ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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Company Name: CELLNEX TELECOM, S.A.

Registered office:
Calle Juan Esplandiú 11-13, 28007 Madrid

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A REMUNERATION POLICY OF THE COPMANY FOR THE CURRENT FINANCIAL YEAR

A.1 Explain the current remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders’ Meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders’ Meeting.

In any event, the following aspects should be reported:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in establishing the company's remuneration policy.
- Information on whether any external advisors took part in the process and, if so, their identity.

The principles and criteria of the Director remuneration policy are reviewed from time to time by the Appointments and Remuneration Committee and the Board of Directors, within the framework of their respective powers, in order to keep the Company's Director remuneration policy in line with market trends.

Policy on remuneration of directors in their status as such

The remuneration of directors for the exercise of supervisory and collegiate decision-making duties is based on the following general principles:

- Remuneration must be sufficient and appropriate to the dedication, qualification and responsibilities of the directors, but without such remuneration compromising the independence of the directors' judgement (in particular with regard to independent directors, as detailed in the Board Regulations).
- Remuneration must be adequate to attract and retain talent.
- Remuneration must be competitive, which is achieved by setting a remuneration package in line with market standards, considering comparable sectors and companies.

In accordance with the provisions of the Articles of Association and the Board Regulations, directors receive a fixed annual remuneration for being members of the Board.

Directors receive remuneration only in connection with the responsibility they assume. The amounts may be reviewed and updated by the Board of Directors, following a report by the Appointments and Remuneration Committee, within the maximum annual amount approved by the shareholders at the General Meeting. Such updates will be reported in the relevant Annual Report on Directors' Remuneration, which will be submitted to a vote for consultation and as a separate item on the agenda, at the Company's General Meeting of Shareholders.

The Company has also taken out civil liability insurance for its Directors on an arm's length basis.

Policy on remuneration of directors for the performance of executive functions

The remuneration of directors for the performance of executive functions is based on the following general principles:

- Ensure that the structure and overall amount of the remuneration package is competitive compared to the remuneration paid by comparable entities at domestic and international level, in order to be able to attract, retain and motivate the most outstanding professionals, so that the Company is able to meet its strategic objectives within the increasingly competitive and internationalized framework in which it carries out its activity.
- Include an annual variable remuneration linked to individual performance and overall evolution of the Company and the Group.
- Encourage the creation of value in a sustained manner over time. To this end, remuneration includes long-term variable components that encourage the achievement of objectives in a sustained manner over time, as well as the retention of key talent.

The Director Remuneration Policy for the performance of executive functions considers, among other things, the following components: (i) a fixed remuneration according to the level of responsibility and performance, which must be competitive compared to the one paid in comparable entities; (ii) an annual variable remuneration linked to the achievement of pre-established, specific and quantifiable objectives; (iii) a multi-year variable incentive, and (iv) certain benefits in kind.

The only director who performs executive functions is the Company's Chief Executive Officer.

The company commissioned a renowned firm (Willis Towers Watson) to prepare a comprehensive study of comparable companies, which has served as the basis for determining the CEO's remuneration for 2019.

As a result of that study, the CEO’s annual fixed remuneration for 2019 was set at one million euros and the annual variable remuneration at 100% of the fixed remuneration, as set out in the Directors' Remuneration Policy approved by the shareholders at the General Meeting held in May 2019.

- Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the company, which will include, as the case may be, mention of any measures to guarantee that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures to avoid conflicts of interest.

  Furthermore, state whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and vested financial instruments, or if any clause has been approved reducing the deferred remuneration or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have clearly been shown to be inaccurate.

The Remuneration policy is designed with the Company's long-term strategy and results in mind. The medium- and long-term variable remuneration plans implemented by the Company are set within a multi-year framework to ensure that the evaluation process is based on long-term results and takes into account the Company's underlying business cycle.

In addition, the Remuneration policy for Executive Directors and Senior Management establishes a balance between the fixed and variable components of remuneration, which could even lead to non-collection of variable remuneration in certain cases of failure to achieve the targets set. Thus, the components of remuneration are flexible enough to allow their modulation to the extent that it is possible to eliminate the same entirely.

