

SPANISH NATIONAL SECURITIES MARKET COMMISSION (CNMV)

FAO the Director General for Markets

Barcelona, 18 April 2017

Ref: CNMV requisition Dispatch record no. 2017034938

We are writing in reference to your requisition dated 23 March 2017, in regard to the annual corporate governance report (“**IAGC**”) of Cellnex Telecom, S.A. (“**Cellnex**” or the “**Company**”) for the 2016 financial year.

We proceed to expand the information contained in Recommendations 16, 18, 25, 40 and 42 of the IAGC as required by the CNMV in its request for information:

- (i) Recommendation 16: This Recommendation establishes that there must be a proportion between the capital represented by the dominical directors and the percentage of the latter over the total number of non-executive directors. Currently, Cellnex dominical directors represent 50% of the non-executive directors while the shareholder they represent, Abertis Infraestructuras, S.A., owns 34% of the share capital. Notwithstanding this, it should not be ignored that this Recommendation establishes that this criterion may be attenuated in companies in which major shareholdings are scarce. In Cellnex, apart from Abertis Infraestructuras, S.A., there are only five major shareholders (greater than 3%) and, in addition, none of them has expressed an interest in participating on the Board.

Also, the Cellnex Board of Directors has submitted to the forthcoming General Meeting the proposal to increase the number of Board members, with the addition of a new independent director. If this agreement is approved,

the proportion represented by the dominical directors over the total number of non-executive directors will be reduced and a Board will be constituted in which the majority of non-executive directors will be independent (5 out of 9).

- (ii) Recommendation 18: The Company partially fulfils this Recommendation since its website contains updated information on the professional and biographical profiles of the directors; other boards of directors to which they belong; the category of director to which they belong and, in the case of dominical directors, the shareholder they represent; the date of their first appointment as a Cellnex director, and of their subsequent re-election; as well as the shares of the Company and the options on them of which the directors are the title holders (i.e., the information required in points a), c), d), e) and the first sub-point of point b) of the aforementioned Recommendation). However, information on all remunerated activities, of whichever nature, performed by the directors (as set out in sub-point two of point b) of the Recommendation) is not included as it is considered that the data included in the website already provide sufficient information to know the professional profile of each of the directors and comply with Recommendation 18 of the Code of Good Governance of listed companies relative to the composition of the Board of Directors.
- (iii) Recommendation 25: Cellnex partially fulfils this Recommendation since the Regulations Governing the Board do not set a maximum number of boards on which its directors may sit as indicated in paragraph two of this Recommendation. However, the Appointments and Remuneration Committee does ensure that directors have sufficient time available for the proper performance of their duties, as provided for in paragraph one of the Recommendation. Thus, Article 26 of the Regulations Governing the Board establishes that the directors must have adequate dedication and will take the necessary steps for the due administration and control of the company in the performance of their duties. In addition, in the self-assessment processes conducted by the Appointments and Remuneration Committee, assessment has been made and no lack of availability and dedication by the directors has been detected.
- (iv) Recommendation 40: The Company partially complies with this Recommendation to the extent that it has an internal auditing unit that acts under the supervision of the Audit and Control Committee, and reports functionally to it, although hierarchically it reports to the General Secretariat. The reason for this decision is merely practical or operational since the Audit and Control Committee meets, approximately, six times a

year and the activity performed by the internal auditing unit requires carrying out procedures with greater assiduity and agility, which are initially supervised by the General Secretariat, without prejudice to their subsequent supervision by the Audit and Control Committee.

- (v) Recommendation 42: The Audit and Control Committee performs the functions provided for in the Recommendation, including that of ensuring the independence of the internal auditing unit. However, with regard to the role of proposing the selection, appointment, re-election and dismissal of the person responsible for the internal auditing service and the unit's budget and work plans, these are managed initially by the General Secretariat and subsequently supervised and validated by the Audit and Control Committee. This is set forth in the Regulations Governing the Board when whose Article 15 provides that it is the duty of the Audit and Control Committee to supervise the effectiveness of the internal control of the Company, the internal auditing services, verifying the suitability and integrity thereof, and to review the appointment and replacement of those responsible and ensure their independence. For these reasons the IAGC indicates a partial degree of compliance.

We trust we have duly responded to your requisition. In any case, we remain at your disposal should you require any further clarifications.

Yours faithfully,

Signed: Javier Martí de Vesés Estades

General Secretary and Secretary to the Board of Directors