million to €29 million. The decrease in effective tax rate for 2024 versus last year is mainly driven by an increasing EBT offset by several one-off corrections. The effective tax rate for 2024 of 11.2% is positively impact by tax provision adjustments related to prior years (recording of previously non-recognized tax attributes carried forward and tax investment incentives relating to prior years but granted in 2024) and a non-taxable remeasurement gain. The ETR for FY24 correcting for the above elements amount 20.0%.

As a result, the profit for the year before profit distribution amounted to €360 million in 2024, compared to €135 million in 2023.

1.1.3 Appropriation of results

We propose the following appropriation (in €):

2024			
Profit of the financial year to be appropriated	+	360.486.285	EUR
Accumulated profit	+	65.110.006	EUR
Profit to be appropriated	=	425.596.291	EUR
Transfers from capital and reserves	+	54.376.483	EUR
Transfers to capital and reserves	-	1.174.561	EUR
Profit to be distributed (dividends)	-	193.464.857	EUR
Profit to be carried forward	=	285.333.356	EUR

On December 6th, 2024 an interim dividend of € 161 million has been paid.

1.1.4 Right and commitments not included in the balance sheet

Proximus has the right to issue Commercial Paper for a total of € 1,000 million, of which € 0 million was issued end 2024, and the right to issue Euro Medium Term Notes for a total of € 5,000 million, of which € 3,600 million was issued end 2024.

On 26 October 2020, Proximus signed a Sustainable Revolving Credit Facility of € 700 million for a period of three years with the option to extend twice by further one-year periods. This Facility was extended in 2024. Per 31 December 2024, there was no outstanding balance under these Facility.

2 Risk Management Report

Each of Proximus Group's activities is exposed to a variety of risks that have the potential to impact the financial performance of the Group. Proximus has implemented a risk management methodology that follows ISO 31000 - Risk Management Guidelines. Proximus' Risk Management System aims to identify and assess risks and opportunities in various domains and, wherever possible, to manage or mitigate them to an acceptable level of residual risk, in order to safeguard the Group's assets and protect its financial strength and reputation.

Financial risk management objectives and policies are reported in Note 32 of the Consolidated Financial Statements, published on the Proximus corporate website. Risks related to important ongoing claims and judicial procedures are reported in Note 34 of these statements.

The enterprise, operational and reporting risks are detailed below. It must be noted that this is not an exhaustive analysis of all potential risks that Proximus may face.

Sustainability risks, and the impact they could have on people, society, and the environment, are reported in the Sustainability Statement: "Double materiality assessment".

2.1 Enterprise-wide risks

Proximus Group's Enterprise Risk Management (ERM) is a structured framework designed to identify, assess, respond to and report on strategic and business risks. These risks refer to potential adverse events or circumstances that could significantly impact the achievement of Proximus' strategic objectives.

ERM is integrated into Proximus' annual strategic planning cycle. A bottom-up identification and prioritization process is conducted every two years. This process involves thorough desk-based research, in-depth interviews, and surveys targeting management and subject matter experts. All relevant risks and opportunities are prioritized based on their potential impact and likelihood, taking into account both quantitative and qualitative factors.

Each member of the Proximus Leadership Squad (PLS) takes ownership of a sub-set of the prioritized risks and identifies the key internal stakeholders accountable for the follow-up measures.

The risk prioritizations and treatments are reviewed at least once per year, or whenever there is a change of context. The ERM report, which provides an overview of major risks and their respective treatment plans, is reviewed and validated by the PLS (more information in the "Corporate governance statement"). The key findings and outcomes are then reviewed in coordination with the Board of Directors.

Among the risks identified by the latest ERM exercise, the following risk categories were prioritized:

- Monetization of fiber investments
- Human capital: talent attraction, retention and development
- Operating model evolution and cost control
- Belgian telecom market competitive dynamics – residential market
- Belgian ICT market competitive dynamics – enterprise market
- Regulatory and legal risks
- Shareholders' interests' alignment

2.1.1 Monetization of fiber investments

Fiber optic is widely recognized as the superior and most future-proof fixed connectivity technology. On top of offering the highest download and upload speeds and low latency, fiber is also highly reliable and secure. Proximus' ambition is to provide gigabit network coverage to 100% of premises in Belgium, maximizing fiber coverage, to:

- support current and future customer needs (remote work, connected homes, next generation videos, gaming, etc.) and enable ARPU uplift.
- retain and grow market share across residential and enterprise customers.
- attract new wholesale market opportunities.
- simplify the operating model and reduce operating costs, by ceasing the sale of copper and ultimately phasing out copper within – at most – five years of the deployment of fiber in a given area.

Should a part of these benefits not materialize the turnover and profitability of Proximus could be significantly affected.

During the past years, Proximus has significantly increased investments in accelerating the deployment of a fully open and non-discriminatory performant fiber network with the ability to co-use fiber assets together with competition and maximize network utilization. Proximus' Gigabit Fiber network standalone deployment focuses on areas with the highest population density. In 2021, Proximus created the joint ventures Fiberklaar (in Flanders) and Unifiber (in Wallonia) with the experienced industrial and financial partners EQT Infrastructure and Eurofiber, respectively, to expand the fiber roll-out to medium-dense areas. In July 2024, Proximus acquired full ownership of Fiberklaar to bring about enhanced strategic autonomy and increased flexibility for Proximus in the deployment of fiber in Flanders. In the German-speaking Community, a region that typically has a very low population density, Proximus, Ethias and the government of the German-speaking Community have set-up GoFiber, a public-private partnership and joint venture that will introduce fiber to the German-speaking municipalities by the end of 2026.

Beyond city centers, construction costs increase, making the deployment of fiber networks economically more difficult. Although Proximus has the largest footprint of FTTH (Fiber-to-the-Home) in Belgium, the roll-out of competing FTTH networks could negatively impact the profitability of Proximus' investment by putting pressure on both wholesale and retail prices, making price tiering more difficult, and requiring larger differentiation between the offers. Telenet and Fluvius set up Wyre, a joint infrastructure company with plans to cover up to 78% of all homes in Flanders and parts of Brussels with fiber (FTTH) by 2038. Wyre's roll-out began in the summer of 2023. Orange Belgium has also announced an ambition of up to 66% coverage in Wallonia and Brussels, and 75% of the national footprint by 2040. Digi launched a fiber offer in December 2024 limited to selected suburbs in Brussels, but it intends to scale its fiber footprint rapidly, targeting two million households within two years.

Proximus, Wyre, Telenet, and Fiberklaar have signed a Memorandum of Understanding to potentially collaborate on fiber network deployment in Flanders, aiming to increase access to high-speed gigabit networks. The collaboration aims to accelerate fiber deployment in Flanders, providing more consumers with access to high-speed gigabit networks while reducing civil works. The realization of the collaboration is dependent on reaching a final agreement, obtaining regulatory and antitrust approvals, and ensuring no adverse regulatory impacts.

Scaling both the number of fiber activations and the roll-out can be challenging in a tight labor market (see also "Human capital: talent attraction, retention and development", below). The roll-out of other infrastructure works may have a negative impact on the available capacity for Proximus.

Failure to retain the right talent for our deployment capacity could lead to delays in roll-out and activations, which in turn could have an impact on the timing of the benefits and the cost of roll-out. Proximus and its partners are taking several measures to mitigate this risk: transferal of resources from copper to fiber, increase of capacity via outsourcing partners and upskilling our existing employees, structurally reduction of the workload via self-install, and the flattening-out of seasonality via pro-active migrations.

Challenges in obtaining permits from municipalities or quality and compliance issues in operations could impede the speed of the deployment. Proximus management puts a strong focus on quality standards and compliance across both standalone and joint venture footprints. Among other things, Proximus issued a societal responsibility charter for fiber roll-out in March 2023.

Most Belgian consumers not yet connected to fiber already have access to higher speed internet through VDSL or cable. Proximus mitigates the risk of a lack of demand by promoting fiber and its benefits, including pre-roll-out marketing and remarketing activities. Advertising campaigns, complemented by customer-centric use cases, have created a strong brand association between fiber and Proximus. To reinforce the technological superiority, the multi-gig fiber technology with improved in-home experience has been made available in all areas where fiber coverage exists. Fiber is also available for customers of the other consumer brands of Proximus: Scarlet and Mobile Vikings.

Inflation impacts the cost of roll-out (see also “Operating model evolution and cost control”, below). Rising costs need to be balanced with strong commercial results, price increases and additional efficiencies. Competitive dynamics, with the arrival of Digi on the market, may lead to further pressure on market prices, and/or make price tiering and upselling more difficult. Proximus focuses on product superiority, customer experience, and a multi-brand strategy to mitigate that risk (see also “Belgian telecom market competitive dynamics – residential market”, below).

A customer retention risk also exists in relation to potential customer experience issues during the migration of customers of Proximus and Other Licensed Operators (OLO) to fiber, for example, overly long installation delays in some periods of high demand vs. available personnel. Proximus management is monitoring the fiber migration customer effort and fiber customer experience closely, and taking corrective actions through, among other things, dedicated Fiber Migration and In-Home Experience agile teams.

Copper cost avoidance is an important value driver for Proximus. Delays in deployment or gaps in deployment zones could impact copper out-phasing, as the full benefits only materialize once we are able to fully cut the last copper line. For the few customers that cannot be migrated to fiber, Proximus needs an alternative technology. Copper out-phasing is also an important element in Proximus’ sustainability roadmap. Delays in copper out-phasing would thus affect both profitability and sustainability goals. This risk is mitigated through careful planning of customer migrations and the allocation of dedicated resources, including both personnel and IT investments.

FTTH is a regulated activity in Belgium. Pricing and access conditions for FTTH are monitored and/or set by the regulator. Adverse or negative regulatory decisions on FTTH pricing and/or access conditions could negatively impact the roll-out of fiber in Belgium. This could increase the digital divide between the dense city zones and the less dense zones that would prove too expensive to cover.

2.1.2 Human capital: Talent attraction, retention, and development

Failure to recruit, sustainably employ, engage, and retain a talented workforce could impact Proximus' competitiveness and ability to achieve its strategic goals.

The Belgian labor market remains under pressure, with a low unemployment rate, especially in the north of the country, leading to longer times needed to recruit for a broad range of profiles, e.g. field technicians, shop employees and ICT consultants.

To mitigate this risk facing talent attraction, Proximus runs various communication actions both on employer branding and recruitment topics (campaigning, "always on" approaches on social media, presence on external jobsites, events, etc.). Recruitment channels have been diversified: referral by employees (with a reward in the event of successful recruitment), internships, student jobs, etc., have been introduced. Proximus also leverages strong ties with external partners including local agencies and recruiting offices to source needed skills and develop new sourcing pools. The evolution towards Total Talent Management, integrating both internal and external resources, will play a critical role in our sourcing strategy, thanks to the Flecs-MSP Program and its future evolution, with the launch of direct sourcing of freelancers.

Our affiliate, Proximus Ada, supports Proximus in expanding its talent pool in Data Science, AI and cybersecurity. Additionally, transferring our B2B IT activities into a vibrant and dynamic ICT environment (as detailed in the "Belgian ICT market competitive dynamics – enterprise market" section below) will enhance our ability to attract IT talent. Proximus SA, BICS and Telesign also diversify their talent sourcing geographically, through Proximus Doo and Telesign Doo, and affiliates in Serbia, among others. The successful closure of the Route Mobile transaction also opened new sourcing options in India.

In the context of workforce cost increases (see "Operating model evolution and cost control" below), failure to adapt the current workforce's skills to ever-evolving needs would hinder Proximus' ability to execute its strategic plan. A Strategic Workforce Planning program and a skills mapping exercise allow Proximus to anticipate recruitment, upskilling and reskilling needs in both the short- and long-term. To secure future-proof skills and to guarantee sustainable employment for existing employees, Proximus invests extensively in training programs and internal mobility, providing many opportunities for upskilling and development. A dedicated project has been initiated with the aim of optimizing the use of Generative AI for productivity gains in a secure and ethical way.

Thanks to the focus on internal mobility, 738 employees changed jobs internally in 2024. With the evolution of Proximus as a group and its internationalization, synergy initiatives between the recruitment teams have been initiated (common job fairs, common projects such as internships, for example) and will be further developed (intragroup referral program, internationalization of the graduate program, etc.). The importance of intragroup mobility is gaining in importance, with a dedicated framework having been established in 2024.

To boost employee engagement, Proximus' "Think Possible" company culture stimulates agile ways of working for greater empowerment, customer-centricity, simplification and innovation. In 2024, a new evaluation system and a new remuneration system (i.e. a simpler salary increase system to ease market alignment, as well as an optimized bonus system) have been introduced for the employees of Proximus SA, in line with the desired cultural transformation. Those systemic changes increase the focus on performance based on mutual trust and clear feedback.

Eligible Proximus SA employees are allowed up to 3 days of homeworking per week. Proximus offers employees a coherent set of user-friendly and secure digital tools that can be used on any device, allowing increased flexibility and more hybrid ways of working.

Diversity, equity and inclusion policies and initiatives further contribute to the employees' well-being and sense of belonging. More information can be found in the Sustainability Statement: "Social information".

2.1.3 Operating model evolution and cost controlment

With a challenging socio-economic and geopolitical context, and inflation levels that remain high compared to the previous decades, costs need to be carefully managed.

Joint ventures and partnerships, combined with an increasingly global footprint, provide an opportunity to gain scale and reduce operating costs in comparison to standalone operations. This also makes for a more complex group structure for Proximus, which brings with it higher compliance risks and increased third-party risks. Proximus Group's governance structure and control mechanisms are being adapted gradually to better deal with this heightened complexity.

To compensate for the general effects of inflation, Proximus Group implements a strict cost control discipline and cost reduction programs. While being on track for the period 2019–2025 cost reduction ambition, failure to achieve the outstanding cost efficiencies would lead to a decrease in profitability. Proximus is constantly exploring ways by which to enhance and expedite cost savings without compromising customer experience. These include leveraging Generative AI solutions, implementing network transformation initiatives (such as centralization, virtualization, and the phase-out of legacy systems), and optimizing through the IT TCO program and CapEx efficiency initiatives (focusing on further improvements in fiber, 5G, and copper renewals). To mitigate inflationary pressures, we utilize long-term supplier relationships, contract protections, advanced purchasing, multi-sourcing strategies, and hedging mechanisms.

For Proximus SA and its Belgian subsidiaries, the unique Belgian system of automatic salary indexation to protect employees' purchasing power, and Proximus' obligation to index as soon as the pivotal index is reached, led to 1 salary indexation in 2024. Alongside strict cost management, Proximus SA is countering this impact via price indexations. Should Proximus' brand power not be strong enough, the inability to compensate for part of the cost increase through targeted price increases would impact margins. The potential churn impact of price indexations is mitigated by a more-for-more strategy, with commercial results having remained strong after previous price indexations as a result.

By sharing parts of the mobile network infrastructure with Orange Belgium, Proximus benefits from efficiencies in network operations, and ensures sustainable investments in new network technologies. Proximus aims for 100% 5G coverage in the 2025–2026 timeframe. Alongside unexpected extra costs of maintaining the legacy network and upgrading it to meet capacity demands, significant delays in the RAN swaps could weaken Proximus' mobile leadership position. Proximus closely monitors and follows up on the progress with its partners and suppliers in this regard.

Although the telecom sector's resilience has been demonstrated in recent years, a deteriorating economic climate could lead to a decline in customer spending in both the Consumer and Enterprise markets, as well as higher bad debt levels.

Churn and bad debt evolutions are followed up very closely by management, with no worrying evolutions noted to date. Social tariffs and no-frills offers help keep essential telecom services affordable to all. Struggling customers are offered adapted payment plans.

Inflation can also have a positive commercial impact, as Proximus NXT or BICS customers look toward digitalization or outsourcing options to reduce their own operating costs.

2.1.4 Belgian telecom market competitive dynamics – residential market

The Belgian market is an evolving market with changing competitive dynamics that could impact market value going forward. Proximus has demonstrated its ability to adapt to changing market conditions in the past. Failure to continue to adapt and mitigate the impact of a changing market structure and pricing dynamics could significantly impact Proximus' domestic EBITDA.

As mentioned above (see "Operating model evolution and cost control"), it is critical that Proximus maintains its brand strength and the resulting ability to monetize investments and to index prices to compensate for cost increases.

Proximus' Belgian connectivity revenues are at risk from increased competition, particularly in Wallonia and Brussels, where Proximus has a large market share. Orange Belgium has acquired VOO. Telenet and Orange Belgium have respective commercial wholesale agreements providing access to each other's HFC and FTTH networks for a 15-year period, leading to increased convergent competition across the country.

Following the 2022 spectrum auction with conditions favoring a new entrant, Citymesh and Romania's Digi joined forces to acquire a portion of the spectrum and set up a joint venture for the network company to address business and private individuals respectively. Digi began its commercial operations in Belgium in December 2024 with low mobile tariffs, as well as a fixed internet offer on their own fiber network (limited to about 10K homes at the time of launch). Orange Belgium immediately responded to Digi's offer by launching an equivalently priced tariff through its 'Hey!' sub-brand. The pricing environment could deteriorate with the Digi launch and ARPU growth could be negatively impacted.

In August 2023, Proximus reached an agreement with Digi and Citymesh Connect on mobile wholesale services, restricted to the 4G network, and mobile infrastructure. DIGI aims to deploy its own mobile network and achieve 30% 5G population coverage by the end of 2025. The wholesale's agreement mitigates the potential short-term revenue impact on Proximus Group through wholesale revenues.

