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## ANNEX I TEMPLATE

### ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

#### ISSUER IDENTIFICATION DETAILS

YEAR ENDING

31/12/2020

CORPORATE TAX ID (CIF)  
A-64907306

Company name:

CELLNEX TELECOM, S.A.

Registered office:

C/JUAN ESPLANDIÚ 11-13 - MADRID



**ANNUAL CORPORATE GOVERNANCE REPORT  
FOR LISTED COMPANIES**

**A OWNERSHIP STRUCTURE**

A.1 Complete the following table with details of the company's share capital:

Date of latest modification	Share capital (euros)	Number of shares	Number of voting rights
14-08-2020	121,677,167.25	486,708,669	486,708,669

Remarks

Indicate whether there are different classes of shares with different associated rights:

Yes  No

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

Remarks

A.2 Give details on the direct and indirect holders of significant interests at the year-end, excluding directors:

Name of shareholder	% of voting rights attributed to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
ABU DHABI INVESTMENT AUTHORITY	0.24	6.73	0.00	0.00	6.97
ATLANTIA S.P.A.	0.00	0.00	0.00	4.73	4.73
BLACKROCK INC	0.00	3.40	0.00	0.39	3.80
CANADA PENSION PLAN INVESTMENT BOARD	3.15	0.00	0.00	0.00	3.15
CAPITAL RESEARCH AND MANAGEMENT COMPANY	0.00	3.02	0.00	0.00	3.02
CRITERIA CAIXA, S.A.U	4.77	0.00	0.00	0.00	4.77
EDIZIONE, S.R.L	0.00	13.02	0.00	0.00	13.02
FMR LLC	0.00	3.04	0.00	0.00	3.04

FUNDACIÓN BANCARIA CAIXA D'ESTALVIS PENSIONS DE BARCELONA	0.00	4.77	0.00	0.00	4.77
GIC PRIVATE LIMITED	0.25	6.73	0.04	0.00	7.03
GQG PARTNERS LLC	3.21	0.00	0.00	0.00	3.21
LISSON GROVE INVESTMENT PRIVATE LIMITED	6.73	0.00	0.00	0.00	6.73
NORGES BANK	3.01	0.00	0.02	0.00	3.03
WELLINGTON MANAGEMENT GROUP LLP	0.00	4.27	0.00	0.00	4.27

<b>Remarks</b>

Breakdown of the indirect holding:

Indirect shareholder	Direct shareholder	% of voting rights attributed to the shares	% of voting rights through financial instruments	% of total voting rights
ABU DHABI INVESTMENTS AUTHORITY	AZURE VISTA C 2020, S.R.L.	6.73	0.00	6.73
BLACKROCK INC	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.40	0.39	3.80
CAPITAL RESEARCH AND MANAGEMENT COMPANY	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.02	0.00	3.02
EDIZIONE, S.R.L	CONNECT DUE S.R.L.	13.02	0.00	13.02
FUNDACIÓN BANCARIA CAIXA D'ESTALVIS PENSIONS DE BARCELONA	CRITERIA CAIXA S.A.U	4.77	0.00	4.77
FMR LLC	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.04	0.00	3.04
GIC PRIVATE LIMITED	LISSON GROVE INVESTMENT PRIVATE LIMITED	6.73	0.00	6.73

WELLINGTON MANAGEMENT GROUP LLP	WELLINGTON GROUP HOLDINGS LLP	4.27	0.00	4.27
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Remarks
On 10 June the total non-proportional split of Connect S.p.A was completed with its dissolution and liquidation in favour of Connect Due S.r.l., Azure Vista C2020 S.r.l. and Prisma Holdings S.r.l., companies wholly owned by Sintonia S.p.A (Edizione group), Infinity Investments, S.A. (ADIA group) and Raffles Infra Holding Limited (GIC group), respectively. Consequently, Connect Due S.r.l. on that date had a 16.45% of the stake and Azure Vista C2020 S.r.l. and Prisma Holdings S.r.l. on that date, each of them had a 6.73% of the stake. Subsequently, on 6 July 2020, GIC restructured its stake in Cellnex, holding it through Lisson Grove Investment Private Limited (see the movements for that date in the table).

Indicate the most significant changes in the shareholder structure during the year:


Most significant movements
CAPITAL RESEARCH AND MANAGEMENT COMPANY 10-01-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
FIDELITY INTERNATIONAL LIMITED 16-01-2020 has exceeded 1% of aggregate share capital (shares and financial instruments) Tax havens only)
FIDELITY INTERNATIONAL LIMITED 24-01-2020 has decreased below 1% of aggregate share capital (shares and financial instruments). Tax havens only.
40 NORTH LATITUDE MASTER FUND LTD. 03-03-2020 has decreased below 1% of aggregate share capital (shares and financial instruments). Tax havens only.
ABU DHABI INVESTMENT AUTHORITY 10-06-2020 has exceeded 5% of aggregate share capital (shares and financial instruments)
EDIZIONE S.R.L. 10-06-2020 has decreased below 20% of aggregate share capital (shares and financial instruments)
GIC PRIVATE LIMITED 10-06-2020 has exceeded 5% of aggregate share capital (shares and financial instruments)
PRISMA HOLDINGS S.R.L. 10-06-2020 has exceeded 5% of aggregate share capital (shares and financial instruments)
LISSON GROVE INVESTMENT PRIVATE LIMITED 06-07-2020 has exceeded 5% of aggregate share share capital (shares and financial instruments)
PRISMA HOLDINGS S.R.L. 06-07-2020 All share capital has been sold
NORGES BANK 24-07-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
FMR LL 06-08-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
ATLANTIA S.P.A. 17-08-2020 has decreased below 5% of share capital in financial instruments
FMR LLC 17-08-2020 has decreased below 3% of aggregate share capital (shares and financial instruments)
BLACKROCK 18-08-2020 has decreased below 5% of the share capital of the percentage of voting rights attributed to the shares

EDIZIONE S.R.L. 18-08-2020 has decreased below 15% of the aggregate share capital (shares and financial instruments)
FUNDACION BANCARIA CAIXA D ESTALVIS I PENSIONS DE BARCELONA 19-08-2020 has decreased below 5% of aggregate share capital (shares and financial instruments)
FMR LL 25-09-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
GQG PARTNERS LLC 08-10-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)

A.3 Complete the following tables on company directors holding voting shares in the Company:

Name of director	% of voting rights attributed to the shares		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. TOBIAS MARTINEZ GIMENO	0.02	0.00	0.00	0.00	0.02	0.02	0.00
MR. PIERRE BLAYAU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. BERTRAND KAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. ANNE BOUVEROT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. GIAMPAOLO ZAMBELETTI	0.00	0.00	0.00	0.00	0.00	0.00	0.00

<b>Total percentage of voting rights held by the Board of Directors</b>	<b>0.02</b>
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<b>Remarks</b>

Breakdown of the indirect holding:

Name of director	Direct shareholder	% of voting rights attributed to the shares	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transferred through financial instruments
MR. PIERRE BLAYAU	HARBOUR CONSEILS	0.00	0.00	0.00	0.00
MR. GIAMPAOLO ZAMBELETTI	AREPO FIDUCIARIA	0.00	0.00	0.00	0.00

Remarks

- A.4 If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Nature of relationship	Brief description
N.A.		

- A.5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
N.A.		

- A.6 Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name of the related director or representative	Name of the related significant shareholder	Name of the company pertaining to the significant shareholder's group	Description of relationship / position
MR. FRANCO BERNABÈ	CONNECT DUE S.r.l.	EDIZIONE S.R.L.	Member of the Board of Directors
MR. CHRISTIAN COCO	CONNECT DUE S.r.l.	EDIZIONE S.R.L.	CEO
MS. ALEXANDRA REICH	Lisson Grove Investment Private Limited	GIC	N.A.

