

**EUSKALTEL, S.A.**  
**ORDINARY GENERAL SHAREHOLDERS' MEETING**

**Place, date and time of meeting**

The Board of Directors of EUSKALTEL, S.A. hereby calls the shareholders to an **Ordinary General Shareholders' Meeting** to be held at the registered office (located in Derio (Biscay), at Parque Tecnológico-Teknologi Elkartegia, Edificio 809), on **27 June 2016 at 12:00 on first call**, or if the required quorum is not met then on second call, the next day, 28 June 2016, at the same place and time. Shareholder registration desks will be open as from **11:00**. Although two calls are provided for, it is expected that the required quorum will be met on first call, for which reason **the Ordinary General Shareholders' Meeting will in all likelihood be held on 27 June 2016**, unless the shareholders are advised otherwise on the corporate website ([www.euskaltel.com](http://www.euskaltel.com)) and via daily newspaper.

**Agenda**

- 1.- Examination and approval of the annual accounts, management report, application of results, and company management.
  - 1.1. Examination and approval of the individual annual accounts of the Company and the consolidated accounts of the Company and its subsidiaries for the financial year ended 31 December 2015.
  - 1.2. Examination and approval of the individual management report of the Company and the consolidated reports of the Company and its subsidiaries for the financial year ended 31 December 2015.
  - 1.3. Examination and approval of the proposed application of results of Euskaltel for the financial year ended 31 December 2015.
  - 1.4. Examination and approval of company management and of the actions of the Board of Directors during the financial year ended 31 December 2015.
- 2.- Amendment of certain articles of the Bylaws.
  - 2.1. Amendment of article 25 of the Bylaws (“Court-ordered call”).
  - 2.2. Amendment of article 62 of the Bylaws (“Director remuneration”).
  - 2.3. Amendment of article 64 of the Bylaws (“Audit and Control Committee”).
  - 2.4. Amendment of article 65 of the Bylaws (“Appointments and Remuneration Committee”).

- 3.- Re-election of directors:
  - 3.1. Re-election of Mr Alberto García Erauzkin as executive director for the bylaw-mandated 4-year term.
  - 3.2. Re-election of Mr José Ángel Corres Abasolo as independent director for the bylaw-mandated 4-year term.
- 4.- Appointments of directors:
  - 4.1. Appointment of Kartera 1, S.L. as proprietary director (*consejero dominical*) for the bylaw-mandated 4-year term, represented by Ms Alicia Vivanco González.
  - 4.2. Appointment of Ms Elisabetta Castiglion as independent director for the bylaw-mandated 4-year term.
  - 4.3. Appointment of Mr Miguel Ángel Lujua Murga as independent director for the bylaw-mandated 4-year term.
  - 4.4. Appointment of Mr Francisco Manuel Arteche Fernández-Miranda as executive director for the bylaw-mandated 4-year term.
- 5.- Re-election of KMPG Auditores, S.L. as auditor of the individual annual accounts of the Company for financial year 2016.
- 6.- Examination and approval of the Remuneration Policy for the directors of Euskaltel for the current financial year 2016 and for financial years 2017 and 2018.
- 7.- Approval of the payment of a portion of the remuneration of the executive directors by means of the delivery of shares of the Company.
- 8.- Authorisation to the Board of Directors for the derivative acquisition of own shares by the Company, as provided by law.
- 9.- Approval of the creation of an *in rem* security interest in Euskaltel's telecommunications network to comply with the current syndicated financing agreement.
- 10.- Authorisation to the Board of Directors, with express powers of substitution, for a term of 5 years, to issue non-convertible debentures or bonds, notes and other fixed-income securities of a similar nature that are not convertible into shares of the Company or exchangeable for outstanding shares of the Company, as well as preference shares, with a maximum limit of 300 million euros. Authorisation for the Company to guarantee new issues of securities by subsidiaries up to the foregoing limit.
- 11.- Delegation of powers to formalise and implement all resolutions adopted by the shareholders at the General Meeting, for conversion thereof into a public instrument,

and for the interpretation, correction, and supplementation thereof, further elaboration thereon, and registration thereof, and to make the compulsory filing of accounts.