In particular, the payment of the CEO's variable remuneration is not made immediately, but after drawing up the Annual Accounts for the financial year in which it accrues, so that the Company may analyse the achievement of the targets with sufficient time. In addition, if circumstances that justify a new evaluation or review of the degree of target achievement by the Board of Directors should arise during a 6-month period, upon obtaining a report from the Appointments and Remuneration Committee, the Company may suspend payment of the amounts not yet paid to the Director for items of variable remuneration, as well as, if appropriate, claim the amounts unduly paid as a result of the new evaluation carried out.

The CEO's remuneration mix in 2019 has been: 21% fixed salary, 38% variable annual salary, 36% annualized LTIP and 5% pension plan and others.

- Amount and nature of the fixed components that are due to be accrued during the year by directors in their status as such.

The maximum aggregate annual remuneration to be paid to all directors in their capacity as such, as established in the Director Remuneration Policy approved by the shareholders at the General Meeting of Shareholders held in May 2019, may not exceed EUR 2,000,000 euros. On 21 February 2019, the Board of Directors resolved to distribute the remuneration, effective as of 1 April 2019, as follows:

Chair of the Board of Directors	220,000 euros/year
Chair of committee	150,000/year
Member of committee	130,000/year
Rest of members of Board of Directors	100,000 euros/year

The directors are only paid the remuneration linked to the greater responsibility they perform.

Directors do not receive attendance fees.

- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

As a director with executive functions, the CEO receives fixed remuneration for the performance of his senior management duties, pursuant to the commercial contract signed between him and the Company. The fixed remuneration is determined taking into account the content of the executive functions associated with the position and the market information of comparable companies. During the 2019 financial year, the fixed remuneration of the CEO for the exercise of his senior management functions amounted to a total of EUR 1,000,000.

- Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The CEO is the beneficiary of a health insurance that also covers his family. In addition, the CEO is the beneficiary of an insurance policy to cover the contingencies of survival beyond ordinary retirement age, death, total permanent disability, absolute disability or major disability, and long-term unemployment, with the Company making an annual contribution consisting of 25% of the CEO's annual gross fixed compensation.

- Amount and nature of the variable components, differentiating between those established in the short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of compliance with the parameters used in the design of variable remuneration at the end of the year.

  State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

Of all the members of the Board, only the CEO benefits from remuneration systems or plans that incorporate variable remuneration.

i) Variable annual remuneration:

Part of the CEO's remuneration is variable and accrues on an annual basis, with the following main characteristics:

(a) It is intended to enhance his commitment to Cellnex and motivate his performance.

(b) The Board of Directors set the amount of the CEO's variable remuneration for the 2019 financial year at one million euros, assuming 100% achievement, which is equivalent to 100% of his fixed remuneration, in accordance with the provisions of Cellnex’s director remuneration policy and following standard practice in the Spanish market for positions of similar responsibility. The achievement for 2019 has been 119.5%

(c) The accrual of variable remuneration is linked to the achievement of certain economic-financial and operational objectives of the Cellnex Group. Such objectives are approved by the Board of Directors, on the proposal of the Appointments and Remuneration Committee, at the beginning of each calendar year. The indicators, and relevant weights, for the year 2019 are as follows: Recurring levered free cash flow (30%), PoPs (Telecom Site Rental) & Nodes (25%), Inorganic Growth Projects (25%), and Product portfolio deployment (20%).

(d) The evaluation criterion is the percentage of achievement of such targets compared to the budget established by the Company at the beginning of the year.

(e) The entitlement to the annual variable remuneration is approved by the Company's Board of Directors, upon the Appointments and Remuneration Committee's proposal, based on the evaluation of the degree of achievement of the set targets, once the annual accounts for the year in question have been closed and audited. The scale for target achievement ranges from 0 to 100 percent, with a corrective factor of 0.75-1.25 depending on the director's personal contribution. This factor is proposed by the Appointments and Remuneration Committee and approved by the Board of Directors, and evaluates the following aspects based on the Cellnex Leadership Model

Aspects to be evaluated

1.Lead the way: through strategic vision, orientation towards change and innovation.