Remarks

A.7. Indicate any shareholders' agreements of which the company has been notified in accordance with the provisions of articles 530 and 531 of the Spanish Companies Law. If so, describe them briefly and list the shareholders bound by the agreement:

Yes  No

Parties to the shareholders' agreement	% of share capital affected	Brief description of the agreement	Expiry date of the agreement, if any
ATLANTIA S.P.A. EDIZIONE S.R.L. SINTONIA S.P.A. CONNECT DUE S.R.L.	5.98%	Co-Investment Agreement dated 24 July 2018, novated by virtue of a non-extinctive modification novation agreement dated 9 July 2020, by virtue of which, among others, Sintonía (i) grants Atlantia the right to co-invest a stake representing 5.98% of the share capital until 12 July 2021, (ii) grants Atlantia a right to match on the options (not exercised) resulting from any issuance of future rights approved by Cellnex until 12 July 2025, and (iii) grants Atlantia the option to exercise the ROFO and the Right to Match for a maximum of 10% of Cellnex's issued capital until 12 July 2025, instead of for the entire indirect stake of Edizione in Cellnex.  The specific terms of the aforementioned	12 July 2025



		agreement are available on the CNMV website and on the Cellnex website.	
CONNECT DUE S.R.L. AZURE VISTA C 2020 S.R.L. PRISMA HOLDINGS S.R.L.	29.91%	Framework agreement that regulates certain obligations in relation to the appointment of their respective proprietary directors.  The specific terms of the aforementioned agreement are available on the CNMV website and on the Cellnex website.	Date of the General Shareholders' Meeting 2021 of Cellnex Telecom

Remarks
The first agreement was published as Relevant Fact on the CNMV website on 25 July 2018 and registration number 268281.
The second agreement was published as Other Relevant Information on the CNMV website on 17 July 2020 and registration number 3441.

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes

No

Parties to the concerted action	% of share capital affected	Brief description of the concerted action	Expiry date of the concert, if any

Remarks

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

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A.8 Indicate any individuals or company that exercises or may exercise control over the company in accordance with article 5 of the Securities Market Law. If so, identify them:

Yes No 

Name or company name

Remarks

A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
200,320		0.04

Remarks

(\*) Through:

Name of direct shareholder	Number of direct shares
N.A.	
<b>Total:</b>	

Remarks

Explain any significant changes during the year:

Explain significant changes

A.10 Provide a detailed description of the conditions and the period of authorization granted by the general shareholders' meeting to the Board of Directors to issue, buy-back, or transfer treasury shares.

The current mandate to the Board of Directors was granted by the Ordinary General Shareholders' Meeting held on 31 May 2018 for a period of 5 years. In its ninth resolution, the General Shareholders' Meeting authorized the Board to acquire shares of the Company up to the legal limit of 10% of the share capital by way of sale, exchange, donation, award or lieu of payment or by any other onerous title. The price or counter value will oscillate between a minimum equivalent to their nominal value and a maximum equivalent to the one that is higher than (i) 110% of the listed price of the Company's shares on the Continuous Market at the time of acquisition or closing price of the last trading session prior to the acquisition, if this is done outside the hours of operation of the Continuous Market;

and (ii) the result of increasing the maximum price of the three months prior to the moment in which the acquisition takes place by 10%.

A.11 Estimated floating capital:

	%
<b>Estimated floating capital</b>	44.65

<b>Remarks</b>

A.12 Indicate whether there are any restrictions (as per the bylaws, legislation or any other type) on the transfer of securities and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that make it difficult to take control of the company by acquiring shares on the market, or any prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes  No

<b>Description of restrictions</b>

A.13 Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes  No

If so, explain the measures approved and the terms under which such limitations would become ineffective:

Explain the measures approved and the terms under which the constraints would become ineffective:
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A.14 Indicate whether the company has issued securities that are not traded on a regulated EU market.

Yes  No

If so, indicate the different types of shares and for each type, the rights and obligations they confer.

Indicate the different classes of shares

## **B** GENERAL SHAREHOLDERS' MEETING

B.1 Indicate whether there are any differences between the minimum quorum regime established by the Spanish Companies Law for General Shareholders' Meetings and the quorum set by the company, and if so give details.

Yes  No

	<b>% quorum different to that established in article 193 of the Spanish Companies Law for general matters</b>	<b>% quorum different to that established in article 194 of the Spanish Companies Law for special matters</b>
<b>Quorum required on 1st call</b>		
<b>Quorum required on 2nd call</b>		

<b>Description of differences</b>

- B.2 Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Companies Law and, if so, give details:

Yes  No

Describe how it is different from the regime provided in the Spanish Companies Law.

	<b>Qualified majority different to that established in article 201.2 of the Spanish Companies Law for matters governed by article 194.1 of Spanish Companies Law</b>	<b>Other matters requiring a qualified majority</b>
<b>% established by the company to adopt resolutions</b>		

<b>Describe the differences</b>

- B.3 Indicate the rules for amending the company's Bylaws. In particular, indicate the majorities required to amend the Bylaws and any provisions in place to protect shareholders' rights in the event of amendments to the Bylaws.

The rules contained in the Spanish Companies Law for the amendment of the Company's Bylaws will apply.

- B.4 Provide details of attendance at the General Shareholders' Meetings held during the year to which this report refers, as well as the two previous years:

<b>Date General Shareholders' Meeting</b>	<b>Attendance</b>				<b>Total</b>
	<b>% physically present</b>	<b>% present by proxy</b>	<b>% remote voting</b>		
			<b>Electronic voting</b>	<b>Other</b>	
31/05/2018	34.15	49.39	0.00	0.00	

					83.54
<b>Of which floating capital:</b>	0.16	35.15	0.00	0.00	35.31
09/05/2019	30.36	51.49	0.00	0.00	81.85
<b>Of which floating capital:</b>	0.37	25.79	0.00	0.00	26.16
21/07/2020	24.28	50.05	0.00	0.00	74.33
<b>Of which floating capital:</b>	24.23	49.85	0.00	0.00	74.08

Remarks
From the list of attendees, the ultimate identification of shareholders cannot be guaranteed due to the existence of institutional investors.

B.5 Indicate whether any item on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes  No

Items on the agenda not approved	% vote against (*)

(\*) If the non-approval of the point was for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6 Indicate whether the Bylaws contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes  No

<b>Number of shares required to attend General Meetings</b>	100
<b>Number of shares required to vote remotely</b>	100

Remarks

B.7 Indicate whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

Yes  No

Explain the decisions that must be submitted to the General Shareholders' Meeting, other than those established by law

- B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be available to shareholders through the company website.

The "Shareholders and Investors" section of the website [www.cellnextelecom.com](http://www.cellnextelecom.com) provides the information required by article 539.2 of the Spanish Companies Law and Circular 3/2015 of the National Securities Market Commission.

## C STRUCTURE OF THE COMPANY'S ADMINISTRATION

### C.1 Board of Directors

- C.1.1 Maximum and minimum number of directors provided for in the Bylaws and the number set by the general meeting:

<b>Maximum number of directors</b>	13
<b>Minimum number of directors</b>	4
<b>Number of directors set by the general meeting</b>	12

<b>Remarks</b>

- C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date of last appointment	Election procedure	Date of birth
MR. FRANCO BERNABÈ		Proprietary	CHAIRMAN	25/07/2019	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	18/09/1948
MR. TOBIAS MARTINEZ GIMENO		Executive	CEO	17/11/2014	09/05/2019	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	27/04/1959
MR. BERTRAND KAN		Independent	VICE CHAIRMAN	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	23/08/1966
MR. GIAMPAOLO ZAMBELETTI		Independent	COORDINATING INDEPENDENT DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	04/05/1940
MR. PIERRE BLAYAU		Independent	DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL	14/12/1950

						SHAREHOLDER S MEETING	
MS. ANNE BOUVEROT		Independent	DIRECTOR	31/05/2018	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDER S MEETING	21/03/1966
MS. MARIETA DEL RIVERO BERMEJO		Independent	DIRECTOR	27/04/2017	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDER S MEETING	15/06/1965
MS. MARÍA LUISA GUIJARRO PIÑAL		Independent	DIRECTOR	31/05/2018	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDER S MEETING	13/02/1963
MR. LEONARD PETER SHORE		Independent	DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDER S MEETING	08/09/1950
MR. CHRISTIAN COCO		Proprietary	DIRECTOR	02/04/2020	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDER S MEETING	26/11/1974
MS. ALEXANDRA REICH		Proprietary	DIRECTOR	16/12/2020	16/12/2020	CO-OPTION	27/11/1963

<b>Total number of directors</b>	<b>11</b>
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Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

<b>Name of director</b>	<b>Category of the director at the time of cessation</b>	<b>Date of last appointment</b>	<b>Date of cessation</b>	<b>Specialised committees of which he/she was a member</b>	<b>Indicate whether the director left before the end of his/her term of office</b>
MR. CARLO BERTAZZO	Proprietary	09/05/2019	28/02/2020	N.A.	YES
MS. ELISABETTA DE BERNARDI DI VALSERRA	Proprietary	09/05/2019	10/06/2020	Audit and Control Committee	YES
MR. MAMOUN JAMAI	Proprietary	21/07/2020	24/08/2020	Nominations and Remunerations Committee	YES

**Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting**

Mr. Carlo Bertazzo, proprietary director of Connect S.p.A., tendered his resignation on 28 February 2020, due to lack of availability due to his recent appointment as CEO of Atlantia, being replaced on 2 April 2020 by the proprietary director of Connect Due S.p.A. Mr. Christian Coco (who, after the total spin-off of Connect S.p.A., became proprietary director of Connect Due S.r.l., belonging to the Edizione group). Mr. Carlo Bertazzo informed all the Board members sending the corresponding email.

