



euskaltel

Extraordinary General Shareholders Meeting

2019

Voting and remote delegation instructions



ERRONKA GARBIA
EVENTO AMBIENTALMENTE SOSTENIBLE

RULES ON REMOTE VOTING AND ASSIGNING OF PROXIES

1. VOTING USING REMOTE COMMUNICATIONS

Pursuant to article 38 of the Bylaws, article 26 of the General Shareholders Meeting Regulations and the Spanish Capital Companies Act [*Ley de Sociedades de Capital*] shareholders with the right to attend meetings and vote, may cast their votes on proposals for the items on the agenda using the following types of remote communications.

1.1. Methods for casting votes remotely

The following methods may be used for casting votes remotely:

(a) By delivery or mail:

Shareholders who would like to vote remotely by mail must fill out and sign the “Remote Voting by Mail” section of the attendance, delegation and remote voting card issued as a hardcopy by the Company participating in IBERCLEAR where the shares are held.

Once the attendance, delegation and remote voting card has been filled out and signed by hand in the section on “Remote Voting by Mail” the shareholder may send it via delivery, mail or courier to the following address: Parque Tecnológico-Teknologi Elkartegia, Edificio 809, 48160, Derio, Bizkaia.

If the attendance card issued by the IBERCLEAR participant company does not have a section on “Remote Voting by Mail” or if it is incomplete, shareholders that would like to vote remotely by mail may also go to the Company’s website (www.euskaltel.com) and print out a hardcopy of their Remote Voting Card, filling it in and signing it together with the documents proving they hold the shares (issued by the share depository company) and a photocopy of their national identification card or passport, and for individual shareholders, a photocopy of sufficient deed of power of attorney to confirm the powers of the individual signing the attendance card, with a photocopy of that individual’s national identity card.

Once both documents have been filled out and signed by hand, the shareholder can submit them via delivery, mail or equivalent courier service to the address: Parque Tecnológico-Teknologi Elkartegia, Edificio 809, 48160, Derio, Bizkaia.

(b) Electronic voting:

Shareholders of EUSKALTEL, S.A., may vote remotely on the Company’s website (www.euskaltel.com) by going to the “2019 General Meeting Shareholders and Investors” section, in the part on Representation and Electronic Voting.

Pursuant to the Bylaws and the General Shareholders Meeting Regulations, the electronic voting mechanism must provide proper guarantees of the authenticity and identification of the shareholders exercising their voting rights. The guarantees that the Board of Directors has determined to be adequate for ensuring the authenticity and identification of shareholders who are exercising their voting rights are the recognized electronic signature and advanced electronic signature provided under Spanish Act 59/2003, of 19 December, on Electronic Signatures [*Ley*

59/2003, de firma electrónica], provided that they are based on a recognized electronic certificate that is not listed as revoked and that was issued by the Spanish National Mint's Public Certification Authority.

Shareholders may go to the Company's website to view and withdraw their previously cast electronic votes before the voting deadline by following the instructions provided in this regard by the website.

1.2. Specific rules for casting votes remotely

To be valid, votes cast by any of the specified remote voting methods (by mail or electronically) must be received by the Company by twenty-four (24) hours before the day immediately preceding the date scheduled for the first call of the general Shareholders Meeting: i.e. twenty-four (24) hours before July 10, 2019. Otherwise, the vote will be considered not to have been cast.

Shareholders who have cast their votes as indicated in the Bylaws and in the General Shareholders Meeting Regulations will be considered to be present when calculating the quorum for the general meeting in question. Therefore, any remote votes cast beforehand will be considered to be withdrawn and any votes cast afterward will be considered not to have been cast.

Votes cast remotely may only be made null: (i) if they were expressly withdrawn later in the same way they were cast and by the specified deadline; (ii) if the shareholder that cast them attends the meeting; and (iii) if the shareholder disposed of the shares that provided the voting right, to the Company's knowledge, prior to the date scheduled for the meeting.

2. DELEGATION USING REMOTE COMMUNICATIONS

Pursuant to article 32 of the Bylaws, article 13 of the General Shareholders Meeting Regulations, and the provisions of the Spanish Capital Companies Act, all shareholders that are entitled to attend may delegate a proxy to represent them at the general meeting, even if the proxy is not a shareholder in the Company, by complying with the applicable requirements and formalities required by law and under the Company's Bylaws and other internal regulations, following these instructions:

2.1. Methods for delegating representation

The following remote communication methods may be used for delegating representation:

(a) By delivery or mail:

Shareholders who would like to delegate a proxy by mail must fill out and manually sign the "Delegation" section of the attendance card issued as a hardcopy by the Company participating in IBERCLEAR where the shares are deposited or the card issued by the Company

Shareholders may send in their duly filled out and signed cards via delivery, mail or equivalent courier service to the address: Parque Tecnológico-Teknologi Elkartegia, Edificio 809, 48160, Derio, Bizkaia.

The proxy must accept the delegation of representation for it to be valid. This can be done by signing the same attendance card in the space provided for this purpose. Proxies may only exercise voting rights by attending the meeting in person. On the date the Extraordinary General

Shareholders Meeting is held at its specified location, the proxies must identify themselves with their national identity card or passport so that the Company can verify the delegation granted to them, together with a copy of their delegation.

(b) Electronic voting:

Shareholders of EUSKALTEL, S.A., may notify the Company of their proxies on the Company's website (www.euskaltel.com) by going to the "2019 General Meeting Shareholders and Investors" section, in the part on Representation and Electronic Voting.