2. Lead the development of people: by managing his team's talent, identifying it and helping it grow

3. Lead relationships: through effective communication with its stakeholders, teamwork and taking advantage of synergies

4. Lead the contribution to results: by setting challenging targets and ensuring timely and quality delivery

5. Ability and capacity to successfully integrate new business and M&A operations

(f) Remuneration shall be collected in cash, although it may be resolved to replace all or part of it for a company contribution to improve welfare benefits or for shares.

ii) Long-term variable remuneration:

A component of the CEO's total annual remuneration is linked to a multi-year incentive.
This remuneration element seeks to motivate and retain through a remuneration policy that links and integrates the Group's officers and, in particular, the CEO, with the Company's Strategic Plan, aligning the objectives of officers with those of shareholders, as well as maintaining external competitiveness to enable the recruitment of new talent.

The instruments used for the multi-year incentive may consist of share options, share awards, cash bonuses and other remuneration instruments which are considered to be market practice, and which facilitate the achievement of the above objectives.

In 2017, at the proposal of the Appointments and Remuneration Committee, the Board of Directors agreed to implement a ROLLING LTI, which will apply for the duration of the present director remuneration policy, consisting of a series of three-year incentive plans (2017-2019 LTI Plan, 2018-2020 LTI Plan, 2019-2021 LTI Plan), in order to retain and encourage the involvement of the CEO and certain key personnel in the Group.

The objectives included in the various ROLLING LTI Plans will be determined in due course by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, and will relate to the Company's share price and/or economic figures.

The final assessment of the achievement of the objectives set out in each of the ROLLING LTI Plans will be made by the Appointments and Remuneration Committee, upon expiration of the term and, as the case may be, settlement thereof, and will take place after the General Meeting of Shareholders at which the annual accounts for the last year covered by the Plan are approved.

The CEO's expected remuneration in the event that the objectives set out in the relevant Plan are achieved is as follows:

- 2017-2019 LTI Plan (consists of two phases: 2017-2018 and 2018-2019):

  The CEO's expected remuneration in the event that the Company's strategic objectives are achieved, is an annual payment of his fixed remuneration for the 2018-2019 phase.

  The scale of objective achievement ranges from 0% to 125%.

  A minimum of 40% of this remuneration will be paid in the form of shares in the company, with an obligation to retain them for a minimum period of two years. The delivery of shares for the two phases will be carried out by applying a discount to offset the tax impact. The calculation to determine the number of shares to be delivered is made by dividing the net amount to be paid by the share price on 31 December 2019.

- 2018-2020 LTI Plan

The CEO’s expected remuneration in the event that the Company’s strategic objectives are achieved by 2020 year-end is an annual payment of his fixed remuneration. The scale of objective achievement ranges from 0% to 125%. A minimum of 50% of such remuneration will be paid in the form of shares in the company, with an obligation to retain them for a minimum period of two years. The delivery of shares will be carriedby applying a discount to offset the tax impact. The calculation to determine the number of shares to be delivered is made by dividing the net amount to be paid by the share price on 31 December 2020.

- 2019-2021 LTI Plan

The CEO’s expected remuneration in the event that the Company's objectives are achieved by the end of the 2021 financial year, is 1.16ˆtimes his fixed remuneration. 100% of this remuneration will be paid in the form of shares and/or rights to share appreciation, with an obligation to permanently retain shares equivalent to one year's fixed salary. The delivery of shares will be carried out by applying a discount to offset the tax impact.

If the CEO already meets such requirement, he could opt to receive part of the rights to share appreciation as a contribution to his Defined Contribution Pension Plan (pension insurance) or cash.

The Company will establish other multi-year incentive plans for subsequent periods.

