



EUSKALTEL GROUP

INSTRUCTIONS FOR CONDUCT

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EUSKALTEL GROUP INSTRUCTIONS FOR CONDUCT

The following Instructions for Conduct forming part of the Euskaltel Group Corporate Governance System are set forth to implement its Code of Ethics and comply with the laws in force in exercising its activities.

These Instructions for Conduct shall be applicable to

- members of the Board of Directors of Euskaltel S.A., as parent company of the Euskaltel Group for legal purposes, who shall assume the obligations for Professionals of the Group established by these Instructions for Conduct in what applies to them, as defined below.
- Professionals of the Euskaltel Group, those persons exercising their occupational activity in any of the Group companies (hereinafter, Professional/s), regardless of their organisational responsibilities, geographic or functional location and the company to which they render their services directly.
- Suppliers of the Euskaltel Group in what concerns them, defined as those third parties delivering any kind of goods and/or products or rendering services to the Euskaltel Group, or who, in any way, may act on its account, such as suppliers, subcontracted companies and/or independent professionals, regardless of the purpose of the services rendered and the territory where they conduct such activities (hereinafter, Supplier/s).

1.- GENERAL INSTRUCTIONS FOR CONDUCT

Each and every member of the Board of Directors and the Professionals of the Euskaltel Group shall be governed in their professional performance by these Instructions for Conduct. Thus:

- they shall know the specific laws, regulations and internal rules affecting their respective areas of activity and make sure that their co-workers receive the proper information and training enabling them to understand and comply with the standard obligations applicable to their professional performance.
- they shall always act in the best interests of the Euskaltel Group, making proper use of the means placed at their disposal, avoiding practices that may provoke damage



to the Group, to other Professionals, or to third parties, in particular, corrupt practices and/or bribes.

- they shall use their technical and professional capacity with the prudence and care proper to the exercise of their activity. Specifically, without prejudice to this general rule:
 - They shall see that they obtain the training necessary to better exercise their functions.
 - They shall comply with the applicable regulations and, as the case may warrant, implement the rules and rates set in determining prices and terms for the operations in which they intervene.
 - They shall respect internally established procedures, most particularly regarding the exercise of authority and risk limitation.

2.- SPECIFIC INSTRUCTIONS FOR CONDUCT

In relation to Groups of Interest, the members of the Board of Directors and the Professionals of Euskaltel Group shall uphold an attitude of strict professionalism and specifically comply with the following instructions:

2.1.- IN RELATION TO PERSONS (PROFESSIONALS OF THE GROUP)

2.1.1.- Equal Opportunities

Whenever a Professional of the Group is to intervene in procedures to select, hire or promote, s/he shall be open to diversity and observe objective criteria ensuring the choice of persons best-suited to the profile and needs of the job post to be covered, promoting equal opportunities at all times.

2.1.2.- IT Equipment and Systems

Use by the Professionals of the IT equipment and systems placed at their disposal for the performance of their daily tasks must adjust to the rules for use and safety established in each



protection, Professionals are not allowed access to IT applications or equipment belonging to third parties without the prior and duly documented authorisation of the Group.

Professionals of the Euskaltel Group shall not make private or personal use of the IT devices and equipment placed at their disposal by the Euskaltel Group for their activity, unless such use is expressly authorised. Any liability arising from breach of this obligation shall be assumed by the non-compliant Professional.

2.1.3.- Safety, Health and Labour Hazard Prevention

All Professionals are obliged to assume and comply with the provisions contained in the work procedures specific to Labour Hazard Prevention, which shall be compiled in the Labour Hazard Prevention Plans of each Group company.

All Euskaltel Group Professionals are responsible for observing rigorous compliance with labour health and safety rules and for seeing to their own safety as well as to that of the people affected by their activities. Likewise, they are obliged to make responsible use of the equipment assigned in performing hazardous activities, disseminating the skills acquired in this regard among their colleagues and promoting compliance with labour hazard prevention measures.

Group Professionals are obliged to report what they may consider hazards and breaches of labour safety and health rules either to the body charged with overseeing the operation of the Hazard Prevention Model in each Euskaltel Group company, or through the Ethics Channel. Should the hazard be serious or imminent, the Professional is obliged to stop the activity being conducted to prevent accidents.

2.1.4.- Workplaces based on Respectful Dealings Free of Discrimination

All Professionals are responsible for avoiding any kind of discrimination and workplace harassment or bullying.

Likewise, they must act co-responsibly together with their colleagues, in team spirit, to achieve targets and ensure the best possible outcomes.



2.1.5.- Training

Professionals must actively participate in the training plans placed at their disposal to promote their professional development and add greater value to the Group, likewise supporting the personal and professional training of their colleagues.

2.1.6.- Respect for the Privacy and Confidentiality of Data in Relation to Professionals of the Euskaltel Group

Euskaltel Group Professionals who, for occupational reasons, may be authorised to access information belonging to third parties, must make responsible and professional use of these, in keeping with their confidential nature.

In performing their tasks, Professionals must observe the confidentiality of the data belonging to other Professionals of the Group to which they have access, whereby any undue use of such information is prohibited.

2.1.7.- Individual Social Responsibility

Group Professionals undertake not to commit any fraudulent or dishonest acts. They are not authorised to request, offer or receive any gifts, gratuities and/or favours from any third party (whether supplier, client or Public Administration agency) that may alter their professional impartiality and/or objectivity, or grant these in order to exert illicit influence on trade relations.

Euskaltel Group Professionals shall not facilitate personal addresses for receiving gifts, gratuities and/or favours in private homes.

2.1.8.- Respect for Data Privacy and Confidentiality in Relation to Third Parties

Euskaltel Group Professionals must preserve the confidentiality of the third-party data to which they have access, whereby any undue use thereof is prohibited.



Professionals must make discreet and functional use of the information to which they have access, restricting this to the activities proper to their respective companies, any undue use thereof being prohibited.

The information handled in each Professional's scope of responsibility must be processed and reflected fully, accurately, clearly and faithfully. All the Professionals of the Group must likewise keep third-party information obtained in the course of their occupational tasks confidential (as professional secrets) provided such confidentiality is not against the law.

In the event labour or professional relations cease, reserved and confidential information shall be returned by the Professional to the Euskaltel Group company to which it belongs, including any storage device, along with the information stored on any computer terminal, whereby the duty of professional confidentiality shall in any case persist.

2.1.9.- Intellectual and Industrial Property Protection

Professionals engage to protect company and third-party intellectual property, including, among other things, the rights to patents, brands, domain names, audio-visual and software content reproduction, database extraction or specialised technical knowhow.

2.1.10.- Corporate Image

All Group Professionals shall take the greatest care to preserve the Group image and reputation in all their professional activities, in particular, on any public occasion in which they may intervene.

2.2.- IN RELATION TO CLIENTS

Professionals as well as Suppliers of the Euskaltel Group must act honestly with clients, whether current or potential, towards the aim of establishing relationships of mutual trust and respect.

No Euskaltel Group Professional or Supplier shall use deceitful or fraudulent methods in dealing with clients. Any possible deception found by Professionals or Suppliers must be



reported and made known, to their superior in the organisation, the Internal Audit Manager, over the Ethics Channel for Professionals, or through the Ethics Channel for Suppliers.

All Professionals and Suppliers are obliged to respect the protocols set in place to meet the timelines for delivering the services offered, avoiding alterations in proper invoicing or fraudulent invoicing practices to the benefit of persons or companies.

Euskaltel Group Professionals and Suppliers avail of the necessary information regarding the products and services that the Group offers its clients in internal documents and on the websites of each of the companies comprising the Group, being obliged to bring the technology closer to the Clients in their efforts to improve information access.

2.3. IN RELATION TO SUPPLIERS

All Euskaltel Group Professionals participating in Supplier selection processes are obliged to act with total impartiality and objectivity, applying strict criteria of quality and cost, avoiding conflicts of personal and Group interest, and observing the Euskaltel Group Purchasing Procedure at all times.

Professionals shall select Suppliers based on the ideal character of their products or services, as well as their prices, delivery terms and quality.

Professionals shall only negotiate any type of contract or transaction on behalf of any Group company when they have the pertinent authorization to do so as set forth in the applicable policies or procedures of the Euskaltel Group.

The Euskaltel Group shall require its Suppliers to meet regulations in force and accept the Euskaltel Group Code of Ethics.

2.4.- IN RELATION TO SHAREHOLDERS

2.4.1.- Transparency and Truth in Financial Information



Professionals of the Euskaltel Group must act in keeping with the principle of financial integrity and see to its strict fulfilment, without falsifying or concealing information, book entries, invoices, or documents, keeping dual ledgers, or any other act of similar characteristics that could produce illicit profit at the expense of Public Administration, the Treasury and/or Social Security.

Professionals of the Euskaltel Group must base each economic transaction made on proper and verifiable documentation.

Professionals must keep and preserve all the documents used to prepare the financial statements for the legally established period of time.

All Professionals shall act transparently without concealing or distorting the information of Euskaltel Group accounting records and reports, which shall be complete, accurate and truthful.

2.4.2.- Corporate Image and Information

Euskaltel Group Professionals and/or Suppliers shall not be able to use the corporate image of the Group or any of the companies comprising it without the proper authorisation of the pertinent area.

Professionals engage not to use any type of physical or electronic information or documentation in their job posts belonging to another company that may have been obtained as the outcome of a previous job post or through any other means without the consent of company concerned.

2.4.3.- Group Property

The Professionals of the Group undertake to make proper use of the Euskaltel Group tangible assets placed at their disposal, protecting and preserving these in adequate conditions for use.



Among other items, the Euskaltel Group equips all its Professionals with computers containing proprietary or licenced software, where, for security reasons, they may not download any type of internet program without authorisation from the pertinent area, to which they may address all requests for such purpose. This shall internally manage inclusion in the software catalogue and subsequent installation in accordance with internal scaling procedures.

Data security is a team concern that all Euskaltel Group Professionals and Collaborators accessing data play a fundamental part in. For this reason, Professionals are responsible for ensuring that the applications, computer resources and data proper to the Euskaltel Group, or under its supervision, are used solely to conduct the operations for which they were created and implemented, without engaging in activities that may be considered illicit or illegal, or that infringe the rights of Euskaltel Group companies or third parties, or that may pose risks to the security of these.

In particular, apart from what is reflected in the security protocols of each Group company, Professionals shall observe the following guidelines for action:

- They shall respect the measures of security and access to computer equipment, such that ceding personal access passwords to another Euskaltel Group Professional or a third party shall be considered a practice contrary to basic security rules, and any liability arising from non-observance shall fall upon the party ceding the password.
- They shall not use such computer equipment for private purposes, purposes not concerned with the activity of the Euskaltel Group, illicit purposes or purposes that may damage the image of the Euskaltel Group.
- They shall block terminals when leaving their job posts.
- They shall not use private e-mails for Euskaltel Group concerns and correspondence.
- They shall not install any software not provided or authorised by the Euskaltel Group in its computer equipment.
- The programs, manuals or projects used in their professional activity may not be reproduced or ceded for purposes other than this, barring express authorisation.
- The conviction of acting for the benefit of the Euskaltel Group shall not justify any damages caused to its information, data and/or computer programs or those of third parties in any case.



2.4.4.- Fair Competition

Euskaltel Group Professionals shall abstain from using or transmitting false or generally discrediting information about the competition to sell their products and services.

Likewise, they are not allowed to influence others' intention for profit through the use of unethical practices, nor are other persons or organisations allowed to use such practices in relation to Euskaltel Group Professionals.

2.4.5.- Corporate Risk Management

Euskaltel Group Professionals are obliged to manage any risk in their field of competence that may hamper or hold the Euskaltel Group back from achieving its objectives and successfully executing its strategies.

2.5.- IN RELATION TO PUBLIC ADMINISTRATION

Professionals shall not turn over documentation of any sort (technical, commercial, economic or contractual) to the Public Administration in general or to Regulating Bodies in particular without previously checking the veracity and legitimacy thereof with the area affected in the company concerned.

All the Professionals of the Group must assume and obey established procedures so as not to violate the regulations applicable to the activity conducted by each.

Professionals maintaining relations with authorities, the administration or public agencies must document and keep the information exchanged, the data, and the decisions made.

Euskaltel Group Professionals are expressly prohibited from either entering into contract with the public administration for products and services or obtaining related subsidies, discounts or aid therefrom to the benefit of the Euskaltel Group by falsifying or omitting data or terms of any sort. Should such action be proposed directly by the officer or public authority, it must be rejected and reported to the Internal Audit Manager or through the Ethics Channel.



Euskaltel Group Professionals maintaining relations with the Public Administration on behalf of the Euskaltel Group shall behave respectfully and properly at all times, in keeping with the laws, guidelines and internal protocols existing in the Corporate Governance System, and in particular, in keeping with the Code of Ethics and these Instructions for Conduct.

2.6.- IN RELATION TO SOCIETY

The Professionals of the Euskaltel Group undertake to respect the human rights acknowledged in national law, the principles of the Global Pact of the United Nations and the labour regulations of the ILO.

The Professionals of the Euskaltel Group shall act in keeping with the principle of protecting the natural environment, minimising the environmental impact arising from its activities and from the use of installations, resources and work media, and attempt to use these efficiently.

The Professionals of the Euskaltel Group are prohibited from falsifying or omitting information on any aspect related to the exercise of their professional activity.

The Professionals of the Group shall maintain an attitude open to participation in sector fora.