Keen to provide the best mobile experience to its customers, Proximus has kept full control of its core network and spectrum assets. Proximus managed to secure more spectrum – across all bands – than other mobile players during the spectrum auctions of 2022. This strength mitigates the mobile churn and pricing risk for Proximus, as it allows Proximus to differentiate and guarantee a superior mobile experience for the next 20 years.

Proximus' superior fiber technology versus cable helps mitigate the churn risk in fiber zones and strengthen the brand, reduce exposure to price disruption, and maintain pricing power. Proximus has also been consistently improving its multi-play value propositions and structurally improving customer experience and customer service.

Alongside competitive dynamics, evolving customer needs, such as the acceleration of the 'cord-cutting' trend, i.e. customers canceling their digital TV subscriptions, would impact revenues and customer stickiness, as well as cost per digital TV customer due to the high fixed costs. "Over the top" competition (streaming services) is driving up the cost of exclusive content. The high quality of Proximus' digital TV offer, the content-sharing strategy for sports rights, and the partnerships with streaming services mitigate these risks. Network/product superiority and relevant digital services through the new Proximus+ app, which extends the functionalities beyond the management of the Proximus products, with mobility, energy consumption, budgeting and nearby activities, all contribute to mitigating risks relating to customer stickiness and brand relevance.

The multi-brand strategy of Proximus also contributes to risk mitigation. Scarlet and Mobile Vikings have very strong NPS scores and a convergent offer complementary to the Proximus brand offer.

Scarlet addresses the price-sensitive segment, while Mobile Vikings offers competitively priced mobile and Internet to young (at heart) digital-savvy customers.

Finally, Proximus' domestic financial performance could be impacted by disruptive technologies and new business models. Should Proximus not be able to adapt rapidly and well enough, this would have an impact on market shares and profitability.

2.1.5 Belgian ICT market competitive dynamics – enterprise market

On the domestic B2B mobile market, Proximus enjoys a solid market share. Intensifying price-based competition could lead to lower revenues and margins in the Corporate and Small & Medium Business segments.

Citymesh, as part of European IT company Cegeka, is looking to monetize its mobile spectrum investments, acquired in a joint venture with Digi. The loss of key customers could impact brand perception and Proximus' pricing power. In fixed connectivity, the range of Explore (convergent service platform) and SD-WAN solutions is managed to address evolving customer needs while limiting revenue impact through targeted and proactive migrations to next-gen solutions. Fixed voice erosion could further accelerate, thus impacting revenues and margins beyond current forecasts. Proximus mitigates the telecom churn and value erosion risks through its network leadership, good customer relationship management, and a strong portfolio of convergent ICT solutions.

In the highly competitive ICT market, the launch of Proximus NXT in June 2023 established a strong brand aimed at building a leadership position in the Benelux region. With ambitions to further enhance its IT offerings and leverage its leading expertise in areas such as workspace, cloud, sovereign cloud, security and AI, Proximus transferred its B2B IT activities to its affiliate, Proximus NXT IT, on July 1, 2024. This merger with existing teams enables a sharper focus on the unique aspects of the IT business, fostering a distinct B2B IT identity and strengthening its integration with Proximus' affiliate and partner ecosystem.

Failure to effectively address evolving customer needs (including compliance with ESG standards), new technologies and market developments within the enterprise sector in a timely manner, or a failure to introduce competitive products or services, could result in lower revenues and reduced profitability for Proximus NXT IT. These risks, if realized, would ultimately have a negative impact on the overall financial performance of Proximus, affecting both its top and bottom line.

2.1.6 Regulatory and legal risks

Proximus is an autonomous public sector enterprise that has adopted the legal form of a limited liability company under Belgian public law and therefore is also governed by certain provisions of Belgian public and administrative law. The interaction between the laws applicable to all private limited liability companies and the specific public and administrative law provisions and principles has in the past presented and may continue to present difficulties of interpretation and may give rise to legal uncertainties for Proximus.

Proximus' policies and procedures are designed to comply with all applicable laws, accounting and reporting requirements, regulations, and tax requirements, including those imposed by foreign countries, the EU, as well as applicable labor laws.

The complexity of the legal and regulatory environment in which Proximus operates and the related costs of compliance are both increasing due to additional requirements. Furthermore, foreign and supranational laws occasionally conflict with domestic law.

Failure to comply with the various laws and regulations, as well as changes in laws and regulations or the way they are interpreted or applied, may result in damage to Proximus' reputation, civil and criminal liability, fines and penalties, an increased tax burden, or costs incurred through regulatory compliance and restatements of Proximus' financial statements. Proximus is subject to significant regulation and supervision, which could require it to make additional expenditures or limit its flexibility, affecting its financial results in general and otherwise adversely affecting its business.

Proximus may be sued by third parties for infringement of proprietary rights. The telecommunications industry and related service businesses are characterized by the existence of a large number of patents and trademarks. Litigation based on allegations of patent infringement or other violations of intellectual property rights is common. As the number of entrants into the market grows, and the overlap of product functions increases, the possibility of an intellectual property infringement claim against Proximus increases. In addition, the Group may be sued for copyright or trademark infringement for purchasing and distributing content through various fixed line or wireless communications and other media, such as through its portals. Any such claims or lawsuits, with or without merit, could be time-consuming, result in costly litigation and diversion of technical and management personnel, lead to product shipment delays or delays in the granting of patent applications, or require the Group to develop non-infringing technology or to enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on commercially reasonable terms, or even at all.

If a successful claim of product infringement were to be made against the Group, or it was unable to develop non-infringing technology or license the infringed or similar technology in a timely manner, and on a cost-effective basis and commercially reasonable terms, operating revenue and net profit could decline.

The outcome of pending disputes involving Proximus with or before Belgian governmental bodies could adversely affect Proximus' operating revenue and net profit arising from data acquisition, as Telesign may not be able to pass the associated cost increase on to its customers. This would result in a reduced profit margin for Telesign.

2.1.7 Shareholders' interests' alignment

Proximus could be influenced by the Belgian State whose interest may not always be aligned with the interests of Proximus' other shareholders and noteholders.

As majority shareholder, the Belgian State has the power to determine matters submitted for a vote of shareholders, including the ability to control the outcome of certain corporate actions such as dividend policy, mergers and other extraordinary transactions. The Belgian State also has the power to appoint and dismiss the directors, but it must comply with legal and statutory requirements such as, for example, the appointment of independent directors. The interests of the Belgian State regarding director appointments, dividend policy, mergers and other matters and the factors it considers in exercising its votes could be different from the interests of Proximus' other shareholders or creditors.

Periods of political uncertainty, can be detrimental to the strategic alignment between Proximus and its majority shareholder and strain Proximus' relationship with other stakeholders.

2.2 Operational risks

Operational risk relates to risks arising from systems, processes, people and external events that affect the operation of Proximus' businesses. It includes product life cycle & execution, product safety & performance, information management, data protection & cybersecurity, business continuity, supply chain, and other risks, including human resources and reputational risks. Depending on the nature of the risk involved and the business or function affected, Proximus uses a wide variety of risk mitigation strategies, including adverse scenario stress tests, back-up-/business-continuity plans, business process reviews, and insurance.

Proximus' operational risk measurement and management relies on the Advanced Measurement Approach (AMA) methodology. A dedicated 'as-if' adverse scenario risk register has been developed to make the stress tests relevant.

Proximus is covered by extended general and professional liability, property damage and business interruption insurance, as well as by a dedicated cybersecurity insurance program.

Nevertheless, these insurance programs may not provide indemnification should the traditional insurance exclusions (non-accidental events) apply.

The most prominent examples of operational risk factors are explained below:

- Resilience and business continuity
- Security (confidentiality, integrity, availability)
- Data protection and privacy
- Sourcing and supply chain reliability
- Legacy network infrastructure

2.2.1 Resilience and business continuity

Business Continuity Management is developing its abilities to detect, prevent, minimize and deal with the impact of disruptive events so that business-critical services and functions can be operated at an acceptable level.

This approach is in line with the good practice standards and Belgian regulations on telecoms and critical infrastructure and is primarily achieved via the development of business continuity plans at corporate level for threats such as power interruptions, ransomware attacks or natural disasters linked to climate change. Building and ensuring the resilience of our network, platforms and IT systems remains a top priority in order to minimize the customer impact in the event of such incidents occurring.

These priorities are managed by the corresponding business units. The business continuity board is the steering committee that defines priorities and scope and validates the outcome. The level of preparedness is reported annually to the Audit and Compliance Committee.

2.2.2 Security

Escalating global cyber threats, along with the rise of increasingly sophisticated and targeted cyber-attacks, pose a risk to the security of Proximus as well as its customers, partners, suppliers, and third-party service providers in terms of products, services, business flows, systems and networks. The confidentiality, availability and integrity of the data of Proximus and its customers are also placed at risk.

We are taking the necessary actions and making investments to mitigate those risks by enacting several measures, including employee awareness and training, security-by-design, security testing, protective measures, detective measures, and maintenance of contingency plans.

Proximus' cybersecurity program places an important emphasis on Identity & Access Management for privileged users, business users, partners and vendors, on securing Proximus' critical infrastructure such as API, private and public clouds and DDoS protection, on protecting against advanced disruptive malware (such as ransomware), and expanding monitoring and detection capabilities. Artificial Intelligence and Machine Learning capabilities are also increasingly used in Proximus' cybersecurity.

Besides this, Proximus invests in threat intelligence and security incident response. Moreover, Proximus operates several Malware Information Sharing Platforms (MISPs) that enable the collection and sharing of structured information on cybersecurity threats. Proximus actively participates in a number of cross-industry and international expert groups to stay up to date on the latest threats. Collaboration with and through the expert groups of the European Telecom Operators platform (ETIS), GSMA, the Belgian Cyber Security Coalition and FIRST has been established in this regard.

Furthermore, Proximus also acts to protect its customers against fraud. With the support of the government, Proximus invests in anti-phishing and anti-fraud platforms (SMS, email, interconnect security)

More information on data protection and privacy can be found in the Sustainability Statement: "Data protection".

2.2.3 Data protection and privacy

2.3.3.1 Context

Companies in the telecommunications and IT services sector handle vast amounts of personal data. To protect this information, we have put in place the necessary processes and measures, in line with EU regulations like the General Data Protection Regulation[1] (GDPR) and the Directive on Privacy and Electronic Communications[2]. Data protection is the protection of the personal data of individuals. Within this section, consumers and end-users subject to material impact are defined as all the individuals whose personal data is processed by Proximus. These individuals can be, but are not limited to, customers, end-users of our telecommunications or ICT services, members of our workforce and representatives of the organizations that Proximus collaborates with.

More information can be found in the Annual Report: Sustainability Statement → Social information

1 Regulation 2016/679 EU of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC.

2 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 and ensures the protection of fundamental rights and freedoms, in particular the respect for private life, confidentiality of communications and the protection of personal data in the electronic communications sector. The Directive has been transposed into Belgian law by the Act of 13 June 2005 on electronic communications.

2.3.4 Sourcing & Supply chain

Proximus depends on its partnerships with suppliers to provide the equipment needed to ensure business continuity and a sustainable supply chain. Global instability, logistics disruptions, energy crises, climate-induced natural disasters, etc. increase the risk to our supply chain resilience.

Any breach of relevant legislation or non-compliance with international standards for human rights by our suppliers could lead to legal action and negatively impact Proximus' reputation.

Risk mitigation is done via multi-sourcing, Tier 2 management, improved inventory management (advanced ordering, better forecasts, etc.), demand reduction, and product and process reengineering. Thanks to our enhanced Supplier Relationship Management (SRM), we are able to continuously assess risks together with the partnering supplier, thus reducing vulnerability and ensuring continuity. The relationship with key suppliers is assessed and documented by means of meeting minutes and surveys, which lay down the common strategies.

We continuously monitor risks through an SCRM (Supply Chain Risk Management) by Sphera, alerting the appropriate stakeholder in the event of any disruption along the supplier chain.

EcoVadis conducts sustainability performance evaluations, risk assessments and audits for national direct suppliers, while major global suppliers undergo these processes through the Joint Alliance for CSR (JAC) initiative.

We strictly follow up on critical suppliers' contractual liability through our Supplier Code of Conduct and Service Level Agreement clauses.

Thanks to our active monitoring and risk mitigation actions, Proximus' supply chain has proven itself resilient in previous crises, with financial impact being limited as a result.

2.2.5 Legacy Network Infrastructure

In 2004, Proximus was the first operator in Europe to launch an ambitious fiber-to-the-curb program, paving the way for the subsequent national Fiber-To-The-Home network roll-out. And today it is among the world's top five operators for the proportion of fiber in its VDSL network, with tens of thousands of kilometers of optical fiber connecting its street cabinets and a massive increase in the number of kilometers in the access part of the network.

With the rise in customer needs, we foresee a continued increase in data consumption on our networks for the coming year, and this at far higher speeds than in the past. This is why Proximus is pursuing an aggressive multi-gigabit strategy, with the ambition of leveraging more and more fiber and 5G to deliver relevant services to our customers. In this context, the relevance of copper will gradually decrease.

The fast pace of fiber deployment and adoption allows us to consider decommissioning our copper in the future and, as such, to be in a position to realize substantial savings in terms of power consumption and maintenance and avoid having to replace this ageing technology.

2.3 Risk Management & Compliance Committee

In 2024, the Risk Management and Compliance Committee (RMC) held 5 sessions.

The RMC's objectives are:

- to oversee the company's most critical enterprise and operational risks and how management monitors and mitigates those risks.
- to review files in which decisions must be taken by finding a balance between risk-taking and cost, in line with the Group's risk appetite.
- to enhance pending/open internal audit action points that remain open for more than six months.

Proximus has general response strategies for managing risks, which categorize them according to whether the company will avoid, transfer, reduce or accept the risk. These response strategies are tailored to ensure that risks are within acceptable risk and compliance guidelines.

The RMC decisions were reported to the Proximus Leadership Squad and the Audit & Compliance Committee.

2.4 Internal Audit

In line with international best practice requirements, Proximus' internal audit function forms an integral part of the Internal Risk Management and Control System and provides assurance to the Audit and Compliance Committee concerning the 'in-control status' of Proximus Group segments/units/entities and processes. Internal Audit provides independent analyses, appraisals, recommendations, counsel and information to both the Audit and Compliance Committee and Proximus Management. Therefore, the objectives of the Internal Audit, using the Institute of Internal Auditors' standards and other professional frameworks, are to ensure:

- Effectiveness and adequacy of internal controls
- Operational effectiveness (doing it right) and/or efficiency (doing it well)
- Compliance with laws, regulations and policies
- The reliability and the accuracy of the information provided

Internal Audit helps Proximus Group to accomplish these objectives through its systematic and disciplined approach to evaluating and improving the effectiveness of risk management and control & governance processes.

Internal Audit's activities are based on a continuous evaluation of perceived business risks. It has full and unrestricted access to all activities, documents/records, properties and staff. The Internal Audit Lead has a reporting line to the Chairman of the Audit Committee. Quarterly Audit activity reports are submitted and discussed with the Audit and Compliance Committee.

Since 2020, Proximus' Internal Audit department, in accordance with IIA Standard 1312 – External Quality Assessment, has been certified by IFACI/IIA.

2.5 Financial reporting risks

In the area of financial reporting, besides the general enterprise risks impacting financial reporting, the main risks identified include new transactions and evolving accounting standards, changes in tax law and regulations, and the financial statement closing process.

2.5.1 New transactions and evolving accounting standards

New transactions can have a significant impact on the financial statements, either directly in the income statement or in the notes. Inappropriate accounting treatment can result in financial statements that fail to provide a true and fair view. Changes in legislation (e.g. pension age, customer protection) can also significantly impact the reported financials. New accounting standards may require the gathering of new information and the adaptation of complex (billing) systems. If not adequately foreseen, the timeliness and reliability of the financial reporting could be jeopardized.

It is the responsibility of the Corporate Accounting department to follow developments in the area of evolving standards; both local General Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) are considered.

Changes are identified, and the impact on Proximus' financial reporting is proactively analyzed.

For each new type of transaction (e.g. new product, new employee benefit, business combination), an in-depth analysis is conducted from the points of view of financial reporting, risk management, treasury, and tax. In addition, the development requirements for the financial systems are defined in a timely manner and, in compliance with internal and external standards, are systematically analyzed. Emphasis is placed on the development of preventive controls and the setting up of reporting tools that enable a posteriori control. The Audit and Compliance Committee (A&CC) and the Leadership Squad are informed on a regular basis about new and upcoming financial reporting standards and their potential impact on Proximus' financials.

2.5.2 Changes in tax law and regulations

Changes in tax laws and regulations (corporate income tax, VAT, etc.) and their application by the tax authorities can have a significant impact on financial statements. To ensure compliance, it is often necessary to set up additional administrative processes within a short time frame, to collect relevant information, or to run updates on existing IT systems (e.g. billing systems).

The tax department continuously monitors potential changes in tax law and regulations, as well as interpretations of existing tax laws by the tax authorities. Based on laws, doctrine, case law and political statements, as well as available draft laws, etc., a financial and operational impact analysis is performed. The outcome of this analysis is reflected in the corresponding financial statements, in accordance with the applicable framework.

The evolving complexity of the legal and regulatory environment, particularly in the context of international operations, poses risks to financial reporting. Conflicting requirements among and between domestic, foreign and supranational laws can complicate compliance efforts, increase the likelihood of misstatements, and affect the integrity and accuracy of our financial statements.

2.5.3 Financial statement closing process

The delivery of timely and reliable financial statements remains dependent on an adequate financial statement closing process.

Clear roles and responsibilities in the closing process of the financial statements have been defined. During the monthly, quarterly, half-yearly and annual financial statement closing processes, continuous monitoring of the various steps is undertaken. In addition, different controls are performed to ensure quality and compliance with internal and external requirements and guidelines.