(iii) Extra bonus

In 2019, the Board approved to deliver a unique and extraordinary bonus for Cellnex's unprecedented growth in 2019 due to the closing of several successful inorganic growth operations that have had a huge impact on Cellnex's revenues and share price growth in 2019. Cellnex's share price performance in 2019 was the best in the Ibex 35. In recognition of this growth, the Board approved the payment of this extraordinary bonus to reward the efforts of 18 people who have been crucial to the closing of these successful transactions (including the CEO himself, for whom the bonus amounts to 1 million euros), and a plan to deliver shares to all employees of the Cellnex group.

The CEO's bonus is subject to approval by the General Shareholders' Meeting.

– Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

State if the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short or long-term performance of the director.

Only the CEO is the beneficiary of a Defined Contribution Pension Plan, implemented through a group insurance policy.

The contingencies covered by the Defined Contribution Pension Plan are

(a) Survival at 65 or legal retirement age.

(b) Death.

(c) Total permanent disability the normal occupation, absolute disability for all types of work and severe disability.

(d) Long-term unemployment: entitled to receive the full amount of the mathematical provision set up in favour of the same in the Defined Contribution Pension Plan when, after ceasing to provide services, he does not receive, over a whole calendar year, income from work as defined in the Personal Income Tax regulations.

In the event that the CEO leaves the Company prior to the occurrence of any of the contingencies provided for in the pension plan, the CEO will consolidate the rights relating to the contributions made to date, except in the following cases

(a) If, at any time during the twelve months following the termination of his services as CEO - for reasons other than the occurrence of the contingencies and without having received the survivor's benefit - he breaches the non-compete duty regulated in his contract.

(b) In the case of termination of services due to breach of contractual good faith.

(c) In the case of termination of services due to breach of trust in the performance of services.

The annual contribution for 2019 was 250 thousand euros.

– Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, on the terms provided between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, continuance in office or loyalty, which entitle the director to any type of remuneration

No compensation has been paid in this respect in 2019.

- State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, any clauses or agreements on non-competition, exclusivity, continuance in office and loyalty, and post-contractual non-competition, unless these have been explained in the previous section

The main characteristics of the commercial contract between the Company and the CEO are as follows:

a) Duration: fixed, from the time it is signed to 31 December 2024.

b) Exclusivity: the contract includes the obligation to provide services to the Company on an exclusive and full-time basis.

   Termination: the CEO's contract provides that it will be automatically terminated in the following cases (i) resignation or removal of the CEO in his capacity as such; (ii) non-renewal of office; and (iii) end of the established term.

c) Compensation: In the event of termination of the contractual relationship prior to the expiration of the agreed term, the CEO shall not be entitled to receive any compensation for the termination of the relationship, except in the following cases (i) serious breach by the Company of its contractual obligations; (ii) non-consensual material modification of his functions; (iii) change of control of the Company within the meaning of Article 42 of the Spanish Code of Commerce; or (iv) cessation or non-renewal of his office as director. In these cases, the CEO will be entitled to receive as compensation two years' fixed and variable remuneration (accrued during the last year prior to the termination of the contract) .

d) Post-contractual non-compete agreement: during the year following the date of termination of the contract, the CEO may not compete with the Company by providing services, directly or indirectly, on behalf of others or on his own account, whether himself or through an intermediary, to the Company, businesses or any other entity engaged in "activities competing with those of the Company". The compensation agreed as consideration for this restrictive covenant is one year of his fixed remuneration. In the event that the CEO fails to comply with his non-compete obligation, he must return the amount received and pay an additional amount equivalent to another year of his fixed remuneration.

Such compensation payments are compatible with the contingencies covered by the Defined Contribution Pension Plan.

- The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

There is no supplementary remuneration for services rendered to the Company other than those already indicated in this report.

- Other remunerative items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration.

There are no advances or loans granted to directors by the Company based on their status as members of the Cellnex Board.

- The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

There are no supplementary remuneration items that are not included in the previous sections.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from

- A new policy or a modification of the policy already approved by the General Meeting.
- Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year
- Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted, and which are proposed to be applicable to the current year.

At the General Meeting in May 2019, the shareholders approved two amendments to the directors' remuneration policy, which have taken effect in 2019 and are described in section A1. They were: (i) the modification of the maximum aggregate annual remuneration to be paid to all directors in their status as such and (ii) the modification of the annual fixed remuneration, annual variable remuneration and multi-year variable remuneration of the Chief Executive Officer. In 2020, no changes in the remuneration policy for directors are expected to be submitted to the General Meeting of Shareholders.