Ms. Elisabetta Di Bernardi Di Valserra, proprietary director of Connect S.p.A., resigned on 10 June 2020, as a result of the spin-off of Connect S.p.A. on the same date, and she was replaced on 16 December 2020 by the proprietary director of Lisson Grove Investment Private Limited (belonging to the GIC group) Ms. Alexandra Reich. Ms. Elisabetta Di Bernardi sent a letter to the Chairman and the Secretary; subsequently, the Chairman informed the rest of the Board members.

Mr. Mamoun Jamai, proprietary director of Raffles Infra Holdings Limited, resigned as director effective as of 24 August 2020, as a result of an internal review of appointments on the boards of directors of certain assets of the infrastructure division of ADIA . Mr. Jamai sent the letter to the Secretary and notified his resignation to the rest of the Board members by email.

Mr. Franco Bernabè, proprietary director of Connect Due S.p.A., tendered his resignation as director and Chairman of the Board of Directors, for personal reasons, on 4 January 2021. Mr. Franco Bernabè sent his letter of resignation to the Secretary, who transmitted it to the rest of the directors. Currently the new Chairman of the Board of Directors is the independent director Mr. Bertrand Kan.

C.1.3 Complete the following tables on the members of the Board and their categories:

**EXECUTIVE DIRECTORS**

Name of the director	Position in company's organizational structure	Profile
MR. TOBIAS MARTINEZ GIMENO	CEO	<p>Tobías Martínez is the Chief Executive Officer of the Company. He joined Acesa Telecom (Abertis Group) in the year 2000, first as Board Member and Director General of Tradia, and subsequently of Retevisión. Before joining the Abertis Group, he headed his own business project in Information and Telecommunication Systems for more than 10 years.</p> <p>He studied Telecommunications Engineering and holds a Diploma in Top Management from the IESE Business School (PADE) and a Diploma in Marketing</p>



		Management from the Instituto Superior de Marketing de Barcelona (Higher Institute of Marketing of Barcelona).
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<b>Total number of executive directors</b>	1
<b>Percentage of Board</b>	9.09

<b>Remarks</b>

**EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
MR. FRANCO BERNABÈ	CONNECT DUE S.R.L.	<p>Franco Bernabè combines an extraordinary experience in business leadership at an international level with his active participation of an altruistic nature in social and cultural organizations. He has led, as CEO, the restructuring and listing on the New York Stock Exchange of Eni, one of the leading international oil companies. After leaving Eni in 1998, he spent most of the next 20 years in the telecommunications sector as CEO and Chairman of Telecom Italia. In recent years he has contributed to the creation of Nexi, the leading Italian company in payment systems.</p> <p>He has been Vice-Chairman of Rothschild Europe, director and Chairman of the PetroChina Audit Committee for 14 years, a member of the Supervisory Board of TPG Post Group in the Netherlands, as well as a member of the JP Morgan International Board. He has also been a member of the Confindustria Executive Committee and a</p>

		<p>member of the European Round Table.</p> <p>He has worked altruistically in the main Italian cultural institutions, as Chairman of La Biennale di Venezia, the MART, Quadriennale di Roma and the Italian National Commission for UNESCO.</p> <p>He has been named an honorary doctorate in Environmental Sciences by the University of Parma for the activities of environmental recovery of contaminated sites.</p> <p>He is a senior advisor to Barclays Bank. In 2011 he was knighted by the President of the Italian Republic.</p>
MR. CHRISTIAN COCO	CONNECT DUE S.R.L.	<p>Christian Coco is Investment Director at Edizione Srl. He is also a director of the companies of Edizione Group, Benetton Srl and CEO of Connect Due, as well as non-executive Chairman of Benetton Group Srl.</p> <p>He began his professional career in strategic planning in the energy sector and in 2002 he joined Mediobanca in the acquisition finance department. From 2007 to 2011 he worked in private equity firms, focusing especially on investments in the infrastructure sector in Europe. Subsequently, and until joining the Edizione Group in 2015, he was head of Planning, Control and M&amp;A of the CIR Group of the De Benedetti family.</p> <p>Christian Coco has an engineering degree from Milan Polytechnic, and a post graduate degree in Utility Companies from MIP Milan (Politecnico's Business School).</p>
MS. ALEXANDRA REICH	LISSON GROVE INVESTMENT PRIVATE LIMITED	<p>Alexandra Reich has 20 years' experience in the</p>

		<p>telecommunications industry, after starting her career in investment banking. She is currently member of the Board of Directors of the Dutch company Delta Fiber. She has been senior advisor at Telenor, as well as CEO of Telenor in Thailand – DTAC (from 2018 to 2020) and CEO of Telenor Hungary (from 2016 to 2018) as well as Chairperson of the Boards of Telenor Serbia and Telenor Bulgaria. She also held various management positions at Swisscom (between 2009 and 2016) and Sunrise (between 2007 and 2009) in Switzerland, and at Hutchison (between 2005 and 2007) and United Telecommunications (between 2004 and 2005) in her native Austria.</p> <p>Alexandra Reich has a degree in Business Administration and a Master degree from the Vienna University of Economics and Business Administration.</p>
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<b>Total number of proprietary directors</b>	3
<b>Percentage of Board</b>	27.27

<b>Remarks</b>

**EXTERNAL INDEPENDENT DIRECTORS**

<b>Name of the director</b>	<b>Profile</b>
MR. BERTRAND KAN	<p>He has extensive professional experience in investment banking and focused on the telecoms, media and technology sector in particular. He spent most of his career at Morgan Stanley where he became a Managing Director and Head of the European Telecoms Group. Subsequently in 2006 he moved to Lehman Brothers, where he was Co-Head of the Global Telecoms</p>

	<p>Team and was a member of the European Operating Committee.</p> <p>In 2008, he became Head of the Global Telecoms, Media and Technology Group at Nomura and was a member of Nomura and served on the Investment Banking Global Executive Committee. He left investment banking in 2012. Among other responsibilities, in addition to the Cellnex Board, he is currently a member of the Advisory Council of Wadhvani Asset Management, Chairman of Sentient Blue and Chairman of the Board of UWC Netherlands.</p> <p>Bertrand Kan graduated with B.Sc. and an M.Sc. degrees in Economics from the London School of Economics.</p>
<p>MR. GIAMPAOLO ZAMBELETTI</p>	<p>He has spent much of his professional career in the chemicals/pharmaceuticals and telecoms sectors. Currently holds the position Vice-President of Unidad Editorial, S.A.</p> <p>He was previously Founder and Managing Director of Zambeletti España, President and CEO of Zambeletti Group, President of Italgas SpA, President and Managing Director of Ellem Industria Farmaceutica SpA . He served as Vice President of the pharma labs association, Farminustria. In 2001 he has been appointed Group Senior Vice President International Affairs of Telecom Italia. He has furthermore been a member of the Board of Directors of Telecom Italia International (Netherlands), Auna, S.A. (Spain), Avea (Turkey), Oger Telecom (Dubai), Ojer Telekomunikasyon (Turkey) and Telekom Austria.</p> <p>Giampaolo Zambeletti holds a degree in Chemistry from the Università degli Studi di Pavia, is an international trustee of the Friends of the Prado Museum Foundation in Madrid, and received the Isabel la Católica Award from King Felipe VI in 2015.</p>