A highly detailed closing calendar is drawn up for Proximus and its major subsidiaries, which includes a detailed overview of cross-divisional preparatory meetings, deadlines for ending specific processes, exact dates and hours when IT sub-systems are locked, validation meetings and reporting deliverables.

For every process and sub-process, different controls are performed, including preventive controls, where information is tested before being processed, and detective controls, where the outcome of the processing is analyzed and confirmed.

Special attention is paid to reasonableness tests, where financial information is analyzed against underlying operational drivers, and coherence tests, where financial information from different areas is brought together to confirm results, trends, etc. Tests on individual accounting entries are performed for material or non-recurrent transactions. The combination of all these tests provides sufficient assurance on the reliability of the financials.

3. Sustainability statement

3.1 Climate change risks

This section is divided into the following parts:

• overview of main impacts, risks and opportunities.

• climate change mitigation and energy.

• climate change adaptation

More information about our impacts, risks and opportunities can be found in the Annual Report: Sustainability Statement → Environmental information.

3.2 Diversity & Inclusion statement

Context

Since Proximus Group operates in an environment that reflects the broader society, our actions have a meaningful impact beyond the workplace. This is why prioritizing diversity and inclusion is essential to us.

Diversity encompasses the unique characteristics that make each individual distinct, like race, gender, age, sexual orientation, disability, cultural background or any other characteristic protected by the law.

Inclusion is about the deliberate cultivation of an environment where these differences are not only acknowledged but leveraged, ensuring that every employee feels valued, respected and empowered to contribute to their fullest potential, driving innovation, creativity and a deeper connection with the diverse communities we serve.

More information about our impacts, risks and opportunities can be found in Annual Report: Sustainability Statement → Social information

4. Important events that have occurred after the end of the period

On January 17, 2025, Proximus successfully refinanced its €700 million Revolving Credit Facility with a pool of Belgian and international banks, extending its maturity and further strengthening its financial flexibility

On February 7th, Guillaume Boutin, the chief executive officer of Proximus Group, announced that he will be leaving the company by mid-May.

Proximus SA has committed to selling its datacenter activities by transferring the shares of its subsidiary, Datacenter United Brussels, to DCU Invest NV. Before the share sale, Proximus SA will transfer the datacenter activities to Datacenter United Brussels through a contribution in kind of the datacenter business unit by Proximus NV. Additionally, ConnectImmo SA (a 100% subsidiary) will contribute the buildings in Evere and Mechelen related to Proximus SA's datacenter activities to Datacenter United Brussels through a partial demerger of ConnectImmo, in exchange for shares in Datacenter United Brussels issued to Proximus SA.

5. Circumstances that can significantly influence the development of Proximus

Circumstances that can significantly influence the development of Proximus are listed in caption 'Risk Management Report".

6. Expertise of the Audit & Compliance Committee members'

Proximus has an Audit & Compliance Committee which consists of five non-executive directors, the majority of whom are independent. In line with its charter, it is chaired by an independent director.

A majority of the members of the Audit & Compliance Committee have extensive expertise in accounting and auditing. The Chairwoman of the Audit & Compliance Committee, Mrs. Catherine Vandenborre, holds a degree in Business Economics as well as qualifications in Tax and Financial Risk Management. Both the Chairwoman and a majority of the members have held several board or executive mandates in large Belgian or international companies.

7. Evolution in research and development activities

In a fast-changing world, Proximus works on a daily basis to promote and encourage innovation. A close collaboration with important stakeholders such as partners and customers enable Proximus to develop breakthrough solutions. That allows the company to address today's challenges and contribute to shape the future of the digital world.

7.1 Gigabit networks

Proximus participates in organizations like ETSI, ITU, and GSMA, fostering knowledge sharing on network design, architecture, power management, and innovation. Partnerships with key suppliers like Nokia and Ericsson bring access to specialized equipment, innovation facilities and intellectual property, leveraging existing infrastructure to stimulate innovation.

7.2 Fiber

Alongside accelerating the deployment, Proximus is also integrating predictive models into rollout and repair processes. In 2024, an incident predictive model was implemented to evaluate defects before customer impact, enabling proactive maintenance and improving customer experience.

7.3 5G, a driver of innovation

Proximus Group views 5G as essential for innovation, driving digital transformation across industries and improving customer experiences. With ultra-fast speeds, low latency, and high capacity, 5G supports the development of innovative solutions in many sectors such as healthcare, manufacturing, logistics or media.

Proximus actively participates in public calls for projects in Belgium to support 5G deployment in various public sectors. In 2024, some use cases were delivered with the Walloon Region and dedicated partners.

- Media transmission: deployed to connect 5G cameras and enable event broadcasting.
- Air and sound monitoring: connecting wireless sensor data using the 5G network in Durbuy and Charleroi.
- Drone flights: testing 5G radio KPIs and a second communication system

7.4 Healthcare

In 2024, Proximus NXT launched the H.E.A.L.T.H project, where we deployed a 5G Mobile Private Network (MPN) at the hospital UZ Groeninge. By doing so, UZ Groeninge became the first hospital in the Benelux region with 5G capabilities. The hospital will test new medical applications, such as remote robotic surgery and smart glasses that allow doctors to follow along live with nurses. Additionally, we are actively contributing to projects aimed at monitoring and following up with patients at home. We are also collaborating on projects, together with the Maria Middelares hospital and the Wit-Gele Kruis, the non-profit organization for home nursing in Flanders, to equip our smart glasses with AI software to determine heart rate, breathing, blood pressure, and oxygen saturation. Furthermore, we are expanding our efforts to replicate connected ambulance use cases to other hospitals, ensuring that more patients benefit from these cutting-edge technologies.

7.5 Lens On Ghent or how to bring history to life with cutting-edge technology

Through a collaboration with VisitGent, Proximus has co-developed *Lens On Ghent*, a ground-breaking application that leverages the power of Augmented Reality (AR) and Proximus' 5G network to deliver an interactive experience for both tourists and residents. This innovative app allows users to travel back in time and explore the medieval history of three iconic locations in Ghent: the Bijloke, Prinsenhof, and the Graslei-Korenlei.

The application offers users a glimpse of the past, recreating the greatness of these historical sites with AR technology. Visitors can follow the transformation of the Bijloke from an ancient hospital into a contemporary music center, relive the architectural splendor of the Hof ten Walle palace at Prinsenhof, and experience the vibrant port activity along the Graslei and Korenlei. This seamless integration of AR enhances the cultural and touristic appeal of Ghent, bringing history to life through modern technology.

Proximus' high-performance 5G network, fully deployed in the city center of Ghent, plays a key role in ensuring a smooth and immersive AR experience. The low latency and high-speed connectivity provided by 5G enable users to fully enjoy this digital journey with optimized real-time interactions, making the app a prime example of how advanced technology can empower everyday experiences.

On top of being a cultural and touristic attraction, *Lens On Ghent* also represents a successful mix of innovation and technology. It demonstrates how Proximus leverages its digital capabilities to create impactful solutions.

By being available for free on the Google Play Store and Apple App Store, this application serves as a flagship example of how Proximus is driving digital transformation in Belgium, using its expertise to create meaningful experiences.

7.6 Building a Future of Quantum Innovation

Quantum technology is set to play an essential role in the future in the field of cybersecurity. After a successful field trial of a quantum safe network in 2023, Proximus launched Quantum Circle in the spring of 2024, Belgium's first community dedicated to advancing quantum technology.

This pioneering initiative unites a diverse group of quantum explorers, industry experts, and visionaries to collaborate on transformative applications and drive widespread market adoption of quantum innovations.

Quantum Circle's mission is clear: to create an ecosystem that fosters cutting-edge research, groundbreaking applications, and visionary investments that deliver significant societal and economic impact. By bringing together researchers, academics, technology providers, and end users from both the public and private sectors, the community identifies and accelerates high-impact applications in quantum computing, communication, and sensing.

With over 60 member organizations, Quantum Circle has quickly grown to host its own events, including its inaugural summit, while actively engaging Belgian business leaders and policymakers to support the acceleration of quantum technology adoption. This initiative positions Proximus at the forefront of Belgium's technological future, laying the groundwork for the country's quantum revolution.

7.7 Proximus Ada

In 2024, Proximus ADA advanced its growth, establishing itself as a leading hub for artificial intelligence (AI) and cybersecurity. It is designed to be a pillar of innovation and a center of expertise for all the companies in Proximus Group. It explores the latest AI advancements, including AI agents and multi-agent systems.

Therefore, ADA actively participates in the development of the company and creates many tools that are useful internally or externally. One example of that is the creation and development of a translator tool based on AI that is able to understand and translate texts based on acronym specific to Proximus. This enables everyone within the company to translate any type of text and have a specific and accurate result even when using vocabulary specific to Proximus.

7.8 AI for superior customer service

Proximus leverages Generative AI to enhance its customer service, with Proximus Ada's expertise driving its progress. Recent initiatives include:

Customer Support initiatives:

- FAQ Search Enhancement: improved information discovery in the Contact Center, increasing customer satisfaction by 6 points.
- Proximus Assistant Upgrade: chatbot using Gen AI for more accurate responses, with 40 new AI feeds in development.

Colleague Support initiatives:

- Writing Assistant: aids in crafting customer communications, testing response suggestion features.
- My AI Assistant (MAIA): launched in August 2024, this chatbot streamlines information retrieval for customer-facing colleagues.

7.9 Internal initiatives supporting innovation

The Design Thinking Center of Excellence is a specialized team of experts focused on applying Design Thinking principles. They adapt the methodology for employees and create standardized tools to facilitate its widespread use across the organization. Each year, they train 900 employees and provide coaching for around 16 strategic projects on average.

The Innovation Accelerator focuses on identifying and nurturing innovative initiatives with the potential to generate new revenue streams, both in areas related to our core business and beyond. This accelerator emphasizes initiatives with long-term growth prospects, prioritizing future potential over short-term impact.

The Proximus Innovation Committee serves as a central point for innovation within the company, promoting internal alignment, collaboration, and knowledge exchange. Additionally, the Committee manages partnership opportunities and funding requests from external organizations. This dual function makes it a vital player in Proximus' innovation strategy, integrating both internal and external innovation efforts.

The Customer Experience Challenge is an annual company-wide hackathon designed to foster cross-departmental collaboration, aiming to spark innovative ideas and improve customer experience. In the 2024 edition, 10 teams participated, focusing on different topics within the Residential and SME segments.

7.10 Innovating for sustainable energy management

As part of its ambition to become Net Zero by 2040, Proximus wants to ensure that nearly all of its energy consumption is covered by renewable sources. This goal is challenging given the critical nature of the infrastructure Proximus operates and limited geographic availability of renewable energy. To address this, Proximus, in partnership with Companion.energy, developed the Proximus Energy Box — a software solution that optimizes energy flows by integrating real-time data, forecasting energy needs, and recommending optimizations.

By leveraging this technology, Proximus is not only securing its energy management for the future but also paving the way for other large enterprises to make tangible progress in their own energy transitions.

This forward-thinking approach underscores Proximus' commitment to sustainability, reinforcing its leadership in the digital and energy sectors.

7.11 Strategic partnership with Microsoft for cloud and digital communications

Proximus signed a partnership with Microsoft in 2024, focusing on advancing cloud and digital communication services at an international level. This collaboration aims to enhance customer engagement across multiple channels by leveraging the best-in-class products of Proximus' international affiliates—BICS, Telesign, and Route Mobile—alongside Microsoft's technology.

The key initiatives related to the partnership are:

- Communication Platform Services: Enhance customer communication and security services through innovative solutions.
- Top-Tier Microsoft Service Provider: Position Proximus NXT as a leading provider in 5G applications, edge computing, workplace solutions, security, cloud (Azure cloud and confidential compute), cloud for SMEs, data, and AI in the region.
- Go-to-Market and Sales Actions: Collaborate with Microsoft on joint marketing and sales efforts to benefit all customer segments using Microsoft products and services.

When it comes to the internal digital transformation, the main elements of the partnership are the following:

- Migration to Microsoft Azure: Proximus is undergoing a strategic digital transformation by adopting Microsoft Azure. This move will enhance our IT environment with advanced AI integration, ensuring superior reliability, scalability, and security.
- Developer Experience and Talent Attraction: Offer a top-tier developer experience, attract future talent, and harness generational AI in the public cloud.
- Standardized Development Platform: Standardize development on a unified platform for in-house applications, empowering engineers, increasing project agility, and improving cost efficiency, all while adhering to Proximus standards.

Taken all together, this partnership and internal transformation will drive innovation and excellence in customer service and IT infrastructure, positioning Proximus as a leader in the digital communications landscape.

7.12 International operations

BICS

BICS provides solutions in digital communications, cloud communication services, mobility and IoT for telecom operators, virtual network operators, service providers, enterprise software providers and global enterprises. It provides services across more than 200 countries and carries around 50% of the world's data roaming traffic. The company continuously invests in advancing its global communication solutions portfolio addressing telco, enterprise, and cloud segments.

BICS focuses its R&D on delivering 5G services, (e)SIM and IoT technology, digital communication services and a strong fraud, security and analytics offer. It monitors market evolution and customer needs to enhance its services, features, and overall product portfolios.

Telesign

Telesign focuses its research and development efforts on connecting, protecting, and defending digital identities of global enterprises. It provides fraud protection, secure communications, and enable the digital economy by helping companies and customers to engage with confidence throughout customer identity solutions. Telesign regularly releases updates to its services which incorporate new features and enhance existing ones.

In 2024, Telesign has responded to the escalating threat of cyber fraud and rising SMS costs by launched Verify API, a new omnichannel verification solution. This new omnichannel API integrates seven leading user verification channels: (SMS, Silent Verification, Push, Email, WhatsApp, Viber, and RCS) into a unified API. This enables businesses to effortlessly scale new authentication channels with minimal development resources, making the verification experience better and more secure for the end-users and developers. The unique API, combined with the multiple channels with automatic fallback and a global coverage are key features of this new innovative solutions developed by Telesign.

Route Mobile

Route Mobile is a global communications platform-as-a-service (CPaaS) provider that helps businesses engage with their customers through various channels (SMS, voice, email, etc.). It is specialized in cloud communications, offering solutions like mobile identity verification, omnichannel customer engagement, and SMS firewall services. Its services enable companies to communicate securely and effectively, often used by industries like banking, retail, e-commerce, and digital platforms to improve customer interactions and manage security.

8. Corporate Governance Statement

8.1 Proximus governance model

Proximus corporate governance system principles are set forth in its Bylaws, its Corporate Governance Charter, its Charter of the Board of Directors, its Board Committees Charters, and in its policies.

Proximus has a clear governance model as a limited liability company under public law, imposed by the Law of 21 March 1991 on the reform of certain autonomous economic public companies ("the 1991 Law"). For matters not explicitly regulated by the 1991 Law, Proximus is governed by the Belgian Code of Companies and Associations of 23 March 2019 ("the Belgian Code of Companies and Associations") and the Belgian Corporate Governance Code of 2020. Any deviations from the 2020 Corporate Governance Code are explicitly mentioned in this report. Only two deviations (to provisions 7.6 and 7.9) are currently noted related to the remuneration of Board members and executives. Indeed, Proximus did not introduce share-related remuneration due to the fact that the Belgian State is the majority shareholder.

The key features of Proximus' governance model include:

- a Board of Directors, which defines Proximus' general policy & strategy and supervises operational management.
- an Audit & Compliance Committee, a Nomination & Remuneration Committee, a Transformation & Innovation Committee and an International Committee created by the Board within its structure.
- a Chief Executive Officer (CEO) who takes primary responsibility for operational management including, but not limited to, day-to-day management.
- a Leadership Squad which assists the CEO in the exercise of his duties.

We not only follow the law but want to ensure every one of our collaborators is aware of the behaviors to follow and avoid. Therefore, Proximus adopted a Code of Conduct, applicable to all employees. Proximus employees must follow a mandatory training on the application of the principles of the Code of Conduct. On top of this, we have various internal policies to make sure our employees conduct the business ethically.

9. Deviations from the 2020 Belgian Corporate Governance Code

Proximus complies with the 2020 Corporate Governance Code except for two deviations.

Provision 7.6 stipulates that a non-executive board member should receive part of his/her remuneration in the form of shares in the company. Because of its specific shareholdership, having the Belgian State as majority shareholder, the company did not introduce share-related remuneration at this stage. For the same reason Proximus is not compliant with provision 7.9 that stipulates that the board should set a minimum threshold of shares to be held by the executives.

9.1 Relationship Agreement

In accordance with article 8.7. of the 2020 Corporate Governance Code, Proximus concluded in December 2022 a Relationship Agreement with its majority shareholder, the Belgian State. This agreement, that does not impact the autonomy of Proximus, nor the competences of its corporate bodies, has the aim to create a framework for the exchange of information, in full respect with the European and Belgian financial legislation. This agreement was amended in June 2024 with the transfer of the shares of the Belgian State to the Federal Holding and Investment Company (SFPIM). This Relationship Agreement is published on the company's website.

9.2 Most important characteristics of the internal control and risk-management systems

The Proximus Board of Directors is responsible for the assessment of the effectiveness of the systems for internal control and risk management.

Proximus has set up an internal control system based on the COSO model, i.e. the integrated internal control and enterprise risk management framework published by the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") for the first time in 1992 and updated in May 2013. This COSO methodology is based on five areas: the control environment, risk analysis, control activities, information & communication and monitoring.

Proximus' internal control system is characterized by an organization with a clear definition of responsibilities, next to sufficient resources and expertise, and also appropriate information systems, procedures and practices. Proximus cannot guarantee that this internal control will be sufficient in all circumstances as risks of misuse of assets or misstatements can never be totally eliminated.