#### CONSULTATIVE ITEM

- 12.- Consultative vote regarding the Company's Annual Director Remuneration Report for financial year 2015.

#### INFORMATIONAL ITEM

- 13.- Information regarding the amendment of the Regulations of the Board of Directors of the Company in light of certain recommendations of the Good Governance Code of Listed Companies approved by the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on 18 February 2015.

#### **Supplement to the call to meeting and submission of proposed resolutions**

Pursuant to the provisions of the Companies Act (*Ley de Sociedades de Capital*), shareholders representing at least three per cent of the share capital may: (i) request the publication of a supplement to the call to the Meeting, including one or more items on the agenda, provided that such new items are accompanied by a rationale or, if appropriate, by a duly substantiated proposed resolution; and (ii) and submit well-founded proposed resolutions on matters already included or that must be included in the agenda.

Such rights must be exercised by duly authenticated notice addressed to the Office of the General Secretary of the Company, which must be received at the registered office of Euskaltel (Parque Tecnológico-Teknologi Elkartegia, Edificio 809, C.P. 48160, Derio, Biscay) within five days of the publication of this call to meeting.

#### **Participation: attendance, proxy representation and absentee voting**

All holders of voting shares who have caused such shares to be registered in their name in the corresponding book-entry register at least five days in advance of the date on which the Ordinary General Shareholders' Meeting is to be held may attend and participate in the General Shareholders' Meeting, with the rights to be heard and to vote.

All shareholders having the right to attend may be represented at the Ordinary General Shareholders' Meeting by another person, even though not a shareholder, by complying with the requisites and formalities required by Law, the Bylaws and the other internal rules of the Company to the extent applicable.

Shareholders having the right to attend may grant a proxy or cast an absentee vote on the proposals relating to items included in the agenda of the call to meeting, which they may do in writing by sending a duly completed attendance, proxy and absentee voting card to the registered office of the Company, by sending it to the Company by post (Parque Tecnológico-Teknologi Elkartegia, Edificio 809, C.P. 48160, Derio, Biscay) or by electronic communication as provided on the corporate website ([www.euskaltel.com](http://www.euskaltel.com)). The use of this service requires a digital user certificate issued in accordance with the provisions of Law

59/2003 of 19 December on Electronic Signatures and validated by the Spanish Public Certification Authority (*Autoridad Pública de Certificación Española*) (CERES) within the Royal Spanish Mint (*Fábrica Nacional de Moneda y Timbre*).

The Company will make available to shareholders on its website the ([www.euskaltel.com](http://www.euskaltel.com)) forms or models that can be used to grant a proxy and vote by post or remote electronic communication.

To be valid, proxies granted and votes cast by any means of remote communication (postal or electronic) must be received by the Company before 24:00 on the day immediately prior to the day set for the holding of the General Shareholders' Meeting upon first call.

In order to facilitate the participation of all shareholders, the Company will make available the equipment required for the simultaneous interpretation of presentations made in Spanish into Euskera (Basque) and English, as well as for the consecutive interpretation into Spanish of the presentations of shareholders wishing to use the floor in Euskera or English during the Ordinary General Shareholders' Meeting.

The Company reserves the right to modify, suspend, cancel or restrict the mechanisms for electronic voting and proxy-granting when so advisable or required for technical or security reasons. The Company shall not be liable for damage that may be occasioned due to overloads, failures, fallen lines, connection failures or similar events beyond its control that temporarily prevent the use of electronic proxy-granting and voting systems.