<p>MR. PIERRE BLAYAU</p>	<p>He is currently holding the position of president of CCR (Caisse Centrale de Reassurance), member of the strategic committee of SECP (Canal+ Group), Censor of FIMALAC, Senior Advisor of Bain &amp; Company and Chairman of Harbour Conseils.</p> <p>He was previously Chief Executive Officer of Pont à Mousson, PPR, Moulinex, Geodis, and Executive Director of SNCF. He has also served as Executive Director of La Redoute, as a member of the Board of Directors of FNAC, and Independent Director of Crédit Lyonnais and President of the Board of Directors of Areva.</p> <p>Pierre Blayau is a Public Finance Inspector of the French Ministry of Finance, and graduated from the École Nationale d'Administration de Paris and the École Normale Supérieure de Saint-Cloud.</p>
<p>MS. ANNE BOUVEROT</p>	<p>Anne Bouverot is currently Chairperson of the Board of Technicolor, as well as Senior Advisor of TowerBrook Capital Partners and Board Director at Capgemini and Edenred. She is also Chairperson of Foundation Abeona, whose motto is "Data Science for Fairness and Equality", working on social impact of AI and digital technology. Previously she was CEO of Morpho, a biometrics and cybersecurity company (between 2015 and 2017) and general director of the GSMA (between 2011 and 2015). She also held several international management positions in companies in the telecommunications sector such as France Telecom / Orange (Executive Vice President of Mobile Services from 2009 to 2011), Global One Communications, Equant and Telmex.</p> <p>Anne Bouverot has a degree in Mathematics and a PhD in Artificial Intelligence from the École Normale Supérieure in Paris, and a degree in Engineering from Telecom Paris.</p>
<p>MS. MARIETA DEL RIVERO BERMEJO</p>	<p>Independent director of Cellnex Telecom and Gestamp Automoción.</p>

	<p>Non-executive Chairperson of Onivia. She is a member of the Advisory Board of the Mutual Society of Lawyers and of the Made in Möbile.</p> <p>She has been global marketing director of Telefonica, deputy managing director to the digital commercial managing director of Telefónica, CEO of Nokia Iberia, senior advisor of Ericsson, partner of Seeliger &amp; Conde and Chairperson of International Women’s Forum Spain.</p> <p>She was one of ‘The 500 Most Influential Women in Spain’ in 2018, 2019 and 2020 according to ‘El Mundo’; she was one of ‘The Top 100 Women Leaders 2018’ by Mujeres &amp; Cía, and she was recognized as the ‘Best Executive 2017’ by the Spanish Association of Business Women.</p> <p>She is the author of the book ‘Smart Cities: a vision for the citizen’. Marieta del Rivero is a member of the management board of the Spanish Directors Association (AED), AMP by IESE, EP by Singularity University and executive coach certified by ECC. In 2019, she attended the ‘Workshop in Global Leadership’ provided by the Harvard Kennedy School. Marieta del Rivero is BA in Business Administration by University Autónoma of Madrid (UAM).</p>
MS. MARÍA LUISA GUIJARRO PIÑAL	<p>María Luisa Guijarro has worked most of her career in the Telefónica group, from 1996 until 2016, where she held positions including Global Marketing and Sponsorship Manager, CEO of Terra España, Director of Marketing and Business Development in Spain and, in her later years at the company, member of the Executive Committee in Spain as head of Strategy and Quality. She is proprietary director on behalf of EQT in Adamo Telecom Iberia, S.A. and Adamo Telecom, S.L. She has a degree in Economics from the Universidad Autónoma de Madrid.</p>
MR. LEONARD PETER SHORE	<p>Leonard Peter Shore has extensive experience in the telecommunications and tech sector. He held the position of</p>

	<p>Chairman of Arqiva in the UK from 2007-2014. He has also been Chairman of Uecomm, Lonely Planet Publications, the Hostworks Group and Airwave. Shore was Group Managing Director at Telstra in Australia, CEO of MyPrice (Aust/NZ) and Managing Director of Media/Communications/Partners. He has served as a Director of Objectif Telecommunications Limited, Foxtel, SMS Management and Technology and OnAustralia. He was furthermore a member of the Advisory Board of Siemens Australia. He also served as member of the Corporate Board of the National Society for the Prevention of Cruelty to Children and Board of the Australia-United Kingdom Chamber of Commerce. He is also currently Chairman of Gigacomm Pty Ltd, a private Australian broadband service provider.</p> <p>Leonard Peter Shore holds a degree in Applied Mathematics and Computing Science from the University of Adelaide.</p>
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<b>Total number of independent directors</b>	7
<b>Percentage of Board</b>	63.64

<b>Remarks</b>

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his/her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement from the Board explaining why it believes that the director in question can perform his/her duties as an independent director.

Name the of director	Description of the relationship	Reasoned statement
No data		

**OTHER EXTERNAL DIRECTORS**

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their links with the company, its management or its shareholders:

Name of the director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
No data			

<b>Total number of other external directors</b>	N.A.
<b>Percentage of Board</b>	N.A.

Remarks

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
No data			

Remarks

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year n	Year n-1	Year n-2	Year n-3	Year n 2020	Year n-1 2019	Year n-2 2018	Year n-3 2017
<b>Executive</b>					0.00	0.00	0.00	0.00
<b>Proprietary</b>	1	1	1		33.33	25.00	25.00	0.00
<b>Independent</b>	3	3	3	1	42.86	42.80	42.80	20.00
<b>Other External</b>					0.00	0.00	0.00	0.00
<b>Total:</b>	4	4	4	1	36.36	33.33	33.33	20.00

Remarks

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Account Auditing Law, will have to



report at least the policy that they have implemented in relation to gender diversity.

Yes

No

Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the Nominations and Remunerations Committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved
<p>On 18 February 2016 the Board of Directors of Cellnex Telecom, S.A. approved the Policy for the Selection and Appointment of Directors, which aims, among other things, to achieve an appropriate composition for the Board of Directors. In the selection of its members, aspects such as the Company's shareholder structure, the diversity of knowledge, professional experience, origins, nationalities and gender of its members, their ability to devote the time necessary to perform their duties, their possible specialisation in specific matters of special relevance (financial, legal, telecommunications, etc.), the absence of conflicts of interest (real or potential) and their personal commitment to defend the corporate interest must be taken into account.</p> <p>1.- Scope of Application.</p> <p>This policy is applicable to the selection of candidates for directors who are natural persons.</p> <p>In the case of directors who are legal persons, the provisions of this Policy will extend to the natural persons who will represent them.</p> <p>2.- Selection Process.</p> <p>In accordance with the provisions of the Spanish Companies Law, the proposal for appointment or re-election of the members of the Board of Directors corresponds to the Nominations and Remunerations Committee, in the case of independent directors, and to the Board of Directors itself, in other cases. Such appointment or re-election will be accompanied by a supporting report from the Board evaluating the skills, experience and merits of the nominee. Also, the proposal for appointment or re-election of a non-independent director must furthermore be preceded by a report from the Nominations and Remunerations Committee.</p> <p>In the selection of board members candidates, a prior analysis of the company's needs will be carried out by the Board of Directors with the advice and report of the Nominations and Remunerations Committee, with the objective of integrating different professional and management experiences and skills, and promoting diversity of knowledge, experience and gender, considering the weight of the different activities carried out by Cellnex and taking into account those areas or sectors that should be specifically promoted.</p> <p>Any Director may request that the Nominations and Remunerations Committee consider potential candidates to fill vacancies on the Board.</p>

### 3.- Conditions to be met by the candidates.

Candidates for the position of director of the Company must be honourable, suitable persons of recognised solvency, competence, experience, qualifications, training, availability and commitment to their role.

They must be professionals of integrity, whose conduct and professional career is aligned with the principles set out in the Cellnex Code of Ethics and with the mission, vision and values of the Cellnex Group.

In the analysis of candidates, the Nominations and Remuneration Committee, in accordance with the needs of the Board, will evaluate the following aspects:

1. The technical-professional competencies of the candidates.
2. The management experiences of the candidates, also taking into account the context in which Cellnex operates.
3. The commitment required to perform the position, also evaluating the positions already held by the candidates in other companies.
4. The possible existence of conflicts of interest.
5. The significance of any existing or recently maintained commercial, financial or professional relationships, direct or indirect, by the candidates with the Company or other Group companies.
6. And proceedings that may undermine the responsibility or reputation of the candidates.