However, Proximus organizes a continuous review and follow-up of all the components of its internal controls and risk management systems to ensure they remain adequate.

Proximus considers the timely delivery to all its internal and external stakeholders of complete, reliable and relevant financial information in conformity with International Financial Reporting Standards (IFRS) and Belgian Generally Accepted Accounting Principles (BGAAP). Therefore, Proximus has organized its internal control and risk management systems over its financial reporting in order to ensure this objective is met.

10. Control environment

10.1 Organization of internal control

In accordance with the bylaws, Proximus has an Audit & Compliance Committee (A&CC) (see caption 'Independence and expertise in the accounting and audit domain of at least one member of the Audit and Compliance Committee' Its role is to assist and advise the Board of Directors in its oversight on (i) the financial reporting process, (ii) the efficiency of the systems for internal control and risk management of Proximus, (iii) the Proximus' internal audit function and its efficiency, (iv) the quality, integrity and legal control of the Proximus statutory and the consolidated financial statements, including the follow up of questions and recommendations made by the auditors, (v) the relationship with the Group's auditors and the assessment and monitoring of the independence of the auditors, (vi) Proximus compliance with legal and regulatory requirements, (vii) the compliance within the organization with the Proximus' Code of Conduct and the Dealing Code.

The A&CC meets at least once every quarter.

10.1.1 Ethics

The Board of Directors has approved a Corporate Governance Charter and a Code of Conduct "A Socially Responsible Company". All employees must perform their daily activities and their business objectives according to the strictest ethical standards and principles, using the Group values (Collaboration, Agility and Accountability) as a guiding principle.

The Code "A Socially Responsible Company", which is available on www.proximus.com, sets out the above-mentioned principles, and aims to inspire each employee in his or her daily behaviour and attitudes. The ethical behaviour is not limited to the text of the Code. The Code is a summary of the main principles and is thus not exhaustive.

In addition, Proximus in general, and the Finance department in particular, has a tradition of a high importance to compliance and a strict adherence to a timely and qualitative reporting.

10.1.2 Policies and procedures

The principles and the rules in the Code “A Socially Responsible Company” are further elaborated in the different internal policies and procedures. These Group policies and procedures are available on the Proximus intranet-sites. Every policy has an owner, who regularly reviews and updates if necessary. Periodically, and at moment of an update, an appropriate communication is organized.

In the financial reporting domain, general and more detailed accounting principles, guidelines and instructions are summarized in reference material available on the Proximus intranet-sites. In addition, the Corporate Accounting department regularly organizes internal accounting seminars to update finance and non-finance staff on accounting policies and procedures.

10.1.3 Roles & responsibilities

Proximus’ internal control system benefits from the fact that throughout the whole organization, roles and responsibilities are clearly defined. Every business unit, division and department has its vision, mission and responsibilities, while on individual level everybody has a clear job description and objectives.

The main role of the Finance Division is to support the divisions and affiliates by providing accurate, reliable and timely financial information for decision making, to monitor the business profitability and to manage effectively corporate financial services.

The team of the Corporate Accounting department assumes this accounting responsibility for the mother company Proximus and the major Belgian companies. They also provide the support to the other affiliates. For this centralized support, the organization is structured according to the major (financial) processes.

These major processes include capital expenditures and assets, inventories, contracts in progress & revenue recognition, financial accounting, operational expenditures, provisions & litigations, payroll, post-employment benefits and taxes. This centralized support, organized around specific processes and IFRS standards, allows for in depth accounting expertise and ensures compliance with group guidelines.

The consolidation of all different legal entities into the Consolidated Financial Statements of the Proximus Group is done centrally. The Consolidation department defines and distributes information relating to the implementation of accounting standards, procedures, principles and rules. It also monitors changes in regulations to ensure that the financial statements continue to be prepared in accordance with IFRS, as adopted by the European Union. The monthly instructions for consolidation set forth not only the schedules for preparing accounting information for reporting purposes, but also includes detailed deadlines and items requiring particular attention, such as complex issues or new internal guidelines.

10.1.4 Skills & expertise

Adequate staffing is a matter to which Proximus pays careful attention. This requires not only sufficient headcount, but also the adequate skills and expertise. These requirements are taken into account in the hiring process, and subsequently in the coaching and formation activities, facilitated and organized by the Proximus Corporate University.

For financial reporting purposes, a specific training cycle was put in place, whereby junior as well as senior staff have to participate mandatory. These internally and externally organized accounting seminars cover not only IFRS but local accounting rules & regulations, Tax and Company law & regulations as well.

In addition, the knowledge and expertise is also kept up to date and extended for more specific domains for which staff is responsible (revenue assurance, pension administration, financial products, etc.) through attendance to seminars and self-study. Furthermore, employees also attend general training session on Proximus new business products & services.

10.2 Risk analysis

Mitigating factors and control measures are reported in the caption 'Risk Management Report'.

10.3 Risk mitigating factors and control measures

Mitigating factors and control measures are reported in the caption 'Risk Management Report'.

10.4 Information and communication

10.4.1 Financial reporting IT systems

The accounting records of Proximus and most of its affiliates are kept on large integrated IT systems. Operational processes are often integrated in the same system (e.g. supply chain management, payroll). For the billing systems, which are not integrated, adequate interfaces and a monitoring system have been developed. For the consolidation purposes, a specific consolidation tool is used.

The organizational set-up and access management are designed to support an adequate segregation of duties, prevent unauthorized access to the sensitive information and prevent unauthorized changes. The set-up of the system is regularly subject to the review by the internal audit department or external auditors.

10.4.2 Effective Internal communication

Most of the accounting records are kept under IFRS as well as local GAAP. In general, financial information delivered to management and used for budgeting, forecasting and controlling activities is established under IFRS. A common financial language used throughout the organization positively contributes to an effective and efficient communication.

10.4.3 Reporting and validation of the financial results

The financial results are internally reported and validated on different levels. On the level of processes, there are validation meetings with the business process owners.

On the level of the major affiliates, a validation meeting is organized with the accounting and controlling responsible. On Proximus group level, the consolidated results are split per segment. For every segment, the analysis and validation usually include comparison with historical figures, as well as budget-actual and forecast-actual analysis. Validation requires (absences of) variances to be analyzed and satisfactorily explained.

Afterwards, the financial information is reported and explained to the Leadership Squad (monthly) and presented to the A&CC (quarterly).

10.5 Supervision and assessment of internal control

The effectiveness and efficiency of the internal control are regularly assessed in different ways and by different parties:

- Each owner is responsible for reviewing and improving its business activities on a regular basis: this includes a.o. the process documentation, reporting on indicators and monitoring of those.
- In order to have an objective review and evaluation of the activities of each organization department, Proximus' Internal Audit department conducts regular audits across the Group's operations. The independence of Internal Audit is ensured via its direct reporting line to the Chairman of the A&CC. Audit assignments performed may have a specific financial processes scope but will also assess the effectiveness and efficiency of the operations and the compliance towards the applicable laws or rules.
- The A&CC reviews the quarterly interim reporting and the specific accounting methods. The main disputes and risks facing the Group are considered; the recommendations of internal audit are followed-up; the compliance within the Group with the Code of Conduct and Dealing Code is regularly discussed.
- Except for small foreign legal entities which do not legally require an audit, all relevant entities are subject to audit procedures.. In general, this audit includes an assessment of the internal control, and leads to an opinion on the statutory financials and on the (half-yearly and annual) financials reported to Proximus for consolidation. In case the external audit reveals a weakness or identifies opportunities to further improve the internal control, recommendations are made to management. These recommendations, the related action plan and implementation status are at least annually reported to the A&CC.

11 Composition and functioning of the governing bodies and their committees

11.1 Board of Directors

The Board of Directors is composed of no more than fourteen members, including the person appointed as Chief Executive Officer (CEO). The CEO is the only executive member of the Board. All other members are non-executive directors and 50% of the members are independent directors.

Directors are appointed for a renewable term of up to four years. Proximus does not apply an age limit for its directors, but in accordance with article 7:87 of the Belgian Code of Companies and Associations and the 2020 Corporate Governance Code, the maximum term for directors is limited to twelve years.

Directors are appointed by the General Shareholders' Meeting. The Board of Directors exclusively recommends candidates who have been proposed by the Nomination & Remuneration Committee. The Nomination & Remuneration Committee takes the principle of reasonable representation of significant stable shareholders into account and any shareholder who holds at least 25% of the shares has the right to nominate directors for appointment pro rata to his shareholding. On May 24, 2024, the Belgian State transferred its shares in Proximus to the Federal Holding and Investment Company (SFPIM). Based on this rule, SFPIM today has the right to nominate seven directors. All other directors must be independent within the meaning of article 7:87 of the Belgian Code of Companies and Associations and of the 2020 Corporate Governance Code and at any time the Board needs to have at least three independent directors.

11.2 Composition of the Board of Directors

Proximus is proud of the gender parity between male and female within its Board of Directors. This composition and the complementary expertise and skills of all directors create a dynamic which benefits the good management of the company.

Members of the Board of Directors appointed by the General Shareholders' Meeting upon proposal of the Belgian State:

Name	Gender*	Age	Position	Term
Stefaan De Clerck	M	73	Chairman	2013 - 2025
Guillaume Boutin(1)	M	50	Chief Executive Officer	2019 - 2028
Karel De Gucht	M	71	Director	2015 - 2025
Béatrice de Mahieu	F	52	Director	2022 - 2026
Audrey Hanard	F	39	Director	2022 - 2026
Ibrahim Ouassari	M	46	Director	2021 - 2025
Claire Tillekaerts	F	68	Director	2022 - 2026

(1) By decision of the AGM of 17 April 2024, the mandate of Guillaume Boutin was extended until the AGM of 2028

Members of the Board of Directors appointed by the General Shareholders' Meeting:

Name	Gender*	Age	Position	Term
Caroline Basyn(1)	F	63	Independent Director	2024 - 2028
Cécile Coune	F	62	Independent Director	2023 - 2027
Martin De Prycker	M	70	Independent Director	2015 - 2027
Catherine Rutten	F	56	Independent Director	2019 - 2027
Joachim Sonne(2)	M	50	Independent Director	2019 - 2028
Catherine Vandenborre	F	54	Independent Director	2014 - 2026
Luc Van den hove(2)	M	65	Independent Director	2016 - 2028

* F: Female / M: Male

(1) By decision of the AGM of 17 April 2024, Caroline Basyn was appointed until the AGM of 2028

(2) By decision of the AGM of 17 April 2024, the mandates of Joachim Sonne and Luc Van den hove were extended until the AGM of 2028.

11.2.1 Activities Report of the Board of Directors and Committee meetings:

In 2024, ten meetings of the Board of Directors were held, six meetings of the Audit & Compliance Committee, six of the Nomination & Remuneration Committee, two of the Transformation & Innovation Committee and two of the International Committee.

Attendance Board of Directors and Committee meetings:

Name	Board (total 10)	ACC (total 6)	NRC (total 6)	TIC (total 2)	IC (total 2)
Stefaan De Clerck	10/10	6/6	6/6	2/2	2/2
Guillaume Boutin	10/10				
Caroline Basyn[1]	9/9				1/1
Cécile Coune	10/10		6/6	2/2	
Karel De Gucht	10/10	6/6			2/2
Béatrice de Mahieu	10/10			2/2	
Martin De Prycker	10/10		6/6	2/2	
Audrey Hanard	10/10			2/2	
Ibrahim Ouassari	10/10			2/2	
Catherine Rutten	9/10	6/6			
Joachim Sonne	10/10	6/6			2/2
Claire Tillekaerts	10/10		6/6		2/2
Catherine Vandenborre	9/10	6/6			
Luc Van den hove	9/10		4/6		2/2

ACC: Audit & Compliance Committee; NRC: Nomination & Remuneration Committee; TIC: Transformation & Innovation Committee; IC: International Committee

(1) Appointed on 17 April 2024

11.2.2 Functioning of the Board of Directors

The Board of Directors meets whenever the interests of the company so require or at the request of at least two directors. In principle, the Board of Directors holds five regularly scheduled meetings annually, plus one meeting dedicated to the affiliates. The Board of Directors also yearly discusses and evaluates the strategic long-term plan in an extra meeting. In general, the Board's decisions are made by simple majority of the directors present or represented, although for certain issues a qualified majority is required. The Board of Directors has adopted a Board Charter which, together with the Charters of the Board Committees, reflects the principles by which the Board of Directors and its Committees operate. These Charters are published on the corporate website. The Board Charter stipulates, among other things, that important decisions should have broad support, understood as a qualitative concept indicating effective decision-making within the Board of Directors following a constructive dialogue between directors. Files on important decisions are prepared by standing or ad hoc Board Committees with significant representation of non-executive, independent directors within the meaning of Article 7:87 of the Belgian Code of Companies and Associations.

11.2.3 Committees of the Board of Directors

Proximus has an Audit & Compliance Committee, a Nomination & Remuneration Committee, a Transformation & Innovation Committee and an International Committee.

The members of the Audit & Compliance Committee are: Mrs. Catherine Vandenborre (Chairwoman), Messrs. Stefaan De Clerck, Karel De Gucht, Joachim Sonne and Mrs. Catherine Rutten.

The members of the Nomination & Remuneration Committee are: Messrs. Stefaan De Clerck (Chairman), Martin De Prycker, Luc Van den hove, Mrs. Claire Tillekaerts and Mrs. Cécile Coune.

The members of the Transformation & Innovation Committee are: Messrs. Stefaan De Clerck (Chairman), Martin De Prycker, Ibrahim Ouassari, Mrs. Cécile Coune, Mrs. Béatrice de Mahieu and Mrs.Audrey Hanard.

The members of the International Committee are: Messrs. Stefaan De Clerck (Chairman), Karel De Gucht, Joachim Sonne, Luc Van den hove, Mrs. Claire Tillekaerts and Mrs. Caroline Basyn (as of 17 April 2024).

11.2.4 Related Party Transactions

On 24 February 2011, the Board of Directors adopted a "related party transactions policy" which was updated in September 2016, which governs all transactions or other contractual relationships between the company and its Board members.

Proximus has contractual relationships and provides also telephony, Internet, digital and/or ICT services to many of the companies in which Board members have an executive or non-executive mandate. These transactions take place in the ordinary course of business and at arm's length.

11.2.5 Evaluation of the Board

The Board of Directors evaluates its performance and interaction with the executive management at least every three years.

The Board of Directors performed a new evaluation at the end of 2024 after a previous evaluation in 2021 together with external partner Guberna. The Board members were invited to answer an extensive questionnaire, followed by an interview between Guberna and each individual Board member. The Board members were asked for their opinion on corporate governance at Proximus. The evaluation especially focused on the creation, scope, composition, and functioning of the committees. This evaluation will be concluded in 2025.

Non-executive directors regularly evaluate their interaction with the executive management and meet at least once a year without the CEO. At the beginning of every year, the committee chairs submit their annual reports to the Board of Directors.

11.2.6 Leadership Squad

Chief Executive Officer

In its meeting of November 27, 2019, the Board of Directors appointed Mr. Guillaume Boutin as new CEO. The CEO is entrusted with day-to-day management and reports to the Board of Directors. Moreover, the Board of Directors has delegated broad powers to the CEO. The contract of Mr. Guillaume Boutin is a renewable six-year fixed-term contract that started on 1 December 2019 and which was renewed on 26 July 2024 for another term of 6 years until 30 June 2030.

The AGM of 17 April 2024 extended his mandate as Board member until the AGM to be held in 2028. On February 7, 2025, before the closing of this management report, the Proximus Group announced that its CEO, Guillaume Boutin, would be leaving the company by mid-May 2025.

This report covers the company's performance and achievements under Guillaume Boutin's leadership in the 2024 reporting period

The members of the Proximus Leadership Squad, other than Mr. Guillaume Boutin, the CEO, are Mrs. Anne-Sophie Lotgering, Mrs. Antonietta Mastroianni, Messrs. Ben Appel, Jim Casteele, Mark Reid, Geert Standaert, Renaud Tilmans and Jan Van Acoleyen.

Proximus has appointed members of the Proximus Leadership Squad and of its staff to exercise mandates in companies, groups and organisms in which it has participations and is involved. Such mandates are not remunerated. A list of the people concerned is given in section 'Mandates exercised in companies in which Proximus participates' of this report.

12. Remuneration of Board of directors and executive management board

The remuneration policies of the Directors and of the Leadership Squad are inspired by current legislation, and by the Belgian Corporate Governance Code 2020 ("the 2020 Corporate Governance Code") as well as by the market practices and trends, but also according to the Proximus context, its specific strategies and its ambition to participate in an inclusive, secure, sustainable and prosperous digital Belgium.

Our company is taking particular care to provide relevant and transparent information on the general principles governing its remuneration policy and the level of remuneration of the members of the Board of Directors and of the Leadership Squad. A slightly adapted version of the Proximus Remuneration Policy has been approved during the General Meeting of Shareholders of Proximus on 17 April 2024 and is available on the corporate website of Proximus (Remuneration policy | Proximus Group). A new version of the Proximus Remuneration Policy will be submitted to the votes of the shareholders at the General Meeting of Shareholders of Proximus on 14 April 2025.

Unless otherwise stated, all amounts in this remuneration report are presented as gross amounts. For employees this is the gross salary (excl. employer's social contribution) and for self-employed employees this is the gross remuneration (excluding VAT), unless the amount of the tax benefit applies.

12.1 Remuneration of the members of the Board of Directors

12.1.1 Structure of the remuneration of the members of the Board of Directors

The principle of continuity with the past has been maintained. The remuneration adopted by the General Assembly of 2004 has remained applicable in 2024 and no substantial change of the policy is expected for the coming years.