A.3 Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

https://www.cellnextelecom.com/politica-retributiva/

A.4 Explain, taking into account the data provided in section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.

Given the large percentage of votes in favour of the Annual Remuneration Report for the year 2018 (93.56%), a similar structure has been maintained for 2019, although the information contained therein has been expanded.

B OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

B.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, as the case may be, the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.

The CEO's remuneration mainly reflects his level of responsibility within the organization, as well as his professional experience, ensuring that it is competitive with that of comparable entities at the domestic and international level.

In order to establish a remuneration that is both adequate and competitive on the market, the Appointments and Remuneration Committee takes into account the above elements to set and review the same, as well as the studies and salary analysis prepared by renowned consultancy firms.

On that basis, the Appointments and Remuneration Committee proposes every year the CEO’s remuneration, for subsequent approval by the Board of Directors/General Meeting of Shareholders.

In relation to this point, the company commissioned Willis Towers Watson to carry out an exhaustive study with comparable companies, which has served as the basis for determining the CEO's remuneration.

The 17 main companies in the telecommunications sector in Europe and the USA were taken into account for the comparison: Masmovil, Inwit, American Tower, Telefónica, Crown Castle, Tele2, Rai Way, EI Towers, Orange, Sunrise, Deutsche Telekom, Vodafone, Swisscom, KPN, Arquiva, Telxius, Iliad.

The final results of this study are:

1. In the 2013 – 2017 period. For the following analysed indicators: Revenue performance, Asset acquisition performance and Ebitda performance, Cellnex's performance is above the 75th percentile of the market. And for the Market Cap Performance indicator, its performance is above the market median.
2. In absolute numbers, the CEO's Target Total Compensation (including pensions) is in the median range of comparable companies.
   The CEO was at 2,185 thousand euros in 2018, the median at 2,180 thousand euros and the 75th percentile at 5,650 thousand euros

As a result of this study, an improvement in remuneration was proposed to place the CEO under the 75th percentile (approximately at the 60th percentile). At the General Meeting of Shareholders held in May 2019, the shareholders approved a fixed remuneration of 1 million euros, a variable percentage of 100% for 2019, and an increase in the LTIP multiplier from 1 to 1.16ˆon an annual basis, starting with the 2019 - 2021 LTIP

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate

The various actions taken by the company in relation to the remuneration system to reduce exposure to excessive risk have been

- Remuneration benchmarking to avoid talent drain
- Succession planning to ensure continuity of positions
- Exclusivity and full-time employment clause in CEO and Senior Management contracts
- Ethical duty clause in CEO and Senior Management contracts

B.3 Explain how the remuneration accrued over the year meets the provisions contained in the current remuneration policy.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors and how the latter contribute to the short- and long-term results of the company.

In order to ensure that the CEO’s remuneration in 2019 is linked to the company's performance, the short-term variable indicators used have been the following:

- Recurring Levered Free Cash flow. Weight 30%
- PoPs (TIS) & Nodes. Weight 25%
- Inorganic Growth. Weight 25%
- Product portfolio deployment. Weight 20%

In the long term, the indicators for the LTIP are the RLFCF per share and the Relative TSR as detailed in point B7. These factors ensure the correlation between the company's performance, both in the short and long term, and the CEO's remuneration.

B.4 Report on the result of the consultative vote at the General Shareholders’ Meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	**% of total**
Votes cast	244,246,126	81.78%

	Number	**% of cast**
Votes against	13,501,053	5.53 %
Votes in favour	228,504,907	93.56 %
Abstentions	2,240,166	0.92 %

Remarks

B.5 Explain how the fixed components accrued during the year by the directors in their capacity as such have been determined and how they have changed with respect to the previous year

The maximum aggregate annual remuneration to be paid to all directors in their capacity as such, as established in the Director remuneration policy, may not exceed 2,000,000 euros. A change was made In 2019, raising the remuneration of the Chair of the Board by 70,000 euros, to adapt it to the market without exceeding the maximum limit established in the Director remuneration policy.