### 4.- Impediments to being a candidate for director.

Those who are affected by any of the causes of incompatibility, incapacity or prohibition to hold the position of Board member provided for in the law or in the internal rules of the Company may not be considered as candidates for the board of directors.

### 5.- Assistance from external consultants.

For the selection of candidates for the Board of Directors, the Nominations and Remunerations Committee may hire the services of external consultants specialised in the search and selection of candidates in order to strengthen the efficiency and effectiveness of the procedures for their identification.

In the analysis of the candidates, the consultant must evaluate the requirements set forth in section 3 of this Policy.

### 6.- Special reference to gender diversity.

In any case, the candidate selection process must avoid any type of implicit bias that could imply any discrimination.

This Policy for the Selection and Appointment of Directors will promote a balanced presence of women and men on the Board of Directors.

This Policy must aim to ensure that in the shortest possible time and at the latest by the end of 2020 the least represented gender is at least thirty percent of the total number of members of the Board of Directors.

On 19 February 2021 the Board of Directors of Cellnex, following the proposal of the Nominations, Remunerations and Sustainability Committee (formerly named Nominations and Remunerations Committee), approved the new Policy on the composition of the Board of Directors, which aims, among other things, to achieve an appropriate composition for the Board in line with the recommendations of the Good Governance Code for Listed Companies of the National Securities Market Commission, revised in June 2020. In essence, the reference to directors legal persons has been eliminated, the diversity of knowledge, experience, age and gender is favoured, in the context in which Cellnex operates and regulates that it must be ensured that in the shortest possible time and before the end of the year 2022, the least-represented gender is at least forty percent of the total members of the Board of Directors.

- C.1.6 Describe the measures, if any, agreed upon by the Nominations Committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes female candidates who meet the required professional profile among potential candidates, in order to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures
<p>During 2020 the only changes in the composition of the Board were of proprietary directors, so the Company did not carry out any selection process in which the Nominations and Remunerations Committee could take any action. Notwithstanding the foregoing, the Company did communicate to GIC (who began a selection process for the position of proprietary director of Cellnex) the criteria it considered relevant in order to reinforce diversity within the Board of Directors. In any case, the current composition of the Board already has a higher number of female directors than is established in the Recommendations of the CNMV's of the Good Governance Code for listed companies for this year.</p> <p>On 19 February 2021 the Board of Directors approved a modification of the Policy on the composition of the Board of Directors in order to include the objective that the least represented gender represents at least 40% of the total members of the Board before the end of 2022. Likewise, on the same date it has also been approved a modification on the Equity, Diversity and Inclusion Policy, in order to highlight the commitment to the presence of female senior managers.</p>

When, despite the measures that, where appropriate, have been adopted, there is little or no number of female directors or female senior managers, explain the reasons that justify it:

Explanation of reasons
N.A.

C.1.7 Explain the conclusions of the Nominations Committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The appointments made in recent years have always been in accordance with the criteria established in the Policy on the composition of the Board of Directors. Likewise, the Company complies with the recommendations of the Good Governance Code for listed companies regarding diversity within the Board. However, on the occasion of the upcoming renewal of positions, the Nominations, Remunerations and Sustainability Committee has set up a review of the Board's competencies matrix in order to analyse and, where appropriate, reinforce its composition.

Likewise, on 19 February 2021 the Board of Directors of Cellnex approved the amendment of its Regulations, in which it has incorporated the provision that at the end of the 2022 financial year there should be a representation of at least 40% of female directors. This same mention has been included in the Policy on the composition of the Board of Directors of the same date.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than 3% of share capital:

Name or company name of shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes  No

Name of shareholder	Explanation

C.1.9 Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees:

Name of the director	Brief description
TOBIAS MARTINEZ GIMENO	CEO, who has all the powers of representation, management and disposition, except those

	that cannot be delegated by Law or by the Bylaws.
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C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name of director	Name of the group company	Position	Does the director have executive powers?
TOBÍAS MARTINEZ GIMENO	CELLNEX FINANCE COMPANY, S.A.U.	SOLE ADMINISTRATOR	YES

<b>Remarks</b>

C.1.11 List any directors or representatives of directors legal persons of your company who are members of the Board of Directors or representatives of directors legal persons of other listed companies on regulated markets other than group companies, of which the company has been informed:

Name of the director	Name of the listed company	Position
MS. ANNE BOUVEROT	CAPGEMINI	DIRECTOR
MS. ANNE BOUVEROT	EDENRED	DIRECTOR
MS. ANNE BOUVEROT	TECHNICOLOR	CHAIRMAN
MS. MARIETA DEL RIVERO BERMEJO	GESTAMP AUTOMOCION	DIRECTOR

<b>Remarks</b>

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes

No

Explanation of the rules and identification of the document where this is regulated
In accordance with the provisions of the Board of Directors Regulations, "The directors will have the appropriate dedication and will adopt the necessary measures for the proper management and control of the Company in the performance of their duties. For such purposes, the directors of the Company may not sit on more than four boards of directors of listed companies other than the Company. For the purposes of this rule, all the boards of companies that form part of the same group will be treated as a single board and the following will not be counted: (i) the boards of holding companies or companies that constitute vehicles or complements for the professional practice of the director, the director's spouse or a person with

an analogous relationship of affectivity or the director's closest relatives, (ii) the boards to which the director belongs as a proprietary director proposed by the Company or any company of its group and (iii) the boards of companies whose purpose is complementary or accessory to another activity that for the director of the Company constitutes a leisure activity, assistance or aid to third parties or any other type of activity that does not involve dedication to a commercial business".

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

<b>Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)</b>	5,893
<b>Amount of pension rights accumulated by directors currently in office (thousands of euros)</b>	1,150
<b>Amount of pension rights accumulated by former directors (thousands of euros)</b>	

<b>Remarks</b>

C.1.14 Identify members of senior management who are not executive directors and indicate their total remuneration accrued during the year:

<b>Name or company name</b>	<b>Position(s)</b>
MR. LUIS DEULOFEU FUGUET	Deputy CEO
MR. ALEXANDRE MESTRE MOLINS	Business Deputy CEO
JOSE MANUEL AISA MANCHO	Corporate Finance & M&A Director
MR. ALBERTO LOPEZ PRIOR	Global Resources Director
MR. ANTONI BRUNET MAURI	Corporate and Public Affairs Director
MR. SERGIO TÓRTOLA PÉREZ	Global Operations Director
MS. VIRGINIA NAVARRO VIRGÓS	Legal M&A & Financing Director
MR. JOSÉ MARÍA MIRALLES PRIETO	General Counsel – Legal & Regulatory Affairs
MR. DANIEL FERNÁNDEZ CAPO	Director of Management and Services and Cellnex Ventures.

<b>Number of women in senior management</b>	1
Percentage of total senior management	12.5

<b>Total remuneration of senior management (thousands of euros)</b>	7,594
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<b>Remarks</b>
The difference from the amount shown in the annual accounts is due to the fact that in the ACGR we also add the remuneration of the internal auditor.

C.1.15 Indicate whether the Board regulations were amended during the year:

Yes  No

<b>Description of amendment(s)</b>

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

The procedures for the appointment, re-election, evaluation and removal of directors for 2020, are regulated in articles 18 to 21 of the Board Regulations.
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C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

<b>Description of amendment(s)</b>
As a result of the self-assessment carried out by the Board of Directors for 2019, in 2020 various actions were carried out in the following areas: <ul style="list-style-type: none"> <li>• Promotion of a dynamic that promotes an open and constructive debate within the Board;</li> <li>• More attention to operational and strategic issues, financial and non-financial risk management;</li> <li>• Reinforcement of the succession plan, taking special consideration to the growth of the Company; and</li> <li>• Coordination of the work of the Committees and the Board to avoid duplication.</li> </ul>

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

<b>Description of the evaluation process and areas evaluated</b>
Likewise, at the end of 2020 the Board has commissioned an external evaluation of the Board and its Committees upon completion of the third year of the previous review by an expert, this time entrusted to EY, who has reviewed the requested documentation and interviewed the members of the Board of Directors. The aforementioned evaluation has covered the

following topics regarding the Board and the Committees: (i) composition, (ii) welcome and update programs, (iii) culture and dynamics, (iv) information, planning and meetings, (v) the role of the CEO, Chairman, Coordinating Director and Secretary, (vi) functions and duties, and (vii) interaction with the management team and between the Board and the Committees.