The Board of Directors is composed of no more than fourteen members, including the Chief Executive Officer ("the CEO"). The CEO is the only executive member at the Board, all other members are non-executive Directors.

Since 2024, the CEO is not remunerated for the exercise of his mandate as member of the Board of Directors and of the Committees, nor for any other mandate within the Group subsidiaries Boards of Directors.

The non-executive Directors are remunerated as follows:

- For the Chairman of the Board of Directors:
  - An annual fixed compensation of EUR 50,000 granted pro rata temporis of the duration of the mandate.
  - An attendance fee of EUR 10,000 per attended meeting of the Board of Directors.
  - An attendance fee of EUR 2,500 per attended meeting as a member of an advisory committee of the Board of Directors. This fee is doubled per attended meeting as chairman of this advisory committee.
  - An annual fixed allowance of EUR 4,000 for communication costs
  - The use of a company car
- For the other members of the Board of Directors:
  - An annual fixed compensation of EUR 25,000 granted pro rata temporis of the duration of the mandate.
  - An attendance fee of EUR 5,000 per attended meeting of the Board of Directors.
  - An attendance fee of EUR 2,500 per attended meeting as a member of an advisory committee of the Board of Directors. This fee is doubled per attended meeting as chairman of this advisory committee.
  - An annual fixed allowance of EUR 2,000 for communication costs.

Summarized as follows:

	Chairman of the Board of Directors	Non-executive Director
Annual fixed compensation	EUR 50,000	EUR 25,000
Attendance fee to meetings		
Board of Directors	EUR 10,000	EUR 5,000
Committee as Chairman of the Committee	EUR 5,000	EUR 5,000
Committee as member of the Committee	EUR 2,500	EUR 2,500
Allowance for communication costs	EUR 4,000	EUR 2,000

These amounts are paid semi-annually and are not subject to indexation.

For the performance of their Board mandates, the non-executive Directors do not receive any variable performance-based remuneration, nor do they receive benefits linked to complementary pension plans or any other group insurance.

Although the 2020 Corporate Governance Code recommends that non-executive board members should receive part of their remuneration in the form of shares in the company, the company has decided not to comply with this provision taking into account its specific shareholdership, having the Belgian State as majority shareholder.

The Chairman of the Board of Directors is also Chairman of the Joint Committee, the Pension Fund and Proximus ART. He is member of the Board of ConnectImmo, our immo-affiliate. He does not receive any fees for **these mandates.**

12.1.2 Remuneration granted to the members of the Board of Directors in 2024

The total amount of the remunerations granted in 2024 to all the members of the Board of Directors, Chairman included, is amounting to gross EUR 1,296,068.

Board of Directors

meetings 10 | attendance rate 98%

Audit & Compliance Committee

meetings 6 | attendance rate 100%

Nomination & Remuneration Committee

meetings 6 | attendance rate 93%

Transformation & Innovation Committee

meetings 2 | attendance rate 100%

International Committee

meetings 2 | attendance rate 100%

Given the strong evolution of the international pillar of Proximus, the Board of Directors decided at its meeting of 19 December 2023 to create an International Committee as of 2024 with the purpose to ensure Board oversight on all international activities of the Group.

The overview of the individual gross amounts paid out to the Directors in 2024, based on their activities and attendance to Board and Committee meetings, is presented in the following table.

Remuneration granted to the members of the Board of Directors in 2024

Directors	Annual fix compensation	Attendance fees[1]	Allowance[2]	TOTAL 2024
Caroline Basyn[3]	17,691 €	47,500 €	1,415 €	66,607 €
Cécile Coune	25,000 €	70,000 €	2,000 €	97,000 €
Stefaan De Clerck	50,000 €	165,000 €	7,461 €	222,461 €
Guillaume Boutin				
Karel De Gucht	25,000 €	70,000 €	2,000 €	97,000 €
Béatrice de Mahieu	25,000 €	55,000 €	2,000 €	82,000 €
Martin De Prycker	25,000 €	70,000 €	2,000 €	97,000 €
Audrey Hanard	25,000 €	55,000 €	2,000 €	82,000 €
Ibrahim Ouassari	25,000 €	55,000 €	2,000 €	82,000 €
Catherine Rutten	25,000 €	60,000 €	2,000 €	87,000 €
Joachim Sonne[4]	25,000 €	70,000 €	2,000 €	97,000 €
Claire Tillekaerts	25,000 €	70,000 €	2,000 €	97,000 €
Catherine Vandenborre	25,000 €	75,000 €	2,000 €	102,000 €
Luc Van den hove4	25,000 €	60,000 €	2,000 €	87,000 €
TOTAL	**342,691 €**	**922,500 €**	**30,877 €**	**1,296,068 €**

[1] *Extraordinary remunerated Board meetings on 20 June, 31 July and 21 November 2024. New Committee (International Committee) as of 2024.*

[2] *Annual fixed telecom allowance. For the Chairman, this amount also includes the benefit in kind related to the use of company car, which amounted to 3,461 € in 2024.*

[3] *Appointed on 17 April 2024*

[4] *Mandate renewed on 17 April 2024*

The following table gives an overview of the remuneration granted over the last 5 years to members of the Board of Directors, Chairman included. The year-over-year variance is solely due to the number of board and committee meetings held per calendar year and the attendance or absence of members at these meetings.

Remuneration granted to the members of the Board of Directors over 5 years

Total 2020	TOTAL 2021	TOTAL 2022	TOTAL 2023	TOTAL 2024
1,231,116 €	1,192,366 €	987,723 €	1,491,432 €	1,296,068 €
year-over-year variance	*-3.1%*	*-17.2%*	*+51.0%*	*-13.1%*

proximus

12.2 Global Rewards Program – general vision

As provider of digital services and communication solutions, our company is operating in a complex, dynamic and constantly changing environment, on a highly competitive and rapidly evolving Belgian and international telecom market.

To achieve our transformation, ambitions and objectives, and so ensure the long-term sustainability of our Group, we need qualified, talented and highly committed employees and managers, working in close cooperation, building resilience and promoting our culture and values. We indeed consider the promotion of our Think possible culture as key to realize our strategy. Think possible is first and foremost a mindset that makes us see opportunities everywhere. It is also a set of principles and behaviours that guide us in finding the best solutions for our customers.

It is therefore critical to have a competitive and market attractive Global Rewards Program for both the Leadership Squad members and all other members of the Top Management, as well as for the entire workforce. The competitiveness of our Global Rewards Program is regularly assessed by using the services of a human capital and employee benefits consulting company.

Our company has innovative, competitive and market attractive remuneration policies and practices that are regularly assessed and updated through close cooperation with universities, salary benchmark reports from specialized companies and external human resources fora. The practices used for the remuneration of our employees – wages and working conditions included – are based on the principles of non-discrimination and fairness and are defined in a process of dialogue with the Board of Directors and with the social partners.

In view of its history as a company under public law, our company presents certain differences, in its dynamics and structure, compared to the private sector. These differences have had a considerable influence on the evolution of its remuneration policy. Our human resources department has thus developed creative and modular programs to meet our obligations related to the statutory nature of the employment of certain staff members and has introduced new elements that have made it possible to harmonize policies between statutory and contractual staff members.

The main objectives of our Global Rewards Program are as follows:

- To drive performance that generates long-term profitable growth and create long-term value for our Group as a reference operator;
- To stimulate empowerment to meet our commitment to participate in the creation of an inclusive, safe, sustainable and prosperous digital Belgium;
- To offer a fair and equitable remuneration to our staff (both to civil servants and to the contractual employees), and competitive on the market;
- To recognize and reward high performance in line with our company values and our culture “Think Possible”;
- To link pay to both individual performance and the overall success of our company in order to reinforce the alignment with the business strategy and successful execution;
- To enable our company to attract and retain market’s talents at all levels, offering them to live intuitive and meaningful experiences, to create a place of work where these talents can be the best version of themselves and to get them ready to win our company’s challenges of today and tomorrow;
- To combine the needs and responsibilities of employees and their families with those of the company and society at large.

Our company also maintains – and modernises – additional motivational instruments, such as work- life benefits (e.g. hospitalisation and homeworking facilities), social assistance and wellbeing initiatives offered to all employees, Leadership Squad members included.

Our priority is to work on the basis of remuneration practices that prepare the future and support the promise made to our employees to empower them to take accountability, to achieve our company's ambition and strategic objectives and to make them proud of the successes we achieve together.

12.3 Remuneration of the members of the Leadership Squad

12.3.1 Decision-making process

The remuneration program of the Leadership Squad and the individual remuneration packages are set by the Board of Directors upon recommendations from the Nomination & Remuneration Committee. The individual remuneration packages are defined according to the individual responsibilities, sustained performance, critical skills and market practices. The Board of Directors always makes sure that the remuneration policies for the Leadership Squad are consistent with our company's overall remuneration framework.

Competitiveness of the remuneration of the Leadership Squad

The remuneration policies and practices applicable to the Leadership Squad are aimed to attract and retain talented executives, reward them competitively and at rates that are attractive in the market, promote sustainable value creation, align the interests of management and shareholders and comply with the governance rules applicable in Belgium. Although the 2020 Belgian Corporate Governance Code recommends that the Board should set a minimum threshold of shares to be held by the members of the Leadership Squad, the company did decide in the past not to comply with this provision taking into account its specific shareholdership, having the Belgian State as majority shareholder. Nevertheless, in view of our Group's increasing internationalization, our company is considering introducing share-based compensation in the future, and did it exceptionally in 2024 for the CEO, which enables a better compliance with the Belgian Corporate Governance Code.

To achieve its transformation, ambitions and objectives, and thus ensure the long-term sustainability of the Group, our company intends to attract and retain qualified, talented and committed leaders for its Leadership Squad. We want to recognize clear role models, who deliver a high level of performance and promote our culture and values.

Like the rest of the top management of our company, the members of the Leadership Squad benefit from dedicated reward programs which focus on the principles of our strategy to consistently reward high performance of individuals and of the company. A significant part of their total remuneration is variable, based on stringent quantitative and qualitative performance criteria, and is driven by our company's objectives in terms of performance and growth and by our company's commitment to contribute to an inclusive, safe, sustainable and prosperous digital Belgium. This way, our company wants to encourage them to deliver a long-term, sustainable profitable growth, in line with our Group's strategy and the expectations of our shareholders.

The market positioning of these remuneration packages is reviewed on a regular basis by benchmarking the remuneration of the members of our Leadership Squad against both the BEL 20 companies (financial sector excluded) and a set of peer companies in the European Telecommunications and ICT sector. This analysis is carried out by specialized and independent external consultants.

This analysis aims to ensure that the global remuneration of each member of the Leadership Squad remains adequate, reflecting the complexity inherent in his/her role, fair and in line with market practices and consistent with the evolution of both his/her responsibilities and the market situation of the Proximus Group in terms of size, scope of activities and financial results. As a company, we ambition to position ourselves on the market median, which is our reference.

To distinguish ourselves from other employers, our company seeks to differentiate in the total package offered, by providing not only a cash remuneration but also other benefits. A limited degree of freedom is also left to the top management, the CEO and the other members of the Leadership Squad included, with regard to the choice of the pay-out means of their variable compensation.

Unless otherwise stated, all the amounts mentioned in this report are gross amounts before employer's social contribution.

12.3.2 Remuneration structure of the Leadership Squad

The remuneration of the members of the Leadership Squad is built upon the following components:

- Fixed remuneration
- Short-term variable remuneration
- Deferred share-based remuneration
- Other long-term variable remuneration
- Group insurance premiums
- Other benefits
- One-off and exceptional bonuses

Current variable remuneration policy is aligned for all Leadership Squad members, CEO included. The target percentage of both the short and long-term variable remuneration amounts to 40% of the fixed remuneration, meaning that half of the CEO's variable remuneration is long-term, deferred over a 3-year period. This way, our company fully complies with the Article 7.91 of the 2020 Belgian Code on Corporate Governance, which stipulates that at least 50% of the variable remuneration should be deferred. For the CEO, the percentages of variable remuneration are only applicable on the annual fixed remuneration perceived for his responsibilities within Proximus.

Relative importance of the various components of the on-target remuneration before employer's social contribution (end 2024)

The CEO has been offered the opportunity to receive up to 75,000 Proximus shares on July 31st, 2024 by the Board of Directors of Proximus, a special success fee aiming to reward the different milestones, realized in the development, preparation and execution of the international strategy of the Proximus Group. The CEO did accept the total number of shares, and therefore paid the personal income tax due. These shares are subject to a blocking period of three years. Given the unique and exceptional nature of this opportunity, it is not included in the chart related to on-target remuneration.

The other members of the Leadership Squad do not receive any remuneration in the form of Proximus shares or Proximus stock options. But in view of our Group's increasing internationalization, our company is considering introducing share-based compensation as part of the Remuneration Policy which would enable a better compliance with the Belgian Corporate Governance Code.

12.3.2.1 Fixed remuneration

The fixed remuneration consists of a fixed salary earned by the CEO and by the other members of the Leadership Squad for the reported year in such respective roles. This remuneration is defined by the nature and the specificities of the function and by the level of individual skills and experience, considering market practices. This remuneration is allocated regardless of the results and is contractually subject to the consumer price index3.

The fixed remuneration of the CEO is set by the Board of Directors at the beginning of his six-year mandate for the duration of his mandate. In order to ensure strategic continuity, an amendment to current management services agreement of the CEO has been signed in 2024 further to the decision taken by the Board of Directors to already renew the CEO's mandate for a new term of six years as from July 2024, ending on June 30, 2030. As announced early February 2025, Guillaume Boutin has decided to leave the Proximus Group by mid-May 2025.

The prolongation came with some modifications to the remuneration package of the CEO. His basic existing remuneration package remains unchanged. However, the additional remuneration Guillaume Boutin receives for his international responsibilities has been adapted to reflect the evolving international activities of the Group and the broader scope of his function as CEO of Proximus Global, encompassing the responsibilities over BICS, Telesign and Route Mobile.

This additional remuneration has been fixed at EUR 400,000 gross per year as of 2024 and is contractually subject to the consumer price index and replaces the fees paid to Guillaume Boutin by Telesign US until end 2023 for his mandate as Chairman of the Board of Directors of Telesign US. This amendment also foresees a possible variable remuneration in case such variable remuneration would be introduced for the Proximus Global management team.

The fixed remuneration of the Leadership Squad members others than the CEO is regularly assessed by the Nomination & Remuneration Committee, based on an extensive review of sustained performance and assessment of potential of each member provided by the CEO, as well as on external benchmarking data on market practices.

[3] *in accordance with the rules laid down by the Law of 1 March 1977 organising a system of linking certain public sector expenditure to the State consumer price index, as amended by Royal Decree No 178 of 30 December 1982*

Thereby, the evolution of the fixed remuneration depends on the competency level of the Leadership Squad member, of his or her sustained performance level, of the evolution of his or her responsibilities, as well as of the evolution of the market. Possible adjustments are always submitted to the Board of Directors for approval.

Fixed remuneration in kEUR before employer's social contribution over 5 years

As for the CEO, the increase from 2023 to 2024 is due to the additional annual gross compensation granted in the frame of the amendment to his current management services agreement (see more info in the second paragraph above) for his mandate as CEO of Proximus Global of 400.000 EUR as from 2024, as per Board decision. The evolution is also due to the two indexes which had to be applied in 2023 and one index in 2024. Indeed, Proximus follows the public sector indexation system. In practice, this means that as soon as the pivot index is exceeded, salaries are automatically increased by 2% two months after the index is exceeded.

As for the other members of the Leadership Squad, the increase from 2023 to 2024 is also mainly due to the two indexes of 2023 and one index in 2024.

In 2022 and 2023, fees were paid by TeleSign US to Guillaume Boutin for his mandate as Chairman of the Board of Directors of TeleSign US, amounting to 75,000 USD, as is common practice in the United States. These fees were not included in the fixed remuneration reported in the Remuneration Reports of 2022 and 2023, which focused on the compensation items related to Proximus S.A. These fees are not granted to Guillaume Boutin anymore as of 2024 given his additional annual gross compensation as CEO of Proximus Global.

12.3.2.2 Short-term variable remuneration

A. Purpose and components of the short-term variable remuneration

The members of the Leadership Squad, CEO included, receive a target short-term variable remuneration expressed as a percentage of the annual fixed remuneration. This target percentage is identical for all Leadership Squad members, CEO included, and amounts to 40% of the fixed remuneration. For the CEO, this percentage is only applicable on the annual fixed remuneration perceived for his responsibilities with Proximus SA.

Our short-term variable remuneration system has been designed to support the strategy and the values of our Group and to enhance a performance-based management culture.

Our company indeed considers close collaboration of all employees to be imperative. All efforts need to be focused and aligned towards the Group's ambition to be successful and ensure its sustainability.

The Group results are therefore highly impacting (for 60%) the short-term variable remuneration of the members of the Leadership Squad, on top of the individual performance (for 40%), and this in line with our company values.

B. Group performance – Key Performance Indicators (KPI's)

The short-term annual variable remuneration is for 60% based on the Group's performance against a set of Key Performance Indicators (KPI's), that are, on a yearly basis, defined by the Board of Directors upon recommendation from the Nomination & Remuneration Committee. These KPI's are the so called STI KPI's (Short Term Incentives KPI's). They focus on our domestic market (Belgium, The Netherlands and Luxemburg).

The amounts of short-term variable remuneration mentioned in the current report are the ones paid out to the Leadership Squad members in the course of 2024 and are thus related to the results of the Group KPI's of the 2023 performance year.

Our 3-year strategic cycle "Bold 2025" comprises a set of 6 strategic pillars, approved by the Board of Directors and applicable to the performance year 2023:

Each strategic pillar has a weight in the overall STI framework, in line with its relative importance for the Group, and has a number of clearly identified, specific, measurable and actionable KPI's associated with it. These KPI's are either of a financial, a non-financial or a mixed nature.