In 2019 it has been distributed as follows:

Chair of the Board of Directors	220,000 euros/year
Chair of Committee	150,000 euros/year
Member of Committee	130,000 euros/year
Rest of members of Board of Directors	100,000 euros/year

Directors only receive the remuneration linked to the greater responsibility they perform.

Directors do not receive attendance fees.

In 2018, the distribution was the following:

Chair of the Board of Directors	150,000 euros/year
Chair of Committee	150,000 euros/year
Member of Committee	130,000 euros/year
Rest of members of the Board of Directors	100,000 euros/year

B.6 Explain how the salaries accrued by each one of the executive directors over the past financial year for the performance of management duties were determined, and how they have changed with respect to the previous year.

Taking into account Willis Towers Watson's study, the fixed remuneration was increased to one million euros and the variable percentage was increased to 100%.

B.7 Explain the nature and main characteristics of the variable components of the remuneration systems accrued in the year ended.

In particular:

- Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated.

  In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (vesting) and to exercise these options or financial instruments, including the price and term to exercise them.

- Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of remunerations systems or plans that include variable remuneration
- As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

Explain the short-term variable components of the remuneration systems
The Board of Directors set the amount of the CEO's variable remuneration for 2019 at one million euros, assuming 100% achievement of targets. This amount represents 100% of his fixed remuneration, in accordance with the provisions of Cellnex's Director remuneration policy and following standard practice in the Spanish market for positions of similar responsibility.

Explain the long-term variable components of the remuneration systems

- **2017-2019 LTI Plan** (consists of two phases: 2017-2018 and 2018-2019):

The CEO's expected remuneration in the event that the Company's strategic objectives are achieved, is an annual payment of his fixed remuneration for the 2018-2019 phase. At least 40% of this remuneration will be paid in the form of shares in the company, with an obligation to retain them for a minimum period of two years. The amount actually paid and the shares actually delivered to the CEO will take into account the relevant tax obligations.

2nd Phase 2018 - 2019
Below is a description of the indicators of Phase 2 and their respective weights:

50%; the recurrent leveraged cash flow per share ("RLFCF per share") determined according to market consensus and with a constant consolidation perimeter. The rate of achievement of this target will be 50% if the amount is greater than the target minus 5%, 100% if the amount is equal to the target and 125% if the target is exceeded by at least 5%.
50%; the Company's shares appreciation from the beginning of the period until the end of 2019, weighted to take into account the volume in the last quarter. The percentage of achievement of this objective will range from 75% to 125% depending on the

revaluation compared to the IBEX 35 and to certain European and American competitors.
In this 2nd Phase (2018 - 2019) the average achievement of the two objectives has been 125%. Regarding the first target, which refers to the RLFCF per share, the rate of achievement has been 125%. For the second objective, which concerns the share appreciation, the rate of achievement has been 125%.
In the case of the CEO, for this 2nd Phase (2018 - 2019), 397 thousand euros provisioned in 2018 and 1,020 thousand euros in 2019.
In accordance with the achievement of this phase, the CEO will receive 1,417 thousand euros within 15 days of the General Meeting at which the shareholders will approve the 2019 annual accounts. Such remuneration is partially compensated (25%) for the tax impact on the part of the remuneration in Company shares.

- **2018-2020 LTIP**

The CEO’s expected remuneration in the event that the Company’s strategic objectives are achieved by 2020 year-end is an annual payment of his fixed remuneration. 50% of such remuneration will be paid in the form of shares in the Company, with an obligation to retain them for a minimum period of two years. The amount actually paid and the shares actually delivered to the CEO will take into account the relevant tax obligations.