Pursuant to the Bylaws and the General Shareholders Meeting Regulations , the electronic voting mechanism must provide proper guarantees of the authenticity and identification of the shareholders exercising their voting rights. The guarantees that the Board of Directors has determined to be adequate for ensuring the authenticity and identification of shareholders who are exercising their voting rights are the recognized electronic signature and advanced electronic signature provided under Spanish Act 59/2003, of 19 December, on Electronic Signatures [*Ley 59/2003, de firma electrónica*], provided that they are based on a recognized electronic certificate that is not listed as revoked and that was issued by the Spanish National Mint's Public Certification Authority.

Shareholders who assign proxies electronically agree to notify their designated proxies of the representation conferred upon them.

Shareholders may go to the Company's website to view and withdraw their previous electronically designated proxies before the proxy designation deadline by following the instructions provided in this regard by the website.

2.2. Rules for assigning proxies remotely

To be valid, proxies assigned by any of the specified remote voting methods (by mail or electronically) must be received by the Company by twenty-four (24) hours before the day preceding the date scheduled for the first call of the general meeting: i.e. twenty-four (24) hours before July 10, 2019. Otherwise, the proxy will be considered not to have been assigned.

Shareholders who assign proxies remotely by mail or electronically must notify their proxies of the representation that has been conferred upon them. If a board member or the secretary of the Company's Board of Directors is assigned as a proxy, this notice will be assumed to have been made when the Company received the assignment by mail or electronically.

On the date the meeting is held at its specified location, the designated proxies must identify themselves by showing their national identity document or any other valid official document that is generally accepted for these purposes, so that the Company can verify the powers delegated to them, which must include a hardcopy of the delegation duly signed by the shareholder and the proxy and, if applicable, the deed of power of attorney.

Proxies may only exercise their shareholders' voting rights by attending the general meeting in person. Proxy representation may always be revoked. The shareholder attending the general meeting will result in any proxies being revoked, regardless of their date.

Any proxies granted after a vote was cast remotely will also be void.

3. RULES OF PREFERENCE AND OTHER PROVISIONS

3.1. Rules of preference among proxies, remote voting and in-person voting in the meeting

3.1.1. Priorities between proxies, remote voting and in-person attendance

- (i) In-person attendance at the general shareholder meeting by shareholders who previously assigned a proxy or voted remotely in any way, will make the proxy or vote invalid.
- (ii) Regardless of how it is cast, a vote will make any proxies invalid, regardless of whether they were issued before (where the proxy will be revoked) or after (where the proxy will be void).

3.1.2. Priority in cases of multiple proxies or multiple remote votes

- (i) If a shareholder has validly assigned a proxy electronically and has also assigned a proxy using a hardcopy attendance, delegation and remote voting card issued by the Company or by the entity or entities in charge of keeping its book entries, then the latter will prevail over the proxy assigned electronically, regardless of the dates on which they were assigned.
- (ii) Other specific rules notwithstanding, if a shareholder validly assigns various proxies or casts several votes electronically, then the last proxy or last vote received by the Company on time will prevail.

3.2. Co-ownership

For cases of co-owned shares, pursuant to section 126 of the Spanish Capital Companies Act, the co-owner who votes or assigns proxies remotely will be assumed to have been designated by the other co-owners to exercise the rights deriving from the shares.

3.3. Other provisions

Any proxies and remotely cast votes will become void if the Company becomes aware that the shares have been disposed of.

The electronic document filled out by shareholders on the Company's website (authorized with their recognized signature) will be accepted for the purposes of compliance with the General Shareholders Meeting Regulations and the Company's Bylaws, for the delegation of proxies and casting remote votes electronically, as an unalterable electronic copy of the assistance and delegation card.

Shareholders who have designated a proxy by mail or electronically and did not mark some or any of the boxes on which way to vote on the items on the agenda will be assumed to want to vote in favor of the respective proposals from the Board of Directors.

Similarly, shareholders who have cast a vote by mail or electronically and did not mark some or any of the boxes on how they are voting on the items on the agenda will be assumed to want to vote in favor of the respective proposals from the Board of Directors.

The validity of the assigned proxy and of the vote cast remotely will be subject to verification (with the file provided by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. [IBERCLEAR]) of the shareholder's status. In the event of a discrepancy between the number of shares communicated by the shareholder assigning a proxy or voting remotely and the number on record in the share entries communicated by IBERCLEAR, then the number of shares indicated by IBERCLEAR will be considered to be valid for the purposes of quorum and votes, unless proven otherwise.

On its website, the Company will provide its shareholders the forms that they should use for voting by proxy and remotely.

It is shareholders' exclusive responsibility to keep their electronic signatures to vote or assign proxies electronically.

3.4. Technical incidents

The Company reserves the right to modify, suspend, cancel and restrict the electronic voting and proxy mechanisms if technical and security reasons so dictate. The Company also reserves the right to ask shareholders for any additional identification means that it considers appropriate for ensuring participants' identity, the authenticity of votes and proxies assigned and, in general, the legal certainty of the actions of the general Shareholders Meeting.

The Company may not be held liable for any harm and losses that shareholders may incur due to malfunctions, overloads, dropped lines, disconnections, poor functioning of the mail service, or any other identical or similar eventualities beyond the Company's intent and that prevent them from using remote voting and proxy mechanisms.

3.5. Special rules

Individual shareholders who do not reside in Spain should check with the Shareholder Service Department accionista@euskaltel.com to examine the possibilities of adapting, with the proper guarantees, the remote voting and proxy mechanisms to their specific situation.

Similarly, shareholders that are legal entities must notify the Company of any changes or revocations of their representatives' powers, and therefore the Company may not be held liable until that notice is provided.