Its report has been evaluated by the Board of Directors in its session held on 19 February 2021, and the corresponding action plan has been adopted.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

EY has been hired by Cellnex Telecom, S.A. and by other group companies for the provision of 5 accounting advisory services, 7 consulting services for projects, 1 financial consultation, 2 tax advisory services and 3 labour consulting services, the overall amount being of little relevance with respect to the services contracted in total, as well as not very significant for the supplier.

C.1.19 Indicate the cases in which directors are obliged to submit his/her resignation.

1. Directors will leave office at the end of the term for which they were appointed, and when so decided by the General Shareholders' Meeting in use of the authority granted to it by Law or by the Bylaws.
2. Directors must tender their resignation to the Board of Directors and, if the Board deems it to be appropriate, resign in the following cases:
  - a) When they leave executive positions with which their appointment as director was associated. Independent directors when they complete twelve (12) years in office.
  - b) When they are subject to any of the grounds of incompatibility or prohibition provided for by law.
  - c) When there are situations that affect them, related or not to their performance in the Company itself, that may harm its credit and reputation, and when they are investigated in any criminal case, the Board of Directors must be informed of their procedural vicissitudes, or are subject to disciplinary proceedings for serious or very serious misconduct instructed by the supervisory authorities.
  - d) When their remaining on the Board may place the Company's interest at risk, and when the reasons for which they were appointed cease to exist. The latter circumstance will be deemed to occur with respect to a proprietary director when the total shareholding of which he/she is the holder or whose interests he/she represents is disposed of and also when the reduction of the shareholding requires the reduction of the number of proprietary directors.
3. Executive directors must tender their resignation to the Board upon reaching the age of seventy and the Board must decide whether they will continue in the exercise of their executive or delegated functions or simply as a director.
4. In the event that, by resignation or by resolution of the General Shareholders' Meeting, a director ceases from his/her position before the end of his mandate, he/she should state the reasons for his resignation or, in the case of non-executive directors, his/her opinion of the reasons for



the General Shareholders' Meeting resolution in a letter to be sent to all the members of the Board of Directors. Notwithstanding it being reported in the Annual Corporate Governance Report, the Company will publish the cessation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

5. The Board of Directors may only propose the removal of an independent director before the expiration of the statutory term when there is just cause, as determined by the Board following a report from the Nominations, Remunerations and Sustainability Committee. In particular, it will be understood there is just cause when the director comes to occupy new positions or assumes new obligations that prevent him/her from dedicating the time necessary for performance of the functions inherent to the position of director, fails to comply with the duties inherent to the position or is in any of the circumstances resulting in loss of independent status, in accordance with the provisions of applicable legislation. Such dismissal may also be proposed as a result of a takeover bid, merger, or other similar corporate operations implying a change in the share capital structure of the Company, provided that such changes in the structure of the board are required by virtue of the proportionate representation criterion.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

Yes  No

If so, describe the differences.

Description of differences

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes  No

Description of requirements

C.1.22 Indicate whether the Bylaws or Board of Directors Regulations state an age limit for directors:

Yes  No

	Age limit
Chairperson	N.A.
CEO	70
Director	N.A.

Remarks

It is stated that this is not an absolute limit but rather the age from which the Chief Executive Officer must place his position at the disposal of the Board for the latter to decide whether to continue in the exercise of his duties.

C.1.23 Indicate whether the Bylaws or the Board of Directors Regulations state any term limits for independent directors other than those required by law or any other than that stated in the regulations:

Yes  No

<b>Additional requirements and/or maximum number of years of office</b>	
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C.1.24 Indicate whether the Bylaws or the Board of Directors Regulations state specific rules for delegating votes within the Board of Directors to other directors, if so the procedure for doing so and, in particular, the maximum number of delegations that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Article 23 a) of the Bylaws (currently article 19) states that any director may confer representation to another director in writing, by fax, e-mail or any other similar means. Non-executive directors may do so only to another non-executive director.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

<b>Number of board meetings</b>	12
<b>Number of board meetings held without the chairman's presence</b>	0

<b>Remarks</b>

Indicate the number of meetings held by the coordinating director with the other directors that were not attended by any executive directors in person or by proxy:

<b>Number of meetings</b>	0
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<b>Remarks</b>

Indicate the number of meetings held by each Board committee during the year:

<b>Number of meetings held by the executive committee</b>	
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<b>Number of meetings held by the audit and control committee</b>	8
<b>Number of meetings held by the nominations and remunerations committee</b>	12

<b>Remarks</b>

C.1.26 Indicate the number of meetings held by the Board of Directors during the year and information regarding the attendance of its members:

<b>Number of meetings in which at least 80% of directors were present in person</b>	12
<b>Attendance in person as a % of total votes during the year</b>	100
<b>Number of meetings with attendance in person or proxies given with specific instructions, by all directors</b>	12
<b>Votes cast in person and by proxies with specific instructions, as a % of total votes during the year</b>	100

<b>Remarks</b>

C.1.27 Indicate whether the individual and consolidated financial statements are certified before being presented to the Board for approval:

Yes  No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company before being drawn up by the Board:

<b>Name</b>	<b>Position</b>
MR. JOSÉ MANUEL AISA MANCHO	Corporate Finance & M&A Director
MR. TOBIAS MARTINEZ GIMENO	CEO

<b>Remarks</b>

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

<p>The consolidated annual accounts have been prepared in accordance with the financial reporting regulatory framework applicable to the Group, which is established by the International Financial Reporting Standards (hereinafter "IFRS") adopted by the European Union (hereinafter "EU-IFRS") and taking into consideration all the accounting principles and standards and the mandatory assessment criteria, as well as the Commercial Code, the Spanish Companies Law and other applicable commercial legislation, so that the image shows faithful of the equity and</p>
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financial situation of the Cellnex Group as of 31 December 2020 and of the results of its operations, of the changes in equity and of the consolidated cash flows that have occurred in the year ended on that date.

C.1.29 Is the secretary of the Board also a director?

Yes  No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
MR. JAIME VELÁZQUEZ VIOQUE	
Remarks	

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

One of the functions of the Audit and Risk Management Committee (article 15 paragraph b) of the Board of Directors Regulations in its wording of 19 February 2021 which is adapted to the Good Governance Code revised in June 2020) is to raise to the Board of Directors for submission to the General Shareholders' Meeting the proposals for the selection, appointment, re-election and replacement of the external auditor or audit firm, taking responsibility for the selection process, the conditions of engagement, the scope of the professional mandate and, if applicable, the revocation or non-renewal thereof, all in accordance with current legislation, as well as to regularly obtain information from them on the audit plan and its execution, and preserve their independence in the exercise of their functions.

Another function (art. 15, paragraph d) of the same Regulations) is to establish the appropriate relations with the external auditors or audit companies in order to receive information on issues that could jeopardise their independence, for review by the Committee, and any other matters relating to the process of the audit of accounts, and when appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as other communications provided for under audit legislation and the auditing standards. In any case, they must receive annually from the external auditors or audit firms written confirmation of their independence from the entity or entities directly or indirectly related to it, as well as information on additional services of any kind rendered and the corresponding fees received from these entities by the external auditors or audit firms or by the persons or entities related to them in accordance with the provisions of the applicable legislation on audit of accounts.

Additionally, another function of the Audit and Risk Management Committee (art. 15 sect. j) of the Board of Directors Regulations) is to issue annually, prior to the issuance of the audit report, a report in which an opinion will be expressed on whether the independence of the auditors or audit firms is compromised. This

report in any event must contain a reasoned evaluation of the provision of each and every one of the additional services referred to in the preceding paragraph, taken individually and as a whole, other than the legal audit, as regards the scheme of independence of the auditors and regulations governing audits.

In accordance with the legal requirements, information on the fees paid to the Company's external auditor for the provision of audit and other services is included in the company's financial statements.

The governing bodies pay particular attention to not compromising the independence of financial analysts, investment banks and rating agencies.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditor:

Yes  No

Outgoing auditor	Incoming auditor

Remarks

If there were any disagreements with the outgoing auditor, explain their content:

Yes  No

Explanation of disagreements

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes  No

	Company	Group companies	Total
Amount of work other than standard audit work (thousands of euros)	2,560	17	2,577
Fees for work other than standard audit/Fees for audit work (%)	100.00	1.00	100.00

Remarks

In view of the impossibility of entering the correct percentage that the fees for work other than standard audit represent on the total fees invoiced to the company, we have entered 100% since it is the maximum allowed by the system. However, the correct percentages are as follows:

Amounts of work other than audit: Company 327%, Group 1 Companies, Total 113%.

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes  No

**Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter**

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	8	8

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	100%	100%

Remarks

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes  No

Details of the procedure
Article 23 of the Board of Directors Regulations (former article 22) states that the agenda of the Board meetings will clearly indicate those items on which the Board of Directors must adopt a decision or resolution so that the directors may study or obtain, in advance, the information necessary for its adoption. And that all information regarding the proposals to be

submitted to the directors will be made available to them at least forty-eight (48) hours in advance.  
 The information sent to the directors during the 2020 fiscal year was generally sent one week in advance.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes  No

Explain the rules
<p>Article 21 of the Board of Directors Regulations states that directors must tender their resignation to the Board of Directors and, if the Board deems it appropriate, formalise the corresponding resignation in the following cases:</p> <ul style="list-style-type: none"> <li>- When they are subject to any of the grounds of incompatibility or prohibition contemplated by law.</li> <li>- When there are situations that affect them, related or not to their performance in the Company itself, that may harm its credit and reputation, and when they are investigated in any criminal case, the Board of Directors must be informed of their procedural vicissitudes, or are subject to disciplinary proceedings for serious or very serious misconduct instructed by the supervisory authorities.</li> <li>- When their continuance on the Board may jeopardise the interests of the Company, and</li> <li>- When the reasons for which they were appointed disappear.</li> </ul> <p>The latter circumstance will be deemed to occur with respect to a proprietary director when the total shareholding he/she holds or whose interests he/she represents is disposed of, and also when the reduction of the shareholding requires the reduction of the number of proprietary directors.</p> <p>The Board has positively viewed the rules that require directors to report situations that affect them, whether or not related to their performance in the Company itself.</p> <p>Thus, in the regulatory modification of 19 February 2021, it has been adapted to the provisions of the Good Governance Code, which in recommendation 22 has expanded the obligation to report when directors are investigated in any criminal case.</p>

C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, if the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his/her actions in the company itself, that might harm the company's standing and reputation:

Yes  No

Director's name	Nature of the situation	Remarks

Indicate whether the Board of Directors has examined the case. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal enquiry, requesting the director's resignation or proposing his/her dismissal.

Indicate also whether the Board decision was backed up by a report from the nominations committee.

Yes

No

Decision / action taken	Reasoned explanation

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Obligations and other loans

The terms and conditions of the bonds issued under the EMTN Program, as well as the convertible bonds, include a change of control clause (at the option of the bondholders) that would imply their early repayment.

For bonds issued under the EMTN Program, the put option can only be activated if a change of control event occurs and there is a credit rating downgrade caused by a change of control event (as defined in the Program Terms and Conditions EMTN). For convertible bonds, the put option can only be activated if there is a change of control or if there is an event that triggers the offer (as defined in the terms and conditions of the convertible bonds).

For simple bonds (EMTN Program) and convertible bonds, a change of control event is defined as the acquisition of more than 50% of the voting rights with respect to the Parent Company, or the right to appoint or dismiss all or the majority of the members of the Board of Directors of Cellnex.

Loans and credit policies

In relation to the loans and credit policies contracted by Cellnex, the trigger is at the level of the Parent Company. For syndicated financing arranged through Swiss Towers, the trigger is measured against Cellnex Switzerland, Swiss Towers and Swiss Infra Services. For "GBP Facilities", the trigger for the change of control is measured against Cellnex UK as well as at Cellnex level. For loans and credit policies arranged through Nexloop, the trigger for the change of control is measured relative to Nexloop. The event of change of control is generally triggered when a



third party, alone or jointly with others, acquires 50% of the shares with voting rights or obtains the right to appoint or dismiss the majority of the members of the Board of Directors of the company. Relevant Company. See Note 15 of the consolidated annual accounts corresponding to fiscal year 2020.

#### Infrastructure acquisitions

In relation to the acquisitions of the Group's infrastructures by mobile phone operators, some significant contracts signed by the Group, including most of the Group's contracts with anchor customers, could be modified or terminated if a clause for change of control is activated. With respect to the relevant contracts entered into by the Group with anchor customers, the activation of a change of control clause is generally limited to the situation in which a competitor of the anchor customer, individually or together with others, obtains "control" (generally defined as the ownership of (i) more than 50% of the voting shares (except in certain exceptional cases where this threshold is defined as 29% or more of the voting shares) or (ii) the right to appoint or remove the majority of the members of the board of directors of the relevant Group company). In such circumstances, the anchor customer may be granted an option to repurchase the assets (generally the infrastructure from which it receives the service). Likewise, this repurchase option may also be granted in the event that a direct competitor of the anchor client acquires a significant part of the shares or obtains voting or governance rights that can be exercised in a way that could negatively affect the client's interests. anchor. The change of control clause may be activated either at Cellnex level or only at the level of the relevant subsidiary that has signed the corresponding contract. In some contracts, the definition of control, and therefore of change of control, expressly refers to the applicable law in the relevant jurisdiction. Finally, in relation to the recent transaction with Hutchison in the United Kingdom and the part of the price that Hutchison will receive in Cellnex shares, if as a result of a takeover bid prior to the closing of the transaction with Hutchison in the United Kingdom, a third party (alone or in concert with another shareholder) acquires the majority of the votes in Cellnex, Cellnex will ensure that Hutchison receives at closing the consideration equivalent to what it would have received had it been a Cellnex shareholder at the time of the takeover bid.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

<b>Number of beneficiaries</b>	2
<b>Type of beneficiary</b>	<b>Description of the agreement</b> The Directors have signed contracts with the Company which include indemnification clauses.

<p>CEO and Senior Management</p>	<p>In general terms, the indemnity clause of the contracts provides for the accrual of an indemnity in favour of the executive in the event of (i) unfair dismissal, (ii) unilateral termination of the contract by the executive due to serious breach by the Company of the obligations established in the contract, substantial non-consensual modification of the executive's functions, powers or conditions of the provision of services thereby. The indemnification is the greater of the following amounts:</p> <p>a) indemnification equivalent to one year's salary, taking into consideration the gross annual fixed remuneration in cash received at the time of termination, as well as the gross annual variable remuneration received by the director in the twelve months immediately prior to the effective termination of services; or, b) indemnification legally provided for in the labour legislation in force.</p> <p>In the case of the CEO and a member of Senior Management the indemnity clause of the contracts provides for the accrual of an indemnity in favour of the executive also in the case of: (iii) unilateral termination of the contract by the executive due to a change of control of the Company within the meaning of article 42 of the Commercial Code and similar circumstances. In the case of the CEO and another member of Senior Management, the indemnification is the greater of the following amounts: a) indemnification equivalent to two years' salary, taking into consideration the gross annual fixed remuneration in cash received at the time of termination, as well as the gross annual variable remuneration received by the director in the twelve months immediately prior to the effective termination of services; or b) indemnification legally</p>
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	provided for in the labour legislation in force.
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Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	<b>Board of Directors</b>	<b>General shareholders' meeting</b>
<b>Body authorising the clauses</b>	X	

	<b>YES</b>	<b>NO</b>
<b>Are these clauses notified to the General Shareholders' Meeting?</b>		X

<b>Remarks</b>
The Board of Directors, following a report from the Nominations, Remunerations and Sustainability Committee, approves the essential conditions of the Senior Management.

