



euskaltel

Annual General Meeting of Shareholders **2021**

Proposed resolutions



ERRONKA GARBIA
EVENTO AMBIENTALMENTE SOSTENIBLE

PROPOSED RESOLUTIONS SUBMITTED BY THE BOARD OF DIRECTORS TO SHAREHOLDERS AT THE ANNUAL GENERAL MEETING OF EUSKALTEL, S.A. CALLED ON 2 JUNE 2021, ON FIRST CALL, AND 3 JUNE 2021, ON SECOND CALL

The resolutions proposed by the Board of Directors of Euskaltel, S.A. (“Euskaltel” or the “Company”) for approval by shareholders at the Annual General Meeting are as follows:

Items relating to the annual accounts, company management and the statutory auditor

1. **Examination and approval of Euskaltel’s individual annual accounts and the consolidated annual accounts of Euskaltel and subsidiaries for the year ended 31 December 2020.**
2. **Examination and approval of Euskaltel’s individual directors’ report and the consolidated directors’ report of Euskaltel and subsidiaries for the year ended 31 December 2020.**
3. **Examination and approval of the Consolidated Statement of Non-Financial Information of Euskaltel and subsidiaries for the year ended 31 December 2020.**
4. **Examination and approval of company management and of the activities of Euskaltel's Board of Directors during the year ended 31 December 2020.**
5. **Re-appointment of KPMG Auditores, S.L. as auditor of Euskaltel’s individual annual accounts and as auditor of the annual accounts of the consolidated group comprising Euskaltel and subsidiaries for 2021.**

ITEM ONE ON THE AGENDA

Examination and approval of Euskaltel's individual annual accounts and the consolidated annual accounts of Euskaltel and subsidiaries for the year ended 31 December 2020.

PROPOSED RESOLUTION RELATING TO ITEM ONE

It is agreed to approve Euskaltel's individual annual accounts and the consolidated annual accounts of Euskaltel and subsidiaries for the year ended 31 December 2020, which were prepared by the Board of Directors at its meeting held on 25 February 2021.

ITEM TWO ON THE AGENDA

Examination and approval of Euskaltel's individual directors' report and the consolidated directors' report of Euskaltel and subsidiaries for the year ended 31 December 2020.

PROPOSED RESOLUTION RELATING TO ITEM TWO

It is agreed to approve Euskaltel's individual directors' report and the consolidated directors' report of Euskaltel and subsidiaries for the year ended 31 December 2020, which were prepared by the Board of Directors at its meeting held on 25 February 2021.

ITEM THREE ON THE AGENDA

Examination and approval of the Consolidated Statement of Non-Financial Information of Euskaltel and subsidiaries for the year ended 31 December 2020.

PROPOSED RESOLUTION RELATING TO ITEM THREE

It is agreed to approve the statement of non-financial information included in the consolidated directors' report of Euskaltel and subsidiaries for the year ended 31 December 2020, prepared by the Board of Directors at its meeting held on 25 February 2021 and which has been verified by KPMG Asesores, S.L. as shown in the report issued on 25 February 2021, and which has been made available to shareholders for the call to the Annual General Meeting of Shareholders.

ITEM FOUR ON THE AGENDA

Examination and approval of company management and of the activities of Euskaltel's Board of Directors during the year ended 31 December 2020.

PROPOSED RESOLUTION RELATING TO ITEM FOUR

The Company's management and the activities of its Board of Directors during the year ended 31 December 2020 are hereby approved.

ITEM FIVE ON THE AGENDA

Re-appointment of KPMG Auditores, S.L. as auditor of Euskaltel's individual annual accounts and as auditor of the annual accounts of the consolidated group comprising Euskaltel and subsidiaries for 2021.

PROPOSED RESOLUTION RELATING TO ITEM FIVE

It is agreed to re-appoint KPMG, Auditores, S.L. as auditor of the Company's individual annual accounts and as auditor of the consolidated annual accounts of Euskaltel and subsidiaries for the year ending 31 December 2021.

It is also agreed to authorise the Company's Board of Directors, with the express authority to replace, including to its authorised representatives, to determine the statutory auditor's remuneration in accordance with the financial terms and conditions generally applicable to this audit firm, and particularly to enter into the respective services agreement, under the terms and conditions it deems appropriate, with the authority to make such amendments thereto as may be required in accordance with the law applicable at any given time.

KPMG Auditores, S.L. shall, if appropriate, accept its re-appointment by any valid legal means.

This resolution is adopted at the proposal of the Board of Directors following a previous proposal from the Audit and Control Committee.

Note is made that KPMG Auditores, S.L. has its registered address at Paseo de la Castellana, 259 C, Torre Cristal, 28046 Madrid (Madrid), with tax identification number B-78.510.153. The company is entered in the Madrid Companies Register in volume 11,961, page 90, section 8, page M-188.007, entry 10 and in the Official Registry of Auditors (ROAC) under number S-0702.

Items relating to shareholder remuneration and director remuneration

6. **Approval of the proposed application of Euskaltel results and distribution of dividends for the year ended 31 December 2020.**
7. **Approval, if applicable, of the amendment to the existing Director Remuneration Policy for 2019, 2020 and 2021.**

ITEM SIX ON THE AGENDA

Approval of the proposed application of Euskaltel results and distribution of dividends for the year ended 31 December 2020.