#### **Available information and documentation**

Pursuant to the provisions of sections 272, 287 and 518 of the Companies Act, as from the publication of this call to meeting until the holding of the General Meeting, any shareholder may immediately obtain the following documentation without charge, which documentation has been continuously made available to the shareholders at the registered office and through the website of the Company ([www.euskaltel.com](http://www.euskaltel.com)), a portion of which has also been sent to the National Securities Market Commission:

- This announcement of call to meeting.
- The total number of shares and voting rights on the date of the call to meeting.
- The full text of the proposed resolutions that may be adopted by the shareholders at the Ordinary General Shareholders' Meeting of the Company with respect to each of the items included in the agenda, as well as the corresponding reports of the competent bodies relating to items 2.1, 2.2, 2.3, 2.4, 3.1, 3.2, 4.1, 4.2, 4.3, 4.4, 6, 9, 10, 12 and 13.
- The Annual Financial Report for financial year 2015, which includes the individual and consolidated annual accounts, the individual and consolidated management reports, and the respective auditor reports for financial year 2015.

- The current Bylaws, together with the text resulting from such Bylaws if the amendments proposed to the shareholders and the report of the Board of Directors providing the rationale for the proposed amendments is approved.
- The well-founded proposal and report of the Appointments and Remuneration Committee, together with the required report of the Board of Directors regarding the competency, experience, and merits of the directors proposed for appointment and re-election, which includes, among other things, the identity, curriculum vitae and classification of the director.
- The Annual Corporate Governance Report for financial year 2015.
- The annual report of the Audit and Control Committee for financial year 2015.
- The annual report of the Appointments and Remuneration Committee for financial year 2015.
- The report of the Audit and Control Committee regarding the independence of the auditor.
- The report of the Audit and Control Committee regarding related-party transactions.
- The report of the Audit and Control Committee regarding the corporate social responsibility policy.
- The Company's Annual Director Remuneration Report for financial year 2015, which is submitted to a consultative vote as a separate item on the agenda.
- The report of the Appointments and Remuneration Committee regarding the proposed Director Remuneration Policy of the Company for financial years 2016 to 2018.
- The proposed Director Remuneration Policy of the Company for financial years 2016 to 2018.
- The report of the Board of Directors regarding the proposed approval of the creation of an *in rem* security interest in the Company's telecommunications network.
- Report of the directors regarding the proposed authorisation to the Board of Directors to issue non-convertible debentures or bonds, notes and other fixed-income securities of a similar nature, as well as preference shares.
- The amended Regulations of the Board of Directors, together with the report of the Board of Directors providing the rationale for the amendments.
- The rules of operation of the Electronic Shareholders' Forum.

- The form or model of attendance, proxy and absentee voting card.
- Any valid requests for information, clarifications or questions made by the shareholders in the exercise of their right to obtain information, and any answers provided by the directors.
- Any supplement to the call to the General Shareholders' Meeting.

The following have also been made available to the shareholders on the Company's website: (i) instructions regarding the manner in which shareholders can exercise their right to obtain information; (ii) information regarding the way to reach and access the Meeting place; (iii) information regarding the procedures or systems for following the General Shareholders' Meeting; and (iv) instructions for casting or delegating absentee votes through the means provided.

Furthermore, any shareholder may request the delivery or sending without charge of the documentation that must be submitted for approval at the General Meeting as required by law, and particularly the Annual Financial Report for financial year 2015, which includes the individual and consolidated annual accounts, the individual and consolidated management reports, and the respective auditor reports for financial year 2015, as well as the full text of the proposed amendment of the Bylaws and the report of the Board of Directors providing the rationale for such proposed amendment.

Pursuant to the provisions of Sections 197 and 520 of the Companies Act, from the date of publication of the call to the General Meeting until the fifth day prior to the holding of the Meeting on first call, inclusive, or verbally during the holding thereof, shareholders may ask the Board of Directors for information or clarifications or ask questions in writing that they deem pertinent regarding the items included in the agenda.

In addition, within the same advance period in writing, or verbally during the holding of the Meeting, shareholders may request the clarifications they deem to be required concerning information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the last General Meeting regarding the auditor's report.

Except in those cases expressly provided by law, the Board of Directors shall be required to provide the information requested in writing through the date of holding of the General Meeting, and in the case of verbal requests made during the holding of the Meeting if the right of the shareholder cannot be satisfied at such time, the Board of Directors shall be required to provide such information in writing with seven days of the end of the Meeting.

Requests for information may be made by delivery of the request to the registered office; by the delivery thereof via post to the Company (Parque Tecnológico-Teknologi Elkartegia, Edificio 809, C.P. 48160, Derio, Biscay); or by remote electronic communication through the website of Euskaltel ([www.euskaltel.com](http://www.euskaltel.com)) in the place and form provided for such purpose.

Finally, it is reported that, pursuant to the provisions of Section 539.2 of the Companies Act, there has been enabled on the corporate website ([www.euskaltel.com](http://www.euskaltel.com)) an electronic

shareholders' forum, the use of which shall conform to the legal purpose thereof and to assurances and rules of operation established by the Company, and which may be accessed by duly qualified shareholders and shareholder groups.

### **Common provisions applicable to the rights of the shareholders**

The rights to receive information, to attend, to proxy representation, to absentee voting and to submit well-founded proposed resolutions shall be exercised as provided by law, the Bylaws, and the Regulations for the General Shareholders' Meeting, available both on the corporate website ([www.euskaltel.com](http://www.euskaltel.com)).

### **Participation of a Notary at the General Meeting**

Pursuant to the provisions of Sections 203 of the Companies Act and 101 of the Regulations of the Commercial Registry, the Board of Directors has resolved to request the presence of a Notary to draw up the minutes of the General ' Meeting.

### **Other information of interest for shareholders**

To facilitate the viewing and appropriate dissemination thereof, all or part of the proceedings of the Ordinary General Shareholders' Meeting may be subject to audiovisual recording and broadcast and availability to the public through the Company's corporate website ([www.euskaltel.com](http://www.euskaltel.com)). By entering the premises where the Ordinary General Shareholders' Meeting is to be held, attendees consent to the capture and reproduction of images of their person and to the processing of their personal data through such media.

### **Additional information**

For aspects regarding the General Meeting not contained in this announcement, shareholders may consult the Regulations for the General Meeting by accessing the Investors section of the corporate website ([www.euskaltel.com](http://www.euskaltel.com)).

To obtain additional information, shareholders may also contact the Shareholder Services Office (*Oficina de Atención al Accionista*) at Parque Tecnológico-Teknologi Elkartegia, Edificio 809, C.P. 48160, Derio (Biscay) from 9:00 to 14:00, Monday to Friday; by sending an email to [accionista@euskaltel.com](mailto:accionista@euskaltel.com); or by accessing the Investors section which is permanently available on the corporate website ([www.euskaltel.com](http://www.euskaltel.com)).

In Derio (Biscay), on 24 May 2016

The General Secretary and Secretary of the Board of Directors

### **Personal Data Protection**

The personal data that shareholders provide to the Company (upon the exercise or delegation of their rights to receive information, to attend, to proxy representation, and to vote) or that are provided by the financial institutions and by the investment services

companies that are depositaries or custodians of the shares held by such shareholders, as well as by the entities in charge of the book-entry registers pursuant to law, will be processed by the Company in order to manage the shareholding relationship (including, but not limited to, the call to and holding of the Ordinary General Shareholders' Meeting and the dissemination thereof). To such end, the data will be kept in computer files for which the Company is responsible. Such data will be provided to the notary public solely in connection with the drawing-up of the notarial minutes of the Ordinary General Shareholders' Meeting.

The owner of the data may exercise the rights to access, rectify, cancel and object to the data collected by addressing their request in writing, attaching a copy of their National Identity Document or Passport, to the e-mail [accionista@euskaltel.com](mailto:accionista@euskaltel.com), with the subject line "Personal Data", or by post with the reference "Personal Data" to the Shareholder Services Office, Euskaltel, S.A., Parque Tecnológico-Teknologi Elkartegia, Edificio 809, C.P. 48160, Derio, Biscay.

If the attendance, proxy, and absentee voting card of the shareholder includes personal data of other individuals, such shareholder must advise them of the details set forth in the preceding paragraphs and comply with any other requirements that may apply for the provision of the personal data to the Company, without the Company having to take any additional action.