## C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

### EXECUTIVE COMMITTEE

<b>Name</b>	<b>Position</b>	<b>Current</b>

<b>% of executive directors</b>	
<b>% of proprietary directors</b>	
<b>% of independent directors</b>	
<b>% of other external directors</b>	

<b>Remarks</b>

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how

it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

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**AUDIT AND RISK MANAGEMENT COMMITTEE**

<b>Name</b>	<b>Position</b>	<b>Current</b>
MR. BERTRAND KAN	CHAIRMAN	Independent
MR. LEONARD PETER SHORE	MEMBER	Independent
MS. ANNE BOUVEROT	MEMBER	Independent
MR. CHRISTIAN COCO	MEMBER	Proprietary

<b>% of proprietary directors</b>	25
<b>% of independent directors</b>	75
<b>% of other external directors</b>	0

<b>Remarks</b>

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

SEE EXPLANATORY NOTE TO SECTION C.2.1.
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Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

<b>Names of directors with experience</b>	MR. BERTRAND KAN
<b>Date of appointment of the chairperson</b>	16/02/2017

<b>Remarks</b>
The Board is evaluating the succession of the position of Chairperson of the Audit and Risk Management Committee, which it foresees in the immediate future.

**NOMINATIONS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE**

<b>Name</b>	<b>Position</b>	<b>Current</b>
MR. GIAMPAOLO ZAMBELETTI	CHAIRMAN	Independent
MR. PIERRE BLAYAU	MEMBER	Independent

MS. MARIETA DEL RIVERO	MEMBER	Independent
MS. MARIA LUISA GUIJARRO PIÑAL	MEMBER	Independent
MS. ALEXANDRA REICH	MEMBER	Proprietary

<b>% of proprietary directors</b>	20
<b>% of independent directors</b>	80
<b>% of other external directors</b>	
<b>Remarks</b>	

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

SEE EXPLANATORY NOTE TO SECTION C.2.1.

**NOMINATIONS COMMITTEE**

Name	Position	Current

<b>% of proprietary directors</b>	
<b>% of independent directors</b>	
<b>% of other external directors</b>	

<b>Remarks</b>

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

**REMUNERATIONS COMMITTEE**

Name	Position	Current

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<b>% of proprietary directors</b>	
<b>% of independent directors</b>	
<b>% of other external directors</b>	

<b>Remarks</b>

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

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\_\_\_\_\_ COMMITTEE

Name	Position	Current

<b>% of executive directors</b>	
<b>% of proprietary directors</b>	
<b>% of independent directors</b>	
<b>% of other external directors</b>	

<b>Remarks</b>

Explain the functions assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

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C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	Year n	Year n-1	Year n-2	Year n-3
	Number %	Number %	Number %	Number %
Executive committee				
Audit and Risk Management committee	1-25%	2-50%	2-50%	0-0%
Nominations and Remunerations committee	3-60%	2-40%	2-40%	1-25%
Nominations committee				
Remunerations committee				
_____ committee				

Remarks

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The Board Committees do not have their own regulations; their operation is regulated in the Board of Directors Regulations, which are available on the Company's website.

Each of these Committees has prepared a report on its 2020 activities, which is available on the Company's website.

## **D** RELATED PARTY AND INTRAGROUP TRANSACTIONS

D.1 Describe, if applicable, the procedure and competent bodies for the approval of related party and intragroup transactions.

Article 4 of the Board of Directors Regulations states that the Board, following a report from the Audit and Risk Management Committee, is responsible for approving transactions that the Company carries out with directors, significant shareholders or shareholders represented on the Board of Directors, or with a related person to them, unless such transactions meet the following three conditions:

- 1) They are governed by standard form agreements applied on an across-the-board basis to a large number of customers.
- 2) They are carried out at prices or rates generally established.
- 3) The amount is no more than 1% of the consolidated annual revenue of the Company.

Likewise, article 32 of the aforementioned Regulations states that:

The Board of Directors formally reserves knowledge of any relevant transaction of the Company with a significant shareholder.

In the case of ordinary transactions, a general authorisation of the line of operations and its execution conditions will be sufficient.

- D.2 Describe any transactions that are significant, either because of the amount involved or the subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name or company name of significant shareholder	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
EDIZIONE S.P.A.	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	4,219
GIC PRIVATE LIMITED	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	2,059
ABU DHABI INVESTMENT AUTHORITY	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	2,041
CRITERIA CAIXA, S.A.U.	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	1,425
WELLINGTON MANAGEMENT GROUP LLP	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	1,252
BLACKROCK INC	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	1,252
GQG PARTNERS, LLC	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	562
CANADA PENSION PLAN INVESTMENT BOARD	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	924
FMR, LLC	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	532



NORGES BANK	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	528
CAPITAL RESEARCH AND MANAGEMENT COMPANY	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	885

<b>Remarks</b>

- D.3 Describe any transactions that are significant, either because of their amount or the subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name or company name of director(s) or manager(s)	Name or company name of the company or entity within its group	Relationship	Nature of the transaction	Amount (thousands of euros)
No data				N.A.

<b>Remarks</b>
See Note 24.a) of the Consolidated Financial Statements for the year 2020.

- D.4 Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the consolidation process and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Name of the group company	Brief description of the transaction	Amount (thousands of euros)

<b>Remarks</b>
At 31 December 2020, the Group has no significant assets and liabilities with companies associated with the Cellnex Group.
In turn, no transactions of significant amount have been carried out with associated companies during 2020.

- D.5 Report any material transactions carried out by the company or entities belonging to its group with other related parties that have not been reported in the previous sections.

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)
ATLANTIA S.P.A.	Agreement under which the Group may locate certain assets to provide telecommunications infrastructure services on Italian highways that are under Autostrade per l'Italia SpA until 2038.	4

Remarks
In addition to the contracts indicated above, there were no transactions of significant amount with related entities during the periods ended 31 December 2020.

- D.6 List the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

According to the Board of Directors Regulations, these conflicts must be declared by the directors and executives and entail the duty to abstain from attending and participating in the matters in which they are involved. The directors (article 27 c) of the Regulations) (currently article 26), must abstain from participating in deliberation and voting on resolutions or decisions in which the director or a related person has a direct or indirect conflict of interest. Excluded from the foregoing prohibition are the resolutions or decisions that affect the director in its status as such, such as the director's appointment or removal from positions on the administration body or others of a comparable kind.

In addition, art. 27 e) of the Board of Directors Regulations states that the board members must adopt the necessary measures to avoid situations in which their interests, on their own behalf or on behalf of another, can be in conflict with the Company's interests and their duties to it. Exceptions are those cases in which the company has granted its consent in accordance with the terms set forth in article 230 of the Spanish Companies Law.

The directors (art. 28 of the aforesaid Regulations) (currently article 27), must notify the Board of Directors of any conflict situation, direct or indirect, that they or persons related to them may have with the interest of the company. The affected director will abstain to intervene in the resolutions or decisions regarding the transaction to which the conflict relates. The votes of the directors affected by the conflict and who are required to abstain will be deducted for the purposes of calculating the majority of votes that is necessary. In particular, the duty to avoid situations of conflict of interest requires the director to abstain from:

- a) Engaging in transactions with the Company, unless they are ordinary transactions, on terms that are standard for customers and of little importance, with such transactions being understood to be those the reporting of which is not

necessary to accurately reflect the net worth, financial situation and results of the Company.

b) Using the company's name or their status as directors to unlawfully influence the execution of private transactions.

c) Using the corporate assets, including the confidential information of the company, for private purposes.

d) Using the company's business opportunities for their own benefit.

e) Obtaining benefits or remuneration from third parties, other than the company and its group related to the performance of the director's duties, except in the case of mere courtesies.

f) Carrying on activities for their own account or on behalf of others that actually or potentially bring them into competition with the Company or that in any other way place them in permanent conflict with the interests of the Company.

The Board of Directors of Cellnex in July 2016 approved an Internal Code of Conduct adapted to the requirements of the European Market Abuse Regulation establishes the following:

#### Principles of action

In any case in which a "Conflict of Interest" exists (Conflict of Interest will mean the collision of the interests of the Company and the personal interests of the Affected Person), the Affected Persons will act in accordance with the following principles:

(i) Independence.

They at all times must act with loyalty to the Company, regardless of their own or other people's interests.

(ii) Abstention.

They must refrain from participating in or influencing decision-making on matters affected by the conflict.

(iii) Confidentiality.

They must refrain from accessing confidential information affecting such conflict.

#### Communication of Conflicts of Interest

The Affected Persons will notify the