PROPOSED RESOLUTION RELATING TO ITEM SIX

In compliance with articles 273.1 and 273.2 of the Spanish Companies Act, and as there was net profit in 2020 of Euros 40,935,669.33 and as freely distributable reserves total Euros 416,738,961.17 (voluntary reserves and share premium), it is agreed to distribute an additional dividend for a gross amount of Euros 0.170 per Euskaltel share outstanding with dividend rights on the date the relevant payment is made.

Payment of the aforementioned dividend is expected to take place no later than 17 June 2021.

This dividend will be distributed through the entities participating in “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal” (IBERCLEAR), the Board of Directors being hereby authorised for such purpose, with express authority to replace, to establish the specific date for payment of the dividend, to designate the entity that is to act as paying agent, and to take such other steps as may be required or appropriate to successfully distribute the dividend. Consequently, the distribution of profits and reserves for 2020 is as follows:

BASIS OF APPLICATION	AMOUNT (Euros)
Voluntary reserves	61,574,328.79
Share premium	355,164,632.38
Profit for the year	40,935,669.33
	457,674,630.50

DISTRUBUTION	AMOUNT (Euros)
Legal reserve	4,093,566.93
Dividends	
Interim dividend	25,010,350.40
Additional dividend	30,369,711.20
Share premium	355,164,632.38
Voluntary reserves	43,036,369.59
	457,674,630.50

ITEM SEVEN ON THE AGENDA

Approval, if applicable, of the amendment to the existing Director Remuneration Policy for 2019, 2020 and 2021.

PROPOSED RESOLUTION RELATING TO ITEM SEVEN

It is agreed to approve the Company's Remuneration Policy, which has been made available to shareholders along with the required report by the Remuneration Committee since the call to this General Meeting, pursuant to the article 529 *novodecies* of the Spanish Companies Act.

This Policy shall apply to the remuneration of Company directors during 2021, unless the General Meeting of Shareholders approves a resolution to amend it whilst it is in force.

Item relating to the update of the corporate governance system

8. **Information for the General Meeting regarding the amendments to the Board of Director Regulations approved by the Board of Directors.**

ITEM EIGHT ON THE AGENDA

Information for the General Meeting regarding the amendments to the Board of Director Regulations approved by the Board of Directors.

PROPOSED RESOLUTION RELATING TO ITEM EIGHT

Shareholders have been provided with the document containing the current version of the Company's Board of Director Regulations, including the amendments to the regulations agreed by the Board of Directors since the Company's previous General Meeting of Shareholders was held and the relevant explanatory report on the amendments, which was issued by the Board of Directors.

This agenda item, which is for information purposes only, does not require the adoption of any specific resolution by the Company's shareholders

Item relating to general matters

9. **Delegation of powers to formalise and implement all resolutions adopted by 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 carry out the mandatory filing of accounts.**

ITEM NINE ON THE AGENDA

Delegation of powers to formalise and implement all resolutions adopted by 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 carry out the mandatory filing of accounts.

PROPOSED RESOLUTION RELATING TO ITEM NINE

It is agreed to delegate - notwithstanding the powers already delegated to the Board of Directors by the General Meeting, including the authority to replace or grant a power of attorney to any of its members, and in the broadest terms possible - to the non-board member Secretary and the non-board member Deputy Secretary, so that either of them, indistinctly and with all the necessary scope in law, may supplement, execute and prepare, technically modifying, where appropriate, all the previous resolutions, correcting any omissions or errors that may be present in them, and interpret them, jointly and severally granting the aforementioned persons the power to convert the appropriate deeds containing the resolutions adopted into public deeds, with the broadest powers to carry out any acts that may be necessary in relation to the resolutions of this general meeting, granting the documents that may be necessary to enter the aforementioned resolutions in the Commercial Registry, and in particular to:

- a) Correct, clarify, specify or complete the resolutions adopted at this General Meeting or those produced in any instruments or documents executed in implementation thereof, and particularly any omissions, defects or errors in form or substance that may prevent the access of these resolutions and the consequences hereof to the Commercial Registry, the Property Registry, the Industrial Property Registry or any others, and particularly to carry out the mandatory filing of accounts with the Commercial Registry.
- b) To make any announcements, undertake legal acts or business, contracts or transactions that may be necessary or convenient to adopt, and to execute the necessary resolutions for the purposes provided for in law to execute the resolutions adopted by this general meeting, including, in particular, and among other powers, that of appearing before a Notary Public to grant or enter into any public or private documents deemed necessary or convenient to ensure the full effectiveness of these resolutions.
- c) To delegate all or some of the powers deemed necessary from those expressly attributed to them by this general meeting, either jointly or severally.
- d) In short, to determine all other circumstances that may be necessary, completing any procedures that may be appropriate and complying with any requirements that may be necessary in accordance with current legislation, so as to execute to the greatest extent possible what has been agreed by the General Meeting of Shareholders.

Item relating to the resolution submitted to a consultative vote

- 10. Consultative vote regarding the Annual Director Remuneration Report for 2020.**

ITEM TEN ON THE AGENDA

Consultative vote regarding the Annual Director Remuneration Report for 2020.

PROPOSED RESOLUTION RELATING TO ITEM TEN

It is agreed to approve the Annual Director Remuneration Report for 2020 on a consultative basis.

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