For the sake of confidentiality, the STI KPI's are only reported a posteriori in this report.

The high ESG (Environmental, Social and Governance) ambitions of our Group are reflected in our STI KPI's. The chosen KPI's show our company's commitment to contribute to a more green, circular and safe society. Over the last years, the weight of the ESG and company culture related KPI's in the overall STI framework has been increased, up to 25% for the performance year 2023 in order to reflect the more prominent role we wish to play in society.

A detailed definition for each of the STI KPI's can be found in the following table.

Profitable Growth	Financial	**Domestic Revenue**	5%	Top line revenue generated from the domestic business operations.
	Financial	**Domestic EBITDA**	10%	Underlying EBITDA generated by the domestic business operations.
	Non-Financial	**Broadband & Postpaid GG & Churn**	5%	Gross gains and churn volumes of broadband and mobile postpaid equilines (all segments).
	Financial	**Indirect OPEX**	5%	Indirect OPEX spent in the observed year. Defined as the total domestic OPEX minus the direct domestic OPEX.
Delight Customers	Non-Financial	**NPS**	7,5%	Net Promoter Score, computed as the weighted average of NPS results per customer segment.
	Non-Financial	**CES Fiber**	2,5%	Customer Effort Score Fiber, including migrations from copper to fiber and new fiber customers. Proximus brand only, excluding Scarlet and Mobile Vikings.
	Non-Financial	**Proximus Apps Users**	5%	Monthly number of unique active users of the MyProximus and Proximus+ Apps.
Green & Digital Society	Non-Financial	**Green**	8%	This KPI consists of 2 sub-KPI's: 1. **CO_2 Emissions (5%):** direct and up- & downstream CO_2 emissions related to Proximus' business activities. 2. **Returned Devices (3%):** number of mobile and fixed devices collected for refurbishment or recycling.
	Non-Financial	**Digital Society**	7%	This KPI consists of 2 sub-KPI's: 1. **Cyber Security Resilience (5%):** a measure of our business resilience against cyber security threats/attacks. 2. **Digital Inclusion (2%):** number of people that have been trained through digital inclusion projects from or in co-operation with partners that we support.
Gigabit Network	Non-Financial	**Fiber Construction**	10%	Deployment of our Fiber network: incremental number of Fiber Homes Passed realized in the observed year. Including deployment from Proximus itself and its Joint Ventures partners.
	Non-Financial	**Fiber Filling Rate**	10%	Ratio between the Park of Activate Fiber Homes and the Park of Homes Passed that are eligible for Fiber Activation.
	Non-Financial	**5G Indoor Population Coverage**	5%	Indoor population coverage provided by the Proximus 5G mobile network.

Technology Assets	Non-Financial	**Digital Ecosystems**	8%	This KPI consists of 2 sub-KPI's: 1. **Digital Sales (4%):** digital penetration of our fixed internet, TV and mobile postpaid sales volumes in the residential and small enterprise segments. 2. **Digital Customer Service (4%):** percentage of successful self-service interactions vs. total number of interactions in the domains of billing, administrative support and technical support.
	Non-Financial	**Major Incidents**	2%	Number of major IT/Telco incidents occurred in Proximus networks.
Organisation & Culture	Non-Financial	**Employees**	10%	Measure of our employees' engagement, agility, empowerment, accountability and strategic alignment with respect to our company.
		Total	**100%**	

Measuring methodology: we all go the extra smile!

For each performance indicator, an end-of-year target has been defined, as well as a pay-out interval with a minimum (Min) and a maximum (Max) threshold. The targets and thresholds have been defined in such a way that they stimulate the teams to go the extra (s)mile whilst remaining realistic and achievable. For a KPI that meets its end-of-year target, the short-term variable remuneration pay-out ("Multiplier") is at 100% of its target level. In case of overperformance versus target at year end, the Multiplier linearly grows to a maximum of 200% beyond which it is capped, whilst it linearly decreases to 0% in case of underperformance versus target at year end.

The EBITDA and the Indirect OPEX are determined based on audited financial figures, adjusted to obtain underlying financial figures after exclusion of incidentals. Also CO2 results are submitted to an external audit. Non-financial indicators are measured by internal experts and external agencies specialized in market and customer intelligence.

The achievements of these KPI's are regularly followed-up at the Leadership Squad and are discussed at the Remuneration Committee and at the Board of Directors.

C. Individual performance

The individual performance is taken into account for 40% in the short-term variable remuneration.

On top of the Group results, the individual performance is annually evaluated in the course of the first quarter following the end of the financial year by the Board of Directors. This evaluation is based on the recommendations made by the Chairman of the Board of Directors for the CEO performance and by the CEO for the other members of the Leadership Squad.

Throughout each performance period, the achievements of the on-going year are regularly measured and discussed.

The final evaluation takes into account the realizations versus predefined measurable individual objectives as well as the achievements of the Leadership Squad members in their leadership role and their active role in the promotion of our company culture and values.

These individual objectives are set every year in line with the specific role and responsibilities of each Leadership Squad member and need to reflect our long-term corporate strategy which is cascaded within the company and included in the individual objectives as to enable our Group to fulfil its ambitions.

ESG-related metrics are part of the individual annual targets, such as climate change KPI's (aiming to reduce our environmental footprint, that of our customers and that of our suppliers), a positive influence on (digital) society, governance KPI's or parameters with a social responsibility dimension.

Our company wants to encourage permanent awareness and climate-friendly behaviour and management.

We are committed to stimulate high and sustainable levels of performance in a spirit of innovation, collaboration, agility and personal development.

Upon final evaluation, the Board of Directors will not only take into consideration the individual differentiation between the members of the Leadership Squad in terms of performance and talent but will also ensure that the total amount allocated for individual performance is in line with the results at Group level, in order to consolidate the interdependence between the individual contribution and the company's performance.

D. Short-term variable remuneration allocation

As mentioned above, the amount effectively paid to the CEO and to the other members of the Leadership Squad varies according to the Group results (for 60%) and to the evaluation of the individual performances (for 40%) by the Board of Directors.

2023 performance year	Objectives of the Short-term variable remuneration		weight
CEO and other members of the Leadership Squad	Group KPI	Profitable growth	15%
		Delight Customers	9%
		Green & Digital Society	9%
		Gigabit network	15%
		Technology assets	6%
		Organization & culture	6%
	Personal objectives		40%
	Total target		100%

In case of objectives realization at 100%, the CEO or the other members of the Leadership Squad gets 100% of his or her short-term variable remuneration target amount. In case of excellent performance at Group and individual level, the short-term variable remuneration can go above the 100% of the target amount, with a cap at 200%, according to a linear allocation curve. Conversely, this percentage can drop down to 0% in case of severe underperformance.

The Board of Directors ensures that the amount allocated for individual performance is consistent with the company's performance. However, there is no overall ceiling directly linked to the Group KPI results for the total individual short-term variable remuneration allocated to the Leadership Squad members others than the

CEO. Allocations are made individually on the basis of actual performance against individual targets, in line with market practice for this level of responsibility.

One of the principles of our company's remuneration policy is the degree of freedom for the top management, the CEO and the other members of the Leadership Squad included, with regard to the choice of pay out means of their variable remuneration. They therefore get the **opportunity to invest part of their short-term variable** remuneration in a bonus pension plan, i.e. an additional supplementary pension plan, and to receive part of their short-term variable remuneration in cash bonuses, in non-recurring benefit or in (non-Proximus) warrants or fund options, always within the limits of the relevant regulations.

Short-term variable remuneration in kEUR before employer's social contribution over 5 years

In 2024, a short-term variable remuneration has been allocated to the CEO for a total amount of gross EUR 329,604. The increase noticed in 2024 is mainly due to the variation in the Group KPI result but is also due to the 2 indexations applied on the fixed remuneration in 2023. The amount reported for 2020 included the amount paid to the current CEO, Mr. Boutin (EUR 18,833 gross) but also included the amount (EUR 440,000 gross) paid out to former CEO, Mrs. Leroy, for her performance years 2017 to 2019.

The total short-term variable remuneration effectively allocated in 2024 to the other members of the Leadership Squad (2023 performance year) amounts to gross EUR 2,001,657. As for the CEO, the increase noticed in 2024 is mainly due to the variation in the Group KPI result but is also due to the 2 indexations applied on the fixed remuneration in 2023 and is also resulting from the changes in the composition of the Leadership Squad over in 2023 and from the fact that there is no longer an overall ceiling directly linked to the Group KPI results for the total individual short-term variable remuneration (as explained above). The other year-to-year variations are mainly due to the same reasons.

proximus

12.3.2.3 Deferred share-based remuneration

As mentioned earlier in this document, the Board of Directors decided in July 2024 to grant a one-time special success fee of 75,000 shares (subject to Belgian personal income taxes) to the CEO to reward the different milestones realized in the development, preparation and execution of the international strategy of the Proximus Group. Such a remuneration in shares for top executives is recommended by the Belgian Corporate Governance Code 2020 and standard practice in the international business landscape. It was also a clear demand from shareholders at the latest General Shareholders Meeting. It clearly demonstrates the engagement and commitment of Guillaume Boutin to drive further growth and the concrete execution of the developed strategy. It proves the shared belief of the Board of Directors and the CEO in the future of the company and its sustainable capacity to create future value.

These 75,000 shares – with voting and dividends rights – were granted at closing share price of July 31st, 2024, and are subject to a blocking period of three years.

The CEO did accept the 75,000 number of shares. The amount reported in current Remuneration Report, i.e. EUR 431,250 € gross, is the amount of benefit in kind on which the personal income tax due as per Belgian legislation has been paid by the CEO.

The deferred nature of this exceptional reward – through the 3-year vesting period, ending on July 31st, 2027 – motivates the CEO to drive long-term value creation by aligning his interests with the long-term strategic goals of the company.

The other members of the Leadership Squad did not receive any Proximus shares in 2024, nor over the last 5 years.

The CEO and the other members of the Leadership Squad did not receive any Proximus stock options over the last 5 years neither. But our company will ask the introduction of share-based compensation as of 2025 during the General Assembly of April 2025, which would also enable a better compliance with the Belgian Corporate Governance Code. This share-based compensation would count for 50% of the long-term variable remuneration (see hereafter) while the long-term Performance Value Plan would remain counting for the other 50% of the long-term variable remuneration.

Features of the One-time Deferred share-based remuneration granted to the CEO in 2024

Beneficiary	Main conditions of share award plan					Information regarding the reported financial year					
						Opening balance	During the year		Closing balance		
	Tranche	Performance period	Award date	Vesting date	End of retention period	Shares held at the beginning of the year	Shares awarded	Shares vested	Shares subject to a performance conditions	Shares awarded and unvested at year end	Shares subject to a retention period
CEO	2024	2024-2027	31/07/2024	01/08/2027	31/07/2024	0 shares	75.000 shares	0 shares	0 shares	75.000 shares	0 shares

proximus

12.3.2.4 Other long-term variable remuneration Deferred bonus over 3 years

A. Purpose and components of this long-term variable remuneration

Our company wants to encourage its Leadership Squad, as well as the other members of its top management, to generate sustainable and profitable performance and growth over the long term, in line with our strategy at Group level, our societal ambitions and the expectations of our shareholders and all our other stakeholders.

To achieve this ambition, the remuneration policy of our Leadership Squad, CEO included, significantly links their variable remuneration to our Group's long-term financial and non-financial strategic objectives through a long-term variable remuneration.

B. Long-term variable remuneration allocation

The members of the Leadership Squad, CEO included, receive a target long-term variable remuneration expressed in a percentage of the fixed remuneration. This target percentage is the same as the percentage of their target short-term variable remuneration, i.e. 40% of the annual fixed remuneration.

This means that half of the CEO's variable remuneration is long-term, deferred over a 3-year period. This way, our company fully complies with the Article 7.91 of the 2020 Belgian Code on Corporate Governance, which stipulates that at least 50% of the variable remuneration should be deferred.

The long-term variable remuneration is allocated to the members of the Leadership Squad by the Board of Directors upon recommendations made by the Nomination & Remuneration Committee. The long-term incentives plan currently in place is a long-term Performance Value Plan, which has been adopted by our company in 2013 and has been reviewed in 2019 and 2022.

C. Long-term Performance Value Plan

The long-term incentive plan offered by our company to its executives is currently set up as a Performance Value Plan. Under this Performance Value Plan, targets are defined and fixed for the next 3 years and as a result, the awards granted are blocked for a period of 3 years. The amount actually paid after vesting, will depend on a final multiplier as described below.

This plan has been designed to keep the long-term variable remuneration of the executives balanced and attractive while maximizing Proximus Group's long-term value by aligning the interests of Proximus Group's executives with Proximus Group's shareholders and stakeholders. It aims to ensure that the actions and initiatives taken by the executives are guided by long-term and sustainable interests. Therefore, this remuneration clearly constitutes a long-term incentive.

Leadership Squad members who would put an end to their employment relationship with our company before the end of the blocking period would lose the awards granted. This rule also applies in case the company puts an end to an employment relationship for serious cause on the part of a member of the Leadership Squad.

D. Long-term Performance Value Plan Key Performance Indicators

Just like the STI KPI's, the Key Performance Indicators used in the frame of the Long-term Performance Value Plan - the so called LTI KPI's - are also related to the strategic goals of our Group and enable us to assess the progresses of our Group towards our societal ambitions, strategy and sustainability on the long term.

We keep the future in mind

In order to reflect the high ESG (Environmental, Social and Governance) ambitions of our Group in our LTI KPI's as well, a fourth KPI, specifically related to ESG matters, has been added to the original ones since 2022. This way, encouraging ESG innovation, we want to increase the focus on our efforts to evolve towards a more sustainable society. This ESG KPI will be reviewed over the years in line with our ESG concerns and long-term commitment to contribute to the necessary changes.

If the introduction of share-based compensation as of 2025 is accepted by the shareholders during the General Assembly of April 2025, this share-based compensation would count for 50% of the long-term variable remuneration while the long-term Performance Value Plan would remain counting for the other 50% of the long-term variable remuneration. In our ongoing commitment to sustainability performance and responsible business practices, we would then update the Key Performance Indicators of our Performance Value Plan by only keeping two kinds of KPIs: reputation and ESG portfolio. By concentrating on just two KPIs, we can ensure a sharper focus and will drive the behaviors and outcomes on the areas that are most critical to our long-term success and positive societal impact.

In 2024, 4 KPI's have been defined which enhance the sense of long-term and sustainable business vision among Proximus Group's senior management and support Proximus in delivering sustainable Free Cash Flow and improving our brand perception and reputation:

- 2 financial KPI's: The Total Shareholder Return of Proximus and the Group Free Cash Flow
- 2 non-financial KPI's: The Reputation index of Proximus and an ESG (Environmental, Social and Governance) KPI

The KPI's have been given different weights in the overall Long-term Performance Value Plan framework, in line with their relative importance in terms of long-term sustainability of the Group. The weight of each KPI has been reviewed with the introduction of the ESG KPI as 4th KPI. A detailed definition for each of the KPI's, as well as their weight factors, can be found in the following table.

LTI KPI	Weight	KPI Definition and Measurement
Total Shareholder Return	25%	This criterium reflects Proximus' long-term competitivity on the European telecom market by measuring its position against a representative basket of comparable European companies with respect to their Total Shareholder Return. The Total Shareholder Return being defined as the combination of share price appreciation and the dividends paid to show the total return to the shareholder. Current basket of European companies is the following: Deutsche Telekom, Orange, KPN, BT, Swisscom, Telefonica, Telecom Italia, Telenor, TeliaSonera and OTE. This KPI is measured annually, per calendar year, and the annual result is expressed as a percentage between 0 and 175, depending on the ranking of Proximus within the peer group.
Group Free Cash Flow	25%	The Group Free Cash Flow KPI will measure Proximus' healthy financial evolution over the years. Group Free Cash Flow targets are defined by Proximus' Board of Directors in line with the 3-year plan. This KPI is assessed annually against the objectives set and the annual result is expressed as a percentage between 0 and 175.
Proximus' Reputation	25%	The Reputation Index is a holistic, measurable and actionable KPI enabling Proximus to fully integrate the concept of reputation into its long-term strategy. It measures the perception about "the company behind the brand" among a representative sample of the general public, (co-) responsible for telecom decisions in their household. A third-party company reports the annual results which are expressed as a percentage between 0 and 175.
ESG KPI	25%	This ESG KPI reflects the high ambitions of Proximus to evolve towards a more sustainable society. The KPI currently covers the companywide CO2 emissions reduction as well as a gender equality metric, but additional ESG metrics could be considered to enrich the ESG KPI, in line with Proximus societal ambitions, strategy and sustainability on the long term.

For the Reputation, the ESG KPI and the Group Free Cash Flow, targets and thresholds are defined in such a way that they stimulate the teams to go the extra (s)mile whilst remaining realistic and achievable on the long-term.

Each year, an annual result is calculated on the basis of the weighted average of the 4 above-mentioned performance criteria. After the blocking period of 3 years, the Performance Values vest and the Performance Values are then paid to the beneficiaries according to the final multiplier, being the average of the three yearly multipliers.

In case of final multiplier at 100%, the executives get 100% of the long-term variable remuneration originally granted to them. In case of sustained excellent Group performance over this 3-year period, the final multiplier for the long-term variable remuneration can go above the 100%, with a cap at 175%. Conversely, this percentage can drop down to 0% in case of severe underperformance.

The payment of the Performance Values is made through a cash bonus.