Below is a description of the indicators for the 2018 - 2020 LTIP:

50%; the recurrent leveraged cash flow per share ("RLFCF per share") determined according to market consensus and with a constant consolidation perimeter. The rate of achievement of this objective will be 50% if the amount is greater than the target minus 5%, 100% if the amount is equal to the target and 125% if the target is exceeded by at least 5%.
50%; the Company's shares appreciation from the beginning of the period until the end of 2018, weighted to take into account the volume in the last quarter. The rate of achievement of this objective will range from 75% to 125% depending on the appreciation compared to the IBEX 35 and to certain European and American competitors.
In the case of the CEO, for the 2018 - 2020 LTI Plan, 389 thousand euros have been provisioned in 2019 (389 thousand euros provisioned in 2018)

- 2019-2021 LTI Plan

The CEO’s expected remuneration in the event that the Company's objectives are achieved by the end of the 2021 financial year, is 1.16ˆtimes his fixed remuneration. 30% of this remuneration will be paid in the form of guaranteed shares (Granted shares) and the remaining 70% in the form of share appreciation rights (Options), with an obligation to permanently retain a number of shares equivalent to one year's fixed salary.
The amount to be received will be determined by the degree of achievement of the share price increase, calculated on the basis of the average price for the three months prior to November 2018, date of the board of directors that approved this plan (the initial price for the period) and the average price for the three months prior to

November 2021 (the final target price for the period), both weighted by volume ("vwap"). The delivery of shares will be carried out by applying a discount to offset the tax impact. If the CEO already meets this obligation, he may be eligible to receive part of the rights to share appreciation as a contribution to his Defined Contribution Pension Plan (pension insurance) or cash.
In the case of the CEO, for the 2019 - 2021 LTI Plan, 484 thousand euros have been provisioned in 2019.

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been vested and deferred or, in the case of the latter, vested and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer

In 2019, no amount of any variable component has been reduced or clawed back

B.9 Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions for vesting economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

Explained in section A.1

B.10 Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract upon the terms provided for therein, accrued and/or received by directors during the year ended.

No compensation for these items was accrued or paid to the Directors in 2019

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1

Explained in section A.1

B.12 Explain any supplementary remuneration accrued by directors as consideration for services rendered outside their post.

No supplementary remuneration additional to that indicated in the previous sections has accrued.

B.13 Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

No advances or loans have been granted to directors by the Company based on their status as members of the Cellnex Board in 2019.

B.14 Itemise the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components

Explained in section A.1

B.15 Explain the remuneration accrued by directors by virtue of payments made by the listed company to a third company at which the director renders services when these payments seek to remunerate the director’s services to the company

Not applicable

B.16 Explain any other items of remuneration other than those mentioned in the previous sections, whatever their nature or the group company that settles the payment, particularly when this is a related-party transaction or the payment thereof distorts the true image of the total remuneration accrued by the director.

There are no additional remuneration items to those indicated in the previous sections.

C ITEMISED INDIVIDUAL REMUNERATION ACRRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year t
Marco Patuano	Chairman	January 2019 - June 2019
Franco Bernabè	Chairman	July 2019 - December 2019
Tobías Martínez Gimeno	Director	January 2019 - December 2019
Pierre Blayau	Appointments and Remuneration Committee	January 2019 - December 2019
Leonard Peter Shore	Audit and Control Committee	January 2019 - December 2019
Giampaolo Zambeletti	Chair of the Appointments and Remuneration Committee	January 2019 - December 2019
Bertrand Boudewijn Kan	Chair of the Audit and Control Committee	January 2019 - December 2019
Marieta del Rivero Bermejo	Appointments and Remuneration Committee	January 2019 - December 2019
Marisa Guijarro Piñal	Appointments and Remuneration Committee	January 2019 - December 2019
Anne Bouverot	Audit and Control Committee	January 2019 - December 2019
Carlo Bertazzo	Appointments and Remuneration Committee	January 2019 - December 2019
Elisabetta De Bernardi di Valserra	Audit and Control Committee	January 2019 - December 2019

John Benedict McCarthy	Appointments and Remuneration Committee	January 2019 - May 2019
Mamoun Jamai	Director	June 2019 - December 2019

C.1 Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand €)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total in year t	Total in year t-1
Marco	92								92	71