Long-term variable remuneration granted in kEUR before employer's social contribution over 5 years

Given Mr. Boutin started his CEO mandate in December 2019, only the long-term variable remuneration allocated to him in the course of 2020 for one month performance in his CEO role is included in the reported granted amount for 2020. In 2024, a long-term variable remuneration has been granted to the CEO for a total amount of gross EUR 230,190.

The total long-term variable remuneration effectively granted to the members of the Leadership Squad others than the CEO was amounting to gross EUR 1,324,130 in 2024 and to gross EUR 1,282,784 in 2023.

The year-to-year variations for the CEO and the other members of the Leadership Squad are mainly resulting from the two indexations applied on the fixed remuneration in 2023.

12.3.2.5 Group insurance premiums

A. Complementary pension

The CEO participates in a complementary pension scheme entirely financed by Proximus which foresees an annual defined contribution calculated as a percentage of the fixed remuneration. This percentage amounts to 10%, only calculated on the fixed remuneration related to his role as CEO of Proximus.

Formula for complementary pension of the CEO = 10% * W

W = reference salary as CEO of Proximus = monthly fixed salary multiplied by 12

The other members of the Leadership Squad participate in a complementary pension scheme entirely financed by Proximus which consists of a “Defined Benefit Plan” offering pension rights which are in line with market practices. This scheme therefore corresponds to a promise made by the company of a certain amount at retirement age based on the plan rules, an amount that does not depend on an investment return.

Formula for complementary pension of the other members of the Leadership Squad

$$= N/60 * W - N/45 * ELP$$

N = number of service years expressed in months and years

W = reference salary = monthly fixed salary multiplied by 12

ELP = Estimated Legal Pension = the legal pension ceiling

B. Other group insurances

The CEO and the other members of the Leadership Squad also benefit from other group insurances in line with market practices, such as life and invalidity insurances.

As for the life insurance, the beneficiaries of the CEO or of another member of the Leadership Squad will receive, in the event of death during the term of his or her contract, a gross capital lump equal to the monthly fixed salary multiplied by 60. For the CEO, this formula only applies on his monthly fixed salary for his role as CEO of Proximus.

In the event of work incapacity due to illness or private accident, the professional income of the CEO or another member of the Leadership Squad is 100% guaranteed for the first three months of the incapacity. For the CEO, this only applies on his monthly salary for his role as CEO of Proximus. As from the fourth month, the disability insurance covers the payment of a disability annuity by the insurance company on top of the ceiling of the legal sickness-disability insurance provided by the Belgian social security.

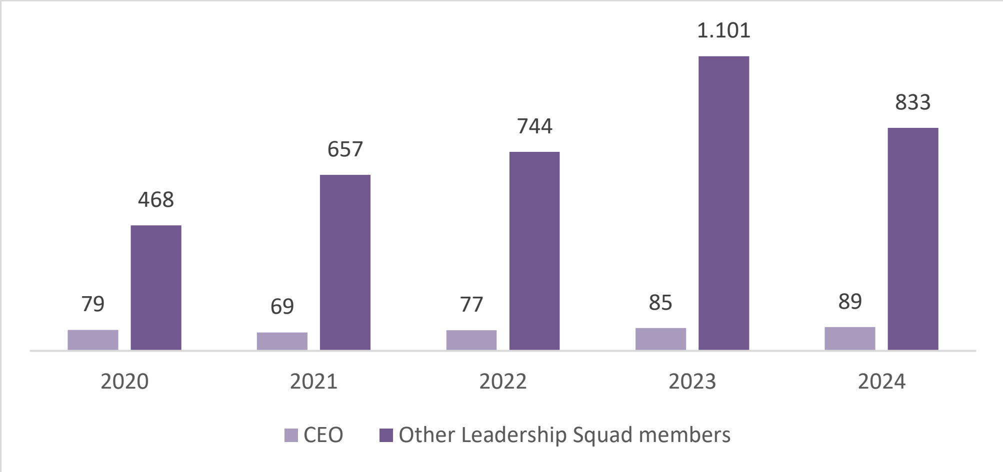
C. Average premiums for the company

The average premiums paid by our company for the group insurances of the CEO in 2024 is estimated to 9% of his fixed remuneration.

As for the other members of the Leadership Squad, the average premiums paid by our company for their group insurances in 2024 amounted to about 25% of their fixed remuneration.

Group insurance premiums in kEUR before employer’s taxes over 5 years

The year-to-year variations for the other members of the Leadership Squad are mainly resulting from the changes in the composition of the Leadership Squad. The increase noticed in 2023 was mainly due to a very specific situation: even though Mr Lybaert retired in September 2023 after a full career, he retired before the age stipulated in the general contract signed with our insurer, implying an additional payment (266 k€) by the company in his complementary pension plan. The increase noticed in 2023 is also the consequence of the multiple indexes of 2022 and 2023.



12.3.2.6 Other benefits

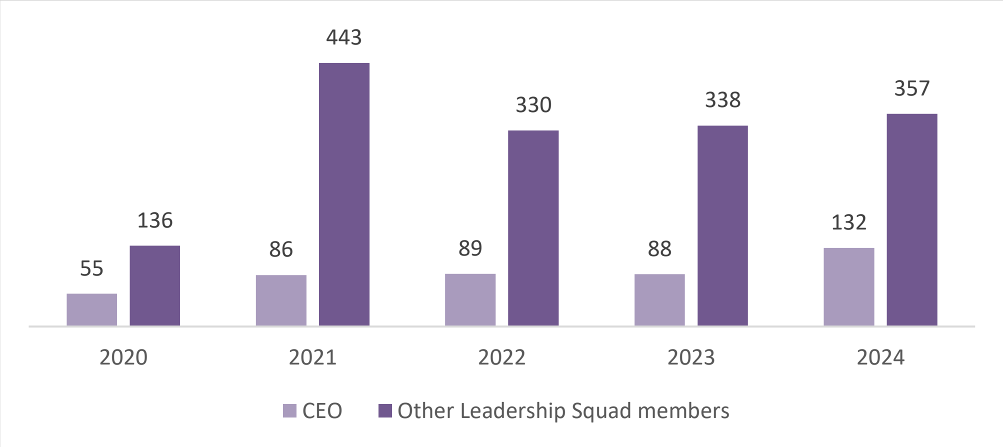
Our Group wants to stimulate its executives by offering a portfolio of benefits and advantages that are competitive in the marketplace and consistent with the Group's culture. The CEO and the other members of the Leadership Squad receive benefits on top of their remuneration, including medical insurance, the use of a company car, welfare benefits and other benefits in kind. Comparative assessments are regularly made on these benefits which are adapted according to the common market practices.

Where feasible, our portfolio of benefits and advantages is tailored and updated in line with our company's ambition to act for a green and digital society. For instance, our mobility program is now focused on clear objectives of a greener fleet and of a wide offer of green alternatives to car use for our employees, members of the Leadership Squad included.

Non-recurring costs – like relocation costs upon recruitment of new members residing abroad, for instance – are impacting the evolution from year to year of the total cost for our company for these benefits and advantages. The ratio versus the fix remuneration can therefore significantly evolve from a year to another. For 2024, this ratio is estimated to 13% for the CEO and to 18% for the other members of the Leadership Squad.

Other benefits in kEUR before employer's taxes over 5 years

The significant increase in other benefits for members of the Leadership Squad in 2021 was mainly due to specific advantages related to the foreign executive status of several members, including the specific costs related to the recruitment of two members from abroad, like the relocation costs.



12.3.2.7 One-off and exceptional bonuses

The Board of Directors may, in exceptional circumstances and upon recommendations made by the Nomination & Remuneration Committee, grant one-off bonuses to one or more members of the Leadership Squad.

This may be necessary, for example, in the case of additional responsibilities exceptionally assumed by a member of the Leadership Squad when a Leadership Squad position is vacant, or in the event that a sign-on or a special retention bonus would be necessary due to market circumstances.

At Leadership Squad level, offering a hiring bonus is common practice in order to attract talented people and convince them to join us. In the "war for talent", hiring bonuses are increasingly common on the market, and are becoming part of employment contracts. In addition to their attraction function, exceptional one-shot variable remuneration is also often granted as financial compensation for the potential loss of variable remuneration (short- and long-term) when the related people resign from their current job.

If granted, such bonuses are reported together with the variable remuneration and are included in the total variable remuneration allocated to the other Leadership Squad members at the time these possible exceptional bonuses are earned. Consequently, if contractual promises for the future exist at the time of publication of this report, they will only be taken into account at the time these will be earned.

12.4 Recovery of undue variable remuneration

A claw back stipulation is part of the contract of the CEO enabling our company to recover the paid short-term and long-term variable remuneration or to withhold the payment of this variable remuneration in the case of established fraud.

As for the other members of the Leadership Squad, the employment contracts of those members appointed as from January 1, 2020 include a specific claw back stipulation regarding the recovery in favour of our company of the short-term and long-term variable remuneration that would have been attributed to them on the basis of erroneous financial information. The employment contracts of those members appointed prior to January 1, 2020, however, do not include such a stipulation.

These stipulations do not mention the way undue variable remuneration would be recovered. If the case were to arise, which seems unlikely in view of the multiple controls and audits carried out before publication of the results, the recovery would be analysed, both in terms of the amounts to be recovered and the way to do it.

12.5 Main provisions of the contractual relationships

Proximus' contractual relations with the CEO and the other members of the Leadership Squad are in line with current market practice.

12.5.1 Contractual arrangement with the CEO

The CEO has a contract as self-employed executive since December 2019 with a fixed six-year term.

On July 25th, 2024, the Board of Directors has unanimously opted for a proactive prolongation of the mandate of Guillaume Boutin and has thus decided to already renew his mandate as Proximus Group CEO for a period of six years. This decision has been officialised in an amendment to current management services agreement of Guillaume Boutin. As announced early February 2025, Guillaume Boutin has decided to leave the Proximus Group by mid-May 2025.

The CEO is bound by a non-competition clause, prohibiting him during 12 months after leaving the Group from working for any company of the telecommunication industry that is active in Belgium, in Luxemburg or in The Netherlands. If activated by our company, the CEO would receive an amount equal to one year's fixed remuneration as compensation.

The CEO is also bound by exclusivity and confidentiality obligations and is liable for respecting the company codes and policies, like the Code of Conduct and the Dealing Code.

If the CEO mandate is revoked by our company before the end of the six-year term, except if the mandate is ended for reason of material breach, our company will pay the CEO a contractual termination indemnity equal to one year's fixed salary and target short-term variable remuneration, including the compensation granted for his mandate as CEO of Proximus Global.

12.5.2 Main contractual terms of the other Leadership Squad members

Our company and the other members of the Leadership Squad are bound by employment agreements for an indefinite period that comply with Belgian corporate governance legislation and are all subject to Belgian jurisdiction.

All members of the Leadership Squad other than the CEO are bound by a non-competition clause prohibiting them during 12 months after leaving the Group from working for any other mobile or fixed licensed operator active on the Belgian market. If activated by our company, he/she would receive an amount equal to six months' fixed remuneration as compensation.

Just like the CEO, the other members of the Leadership Squad are also bound by exclusivity and confidentiality obligations and are liable for respecting the company codes and policies, like the Code of Conduct and the Dealing Code.

They have a contractual termination clause which foresees an indemnity of one year's remuneration. Nevertheless, we will apply the Belgian mandatory employment law if it provides for a longer notice period (or a corresponding higher termination indemnity).

12.6 General overview

Below charts reflect the remuneration allocated to the members of the Leadership Squad over the last 5 years by our company or any other undertaking belonging to the Group (benefit based on gross or net remuneration, depending on the type of benefit).

Remuneration overview of the CEO

As for the increase in the remuneration of Guillaume Boutin in 2024, the Board of Directors has decided to renew his CEO mandate for a new term of six years in July 2024. The prolongation comes with some modifications to the remuneration package of the CEO. His basic existing remuneration package remains unchanged. However, the additional remuneration Guillaume Boutin receives for his international responsibilities has been adapted to reflect the evolving international activities of the Group and the broader scope of his function as CEO of Proximus Global, encompassing the responsibilities over BICS, Telesign and Route Mobile. This remuneration has been fixed at EUR 400,000 gross per year and replaces the fees paid to Guillaume Boutin by Telesign US for his mandate as Chairman of the Board of Directors of Telesign US.

Besides, the Board of Directors decided to grant a one-time special success fee of 75,000 shares (subject to Belgian Taxes) to the CEO with a blocking period of 3 years to reward the different milestones, realized in the development, preparation and execution of the international strategy of the Proximus Group. The CEO did accept the total number of shares. The amount reported in current Remuneration Report, i.e. EUR 431,250 € gross, is the amount of benefit in kind on which the personal income tax due as per Belgian legislation has been paid by the CEO.

CEO	2020	2021	2022	2023	2024
Fixed remuneration	507.492 € *45%*	512.537 € *43%*	549.015 € *42%*	587.226 € *45%*	**1.009.618 €** *45%*
Short-term variable remuneration	458.833 € *40%*	265.614 € *22%*	276.019 € *21%*	301.633 € *23%*	**329.604 €** *15%*
One-time deferred share-based remuneration	0 € *0%*	0 € *0%*	0 € *0%*	0 € *0%*	**431.250 €** *19%*
Other long-Term variable remuneration	18.833 € *2%*	203.996 € *17%*	208.073 € *16%*	229.903 € *18%*	**239.190 €** *11%*
Group insurance premiums	78.550 € *7%*	69.007 € *6%*	76.962 € *6%*	85.470 € *7%*	**89.456 €** *4%*
Other benefits	55.083 € *5%*	86.402 € *7%*	88.660 € *7%*	87.823 € *7%*	**132.163 €** *6%*
SUBTOTAL (excl. employer's social contribution)	**1.118.791 €**	**1.137.556 €**	**1.198.729 €**	**1.292.055 €**	**2.231.281 €**
Termination benefits	0 € *0%*	0 € *0%*	0 € *0%*	0 € *0%*	**0 €** *0%*
TOTAL (excl. employer's social contribution)	**1.118.791 €**	**1.137.556 €**	**1.198.729 €**	**1.292.055 €**	**2.231.281 €**

All these amounts are gross amounts before employer's possible charge.

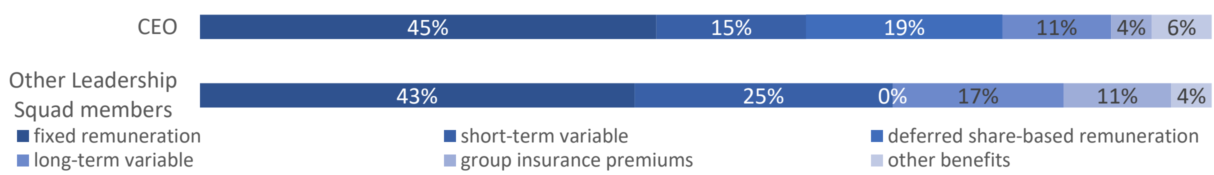
Remuneration overview of the other members of the Leadership Squad

The increase of fixed remuneration in 2022 and 2023 is mainly due to the multiple indexes which had to be applied in 2022 (five) and in 2023 (two) but is also resulting from the changes in the composition of the Leadership Squad: an additional role has been created in 2021 in order to support our digital transformation and ambitions. Following the retirement of Mr. Dirk Lybaert in September 2023 (resulting in an early payment of vacation pay), the amount reported in 2023 for the Group insurance premiums includes the additional payment made by our company upon his retirement due to his specific situation. The increase since 2021 of the Other benefits is mainly due to specific advantages related to the foreign executive status of several members and the recruitment of two of them.

Other members of the Leadership Squad	2020	2021	2022	2023	2024
Fixed remuneration	2.166.045 € *39%*	2.534.773 € *43%*	3.055.941 € *46%*	3.340.675 € *43%*	**3.368.224 €** *43%*
Short-term variable remuneration	1.807.390 € *33%*	1.123.605 € *19%*	1.402.844 € *21%*	1.756.326 € *22%*	**2.001.657 €** *25%*
Deferred share-based remuneration	0 € *0%*	0 € *0%*	0 € *0%*	0 € *0%*	**0 €** *0%*
Other long-Term variable remuneration	916.375 € *17%*	1.097.703 € *19%*	1.154.000 € *17%*	1.282.784 € *16%*	**1.324.130 €** *17%*
Group insurance premiums	468.275 € *9%*	657.319 € *11%*	743.750 € *11%*	1.101.269 € *14%*	**833.310 €** *11%*
Other benefits	135.648 € *2%*	442.935 € *8%*	329.817 € *5%*	337.828 € *4%*	**357.327 €** *5%*
SUBTOTAL (excl. employer's social contribution)	**5.493.733 €**	**5.856.335 €**	**6.686.352 €**	**7.818.882 €**	**7.884.648 €**
Termination benefits	0 € *0%*	0 € *0%*	0 € *0%*	0 € *0%*	**0 €** *0%*
TOTAL (excl. employer's social contribution)	**5.493.733 €**	**5.856.335 €**	**6.686.352 €**	**7.818.882 €**	**7.884.648 €**

All these amounts are gross amounts before employer's social contribution and possible other charges.

Relative importance of the various components of the remuneration effectively allocated in 2024 before employer's social contribution



proximus

12.7 Wages and working conditions: internal comparisons, and company performance

The global working conditions of our senior management, CEO and members of our Leadership Squad included, are highly similar to the working conditions of all other employees.

Besides being limited, the few differences in benefits that exist between top management and Leadership Squad members on the one hand and the rest of the workforce on the other are usually related to general market practices or individual needs. For instance, while medical coverage is the same for the vast majority of our employees, senior managers included, this medical coverage is extended for employees whose taxable family income is below a certain ceiling - extension for dentures, hearing aids and other medical prostheses – and is also extended for the members of the Leadership Squad as to offer market conform conditions. The differences in benefits between the members of the Leadership Squad and the rest of the employees are generally more related to the status of foreign executive of several members of the Leadership Squad than to the function level or role.

In terms of remuneration, we ensure consistency between the remuneration and the business results as well as consistency between the remuneration policy of our executives and the remuneration policy of all other employees, for instance by aligning the ratio of the short-term variable remuneration actually allocated versus the target.

Our reward approach has always been designed to deliver long term sustainability, to reflect an excellent asset management risk model and to support the long-term business interests of our shareholders. It takes into account our responsibility towards our customers, our shareholders, the Belgian society and other stakeholders. This approach is also consistently applied to each subsidiary entity of our Group.

We want to recognize and fairly reward all employees' contributions. Our Group is committed to providing fair, gender neutral and consistent wages and working conditions to all employees, regardless of their level of responsibility or role. It is critical to have a competitive and market attractive Global Rewards Program for our entire workforce as to propel our company, all together, towards the future and to progress together in our ambition to participate in the construction of a green and digital Belgium we want to live in.

12.7.1 Pay ratio and pay evolution

The Pay ratio portraying the gap between highest and lowest paid remuneration in the company (Proximus S.A.) on a full-time basis is equal to 36 in 2024.

This ratio is measured by comparing the highest (the CEO one) and lowest remuneration1, taking into account the total target remuneration package (including base pay, premiums, variable pay, group insurances and benefits), excluding employer's social contributions.

Considering the scope of our organization, where everyone has a role to play but with very different levels of strategic responsibility, such a ratio remains consistent and within market practices.

Below table aims at portraying the evolution of the average remuneration on a full-time equivalent basis of the company's employees (other than members of the Board of Directors and of the Leadership Squad) between 2020 and 2024.

Average remuneration of the company's employees over years, including the year-over-year evolution

	2020	2021	2022	2023	2024
Average remuneration *	86.677 €	87.400 €	93.471€	96.833€	100.858€
Year-over-year evolution		*+1%*	*+7 %*	*+4%*	*+4%*

* *The average remuneration is measured by comparing the personnel costs – as published in the Social Balance sheet (code 1023) of the Annual Accounts of Proximus SA of the involved year – with the number of full time equivalents employees (Leadership Squad excluded) of Proximus SA at the closing date of the period (for 2020, 2021 and 2022) and with the average number of full time equivalents employees (Leadership Squad excluded) of Proximus SA of the involved year (for 2023 and 2024).*

The year-over-year evolution (2024 vs 2023) of the CEO total target remuneration is 38%. The increase is due to the additional annual gross compensation granted in the frame of the amendment to his current management services agreement for his mandate as CEO of Proximus Global as from 2024, as per Board decision.
The year-over-year evolution (2024 vs 2023) of the average remuneration of the company's employees is + 4%.

The Pay ratio portraying the gap between the CEO's remuneration and the average remuneration of the company's employees is equal to 17,2 in 2024. This ratio is measured by comparing the total target remuneration package (including base pay, premiums, variable pay, group insurances, benefits and employer's social contributions) of the CEO with the average remuneration of the company's employees.

The Pay ratio portraying the gap between the CEO's remuneration and the median remuneration2 of the company's employees is equal to 21,5 in 2024.

[1] *Defined-duration contracts have been excluded from the scope due to the difficulty in accurately calculating the annual remuneration package for such contracts. It is however important to note that these contracts adhere to the same remuneration policy as the undefined-duration contracts, represent a minority among our workforce and are not in the lowest pay range, what ensures consistency and integrity in the ratio calculation.*

[2] *Defined-duration contracts have been excluded from the scope due to the difficulty in accurately calculating the annual remuneration package for such contracts. It is however important to note that these contracts*

This ratio is measured by comparing the CEO and median remuneration, taking into account the total target remuneration package (including base pay, premiums, variable pay, group insurances and benefits), excluding employer's social contributions.

Evolution of the pay ratios over the last 3 years

	2022	2023	2024
Pay ratio CEO Vs lowest remuneration	27,9	29,1	36,0
Pay ratio CEO Vs average remuneration	12,9	13,0	17,2
Pay ratio CEO Vs median remuneration	14,9	14,9	21,5

The increase between 2023 and 2024 is due to the additional annual gross compensation granted to the CEO in the frame of the amendment to his current management services agreement for his mandate as CEO of Proximus Global as from 2024, as per Board decision.

12.7.2 Company performance

Below table shows the company's performance between 2020 and 2024.

Company performance over years, including the year-over-year evolution

(EUR million)	**Underlying revenue**		**Underlying EBITDA**	
2024	6.430	*+6,4%*	1.850	*+5,3%*
2023	6.042	*+2,2%*	1.757	*-1,6%*
2022	5.909	*+5,9%*	1.786	*+0,8%*
2021	5.578	*+1,8%*	1.772	*-3,5%*
2020	5.479		1.836	

For more information, please see the Proximus Financial Report.

adhere to the same remuneration policy as the undefined-duration contracts, represent a minority among our workforce and are not in the lowest pay range, what ensures consistency and integrity in the ratio calculation.

12.8 Application of the Remuneration Policy and votes on previous Remuneration Report

12.8.1 Application of the Remuneration Policy and derogations

Proximus undertakes to remunerate the members of the Board of Directors, the CEO and the other members of the Leadership Squad only in accordance with its Remuneration Policy, approved by the General Meeting of Shareholders of Proximus for the first time on 21 April 2021 and slightly adapted in 2023 and in 2024.

However, the Board of Directors may, in exceptional circumstances and upon proposal of the Nomination and Remuneration Committee, temporarily derogate from all elements of the Remuneration Policy. Exceptional circumstances shall only cover situations in which the derogation from the Remuneration Policy is necessary to serve the long-term interests and sustainability of Proximus as a whole.

When resolving on derogations from the Remuneration Policy, the Board of Directors must comply with the decision-making procedure set out in the Remuneration Policy.

Any derogation will be communicated at the first General Meeting of Shareholders following the derogation and will be explained in the Remuneration Report for the related year.

12.8.2 Shareholders votes on previous Remuneration Report

A slightly adapted version of the Remuneration Policy document detailing the general principles governing our company remuneration policy applicable to the members of its Board of Directors and its Leadership Squad has been submitted to the votes of our shareholders at the General Assembly of April 17, 2024. The shareholders have shown their support and confidence in our Remuneration Policy by a substantial majority (91.7%), which strengthens the choices we have made in this domain for the future.

The Remuneration Report of 2023, also submitted to the votes of our shareholders at the General Assembly of April 17, 2024, has been approved by 88.0%. This excellent result reinforces our beliefs that we are right to adopt an open and transparent dialogue with our shareholders on remuneration matters and governance in general. Since the 2022 report, we have adopted even more transparency and gone even further in the preparation and level of details of the disclosed information, as the opinion and trust of our shareholders are essential to us

13. Position of conflicting interest

A general policy on conflict of interest applies within the company. It prohibits the possession of financial interests that may affect personal judgment or professional tasks to the detriment of the Proximus Group.

- In accordance with article 7:96 of the Belgian Code of Companies and Associations, the CEO, Mr Guillaume Boutin, declared during the Board of Directors of 22 February 2024 to have a conflict of interest in connection with his performance evaluation for 2023, item on the agenda of that Board meeting.

  In accordance with article 7:96 of the Belgian Code of Companies and Associations, an extract of the minutes of this meeting is included below:

- *"Performance Year 2023*

  - *CEO: Performance Year 2023: Short & Long-Term Variable Pay*

    In accordance with article 7:96 of the Code of Companies and Associations, the CEO, Mr Guillaume Boutin, informs the Board and the external auditor having a conflict of interest in connection with his performance evaluation for 2023. The Board takes note of this conflict of interest and will include the necessary statement in the management report of Proximus relating to the year 2024.

    The CEO leaves the meeting as well as the CFO.

    Upon the Committee's recommendation, the Board decides to grant the CEO for the STI, based on his performances a total short term variable remuneration for 2023 at 138% or 329.604 €;

    For the LTI, the Board decides to grant 100% or 239.190 € through Performance Values which will vest on May 1st 2027 and will be paid out according to the result of the performance criteria.

  This closes the conflict of interest."

- In accordance with article 7:96 of the Belgian Code of Companies and Associations, the CEO, Mr Guillaume Boutin, declared during the Board of Directors of 25 July 2024 to have a conflict of interest in connection with the renewal of his contract and remuneration package as Proximus CEO, item on the agenda of that Board meeting.

  In accordance with article 7:96 of the Belgian Code of Companies and Associations, an extract of the minutes of this meeting is included below:

- *"New mandate of Proximus CEO*

  In accordance with article 7:96 of the Code of Companies and Associations, the CEO, Mr Guillaume Boutin, informs the Board and the external auditor of having a conflict of interest in connection with the item regarding the renewal of his contract and remuneration package. The Board takes note of this conflict of interest and will include the necessary statement in the management report of Proximus relating to the year 2024.

The CEO leaves the meeting as well as the CFO.

The Board discusses the addendum of the contract, the benchmark and the modalities of the remuneration of the CEO.

Upon the Committee's recommendation, the Board decides to renew proactively the mandate of the CEO for a period of six years as from July 26, 2024, ending on June 30, 2030.

Upon the Committee's recommendation, the Board decides to approve the proposed addendum to the Management Services Agreement.

Upon the Committee's recommendation, the Board decides in application of the section V of the remuneration policy:

- *To grant 75,000 shares to the CEO on July 30th 2024, as a specific success fee to reward the different milestones realized towards the development, preparation, and the execution of the international strategy of the Proximus Group. These shares will have a 3 years blocking period.*
- *This grant to be disclosed in the remuneration report on 2024.*

The Committee will prepare a revision of the remuneration policy to include share base pay.

This closes the conflict of interest..”

14. Mandates exercised in companies in which Proximus participates

The mandates exercised by members of the Leadership Squad and employees of Proximus within companies, groups and organisations in which Proximus participates or to which it contributes to the functioning, are not remunerated..

Participations	Members on 31/12/2024
PROXIMUS OPAL SA (New name as of 1/1/2025: Proximus Global)	B; Appel G. Boutin D. Lybaert M. Reid J. Van Acoleyen
BELGACOM INTERNATIONAL CARRIER SERVICES (BICS) SA	B. Appel G. Boutin M. Reid J. Van Acoleyen
TORINO HOLDING CORP.	B. Appel J. Van Acoleyen C. Van de Weyer
TELESIGN HOLDING Inc.	B. Appel J. Van Acoleyen C. Van de Weyer
TELESIGN CORPORATION	G. Boutin B. Appel J. Van Acoleyen C. Van de Weyer
TELESIGN BELGIUM SRL	W. Hermant C. Van de Weyer
ROUTE MOBILE	G. Boutin M. Reid
PROXIMUS DOO BELGRADE	J. Veldeman F. Dqaïchi A-V. Heuschen
CONNECTIMMO SA	S. De Clerck P. Delcoigne K. Depoorter N. Gaertner
PROXIMUS LUXEMBOURG SA	J. Casteele F. De Windt G. Janus V. Licoppe A-S. Lotgering R. Tilmans V. Vermeire
TELINDUS-ISIT BV	J. Leupen R. Peeters P. Van Der Perren
PROXIMUS MEDIA HOUSE (PmH) SA	J. Casteele
BELGIAN MOBILE ID SA	A-S. Lotgering

proximus

PXS RE SA	B. Defieuw
BE-MOBILE SA	J. Casteele J. Manssens J. Van Acoleyen
CASCADOR SRL	D. Lybaert (permanent representative of Proximus Opal S.A.)
PROXIMUS NXT IT SA	G. Janus A-S. Lotgering
CLEARMEDIA SA	G. Kelchtermans S. Huijbrechts P. Van Der Perren A. Van Brussel
DAVINSI LABS SA	C. Crous R. Peeters P. Van Der Perren
CODIT HOLDING SRL	R. Peeters P. Van Der Perren
TESSARES SA	W. Bouckenooghe
MOBILE VIKINGS SA	J. Casteele D. Van Eynde
MWINGZ SRL	B. Appel J. Van Acoleyen
Aug-e SA (previously i.LECO)	A. Lorette T. Naveau
ADS & DATA SA	B. Vandermeulen
UNIFIBER MIDCO SA	G. Standaert C. Schoorman
FIBERKLAAR MIDCO SRL	T. Naveau G. Standaert S. Tas R. Tilmans
DOKTR SRL	E. Bombeek J. Manssens B. Vandermeulen
PROXIMUS ADA SRL	A. Mastroianni F. Weber

The other exception to the non-remunerated mandates of management in companies in which Proximus participates, is hereby disclosed in accordance with the article 4 of the law of 3 September 2017 regarding a.o. the non-financial information. The remunerated board mandates exercised by non-Proximus employees are the following:

- Annual Remuneration of Mrs. Françoise Roels as board member of Proximus media House SA: 12,000 EUR.
- Annual Remuneration of Mr. Philip Taillieu as board member of Be-Mobile SA: 15,000 EUR.

15. Miscellaneous

15.1 Branches

Proximus SA has no branches.

15.2 Use of financial instruments

Proximus is exposed to market risks, including interest rate risks and foreign exchange rate risks, associated with underlying assets, liabilities and anticipated transactions. Based on analysis of these exposures, Proximus selectively enters into derivatives to manage the related risk exposures.

Proximus manages its exposure to changes in interest rates and its overall cost of financing by occasionally using interest rate swaps (IRS) as well as interest rate and currency swaps (IRCS). These financial instruments are used to transform the interest rate exposure from a fixed to a floating interest rate or vice versa. Next to that, Proximus also makes use of forward starting interest rate swaps to hedge its exposure to the variability of long-term interest rates.

Proximus' currency exposure relates to financial debts in foreign currency and to operational activities in foreign currencies that are not "naturally" hedged. In order to hedge such exposures, Proximus uses derivatives, mainly forward foreign exchange contracts and occasionally currency options.

As a result, Proximus is exposed to counterparty risks relative to potential failure by counterparty on derivatives. In general, Proximus does not require collateral or other security from counterparties as these are highly rated financial institutions.

15.3 Members of the Joint Auditors

The mandate of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL, Gateway Building, Luchthaven Brussel Nationaal 1J, 1930 Zaventem, represented by Mr. Koen Neijens and of Luc Callaert BV/SRL, Zwaluwstraat 117, 1840 Londerzeel, represented by Mr. Luc Callaert, for the statutory audit mandate of Proximus S.A. will expire at the Annual General Meeting of 2028.

Mr. Jan Debucquoy has been appointed on 3 February 2021 and Mr. Christophe Rappe has been appointed on 19 July 2023 effective as of 17 April 2024 in replacement of Mr. Dominique Guide.

15.4 Auditor responsible for certifications of the consolidated accounts of Proximus Group

The mandate of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL represented by Mr. Koen Neijens and Luc Callaert BV/SRL represented by Mr. Luc Callaert for the consolidated audit mandate of Proximus S.A. of public law will expire at the annual general meeting of 2025.

16. In conclusion

Appointment of Board Members, in accordance with the right of nomination of the Federal Holding and Investment Company (SFPIM).

Messrs Stefaan De Clerck, Karel De Gucht and Ibrahim Ouassari have been appointed by the Belgian State. The term of office of these Board Members will expire at this annual general meeting on 16 April 2025. In accordance with article 18, §3 of the Proximus' bylaws, the SFPIM has the right to nominate for appointment candidates to the Nomination and Remuneration Committee for these three vacancies. At the date of this invitation, the SFPIM has not yet exercised its right to nominate for appointment candidates. Should the SFPIM still nominate for appointment candidates, this will then be immediately announced on the Proximus website, together with all available information. When applicable, the Nomination and Remuneration Committee will immediately submit its advice to the Board of Directors, which will nominate the candidates concerned to the annual general meeting that will vote on their appointment. In the absence of the exercise of the right by the SFPIM, the Board of Directors will propose to the annual general meeting to extend the current mandates for a term of 1 year in order not to compromise, in the interest of Proximus, the continuity within, and the proper functioning of the company's Board of Directors.

Motion for a resolution:

In accordance with the nomination for appointment by the Board of Directors and after recommendation of the Nomination and Remuneration Committee, in accordance with article 18, §3 of Proximus' bylaws,

11.a. (re)appointment of Mr. Stefaan De Clerck as Board Member for a period expiring on the date of the annual general meeting of 2026,
11.b. (re)appointment of Mr. Karel De Gucht as Board Member for a period expiring on the date of the annual general meeting of 2026,
11.c. (re)appointment of Mr. Ibrahim Ouassari as Board Member for a period expiring on the date of the annual general meeting of 2026,

Or appointment, after advice of the Nomination and Remuneration Committee, of the alternative candidates nominated for appointment by the SFPIM as Board Members for a period expiring on the date of the annual general meeting of 2029.

We propose to appoint a college of auditors consisting of Deloitte Bedrijfsrevisoren BV/Réviseurs d'Entreprises SRL, represented by Mr. Fabio De Clercq and Luc Callaert BV, represented by Mr. Luc Callaert, responsible for the certification of the consolidated accounts of the Proximus Group, for a period of three years for an annual audit fee of 635,000 EUR (indexed annually).

On recommendation of the Audit & Compliance Committee, we propose to appoint Deloitte Bedrijfsrevisoren BV/Réviseurs d'Entreprises SRL, represented by Mr. Fabio De Clercq, for the "assurance" of the CSRD sustainability report, for a period of three years for an annual audit fee of 150,000 EUR (indexed annually).

Yours truly,
On behalf of the Board of Directors,

Brussels, 27 February 2025.

Guillaume Boutin
Chief Executive Officer

Stefaan De Clerck
Chairman of the Board of Directors