Patuano										
Franco Bernabè	92								92	
Tobías Martínez Gimeno	100			1,000	2,195	1,893			5,188	2,627
Pierre Blayau			130						130	128
Leonard Peter Shore			130						130	128
Giampaolo Zambeletti			150						150	147
Bertrand Boudewijn Kan			150						150	147
Marieta del Rivero Bermejo			130						130	128
Marisa Guijarro Piñal			130						130	58
Anne Bouverot			130						130	58
Carlo Bertazzo	100								100	65
Elisabetta De			130						130	65

Bernardi di Valserra										
John Benedict McCarthy			0						0	0
Mamoun Jamai			0						0	0

Remarks
John Benedict McCarthy and Mamoun Jamai have waived their remuneration. The remuneration for membership of Committees includes the remuneration for being a member of the Board.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	**Name of plan**	**Financial instruments at the beginning of year t**	**Financial instruments vested during year t**	**Financial instruments vested during the year**	**Instruments matured but not exercised**	**Financial instruments at end of year t**

		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Plan 1											
	Plan 2											

Remarks

iii) Long-term savings systems

	Remuneration from vesting of rights to savings system
Director	

	Contribution over the year from the company (thousand €)		Amount of accumulated funds (thousand €)
Name	Savings systems with vested economic rights	Savings systems with non-vested economic rights	

	Year t	Year t-1	Year t	Year t-1	Year t		Year t-1	
					Savings systems with vested economic rights	Savings systems with non-vested economic rights	Savings systems with vested economic rights	Savings systems with non-vested economic rights
Tobias Martinez Gimeno			250	175		900		650

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Tobias Martinez Gimeno	Life insurance premium	7
Tobias Martinez Gimeno	Health insurance premium	2
Tobias Martinez Gimeno	Vehicle	17
Tobias Martinez Gimeno	Gasoline	2

Remarks

b) Remuneration of the company directors for seats on the boards of other group companies:

i) Remuneration in cash (thousand €)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other items	Total in year t	Total in year t-1
Director 1										
Director 2										

Remarks

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at the beginning of year t		Financial instruments vested during year t		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / vested	Price of vested shares	Gross profit from vested shares or financial	No. of instruments	No. of instruments	No. of equivalent shares

							shares		instruments (thousands of euros)			
Director 1	**Plan 1**											
	Plan 2											

Remarks

iii) Long-term savings systems

	Remuneration from vesting of rights to savings system
Director 1	

	Contribution over the year from the company (thousand €)				**Amount of accumulated funds (thousand €)**	
Name	**Savings systems with vested economic rights**		**Savings systems with non-vested economic rights**			
	Year t	**Year t-1**	**Year t**	**Year t-1**	**Year t**	**Year t-1**

					Savings systems with vested economic rights	Savings systems with non-vested economic rights	Savings systems with vested economic rights	Savings systems with non-vested economic rights
Director 1								

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Director 1		

Remarks

c) Summary of remuneration (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €).

	Remuneration accrued at the Company					Remuneration accrued at group companies				
Name	**Total cash remuneration**	**Gross profit from vested shares or financial instruments**	**Remuneration from savings systems**	**Remuneration for other items**	**Total year t company**	**Total cash remuneration**	**Gross profit from vested shares or financial instruments**	**Remuneration for savings systems**	**Remuneration for other items**	**Total year t group**
Marco Patuano	92				92					
Franco Bernabè	92				92					
Tobías Martínez Gimeno	5,188		250	28	5,466					
Pierre Blayau	130				130					
Leonard Peter Shore	130				130					
Giampaolo Zambeletti	150				150					
Bertrand Boudewijn Kan	150				150					
Marieta del Rivero Bermejo	130				130					

Marisa Guijarro Piñal	130				130					
Anne Bouverot	130				130					
Carlo Bertazzo	100				100					
Elisabetta De Bernardi di Valserra	130				130					
John Benedict McCarthy	0									
Mamoun Jamai	0									
Total:	6,552		250	28	6,830					

Remarks

D OTHER INFORMATION OF INTEREST

If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on 25/02/2019.

Indicate whether any directors voted against or abstained from voting on the approval of this report.

Yes ☐ No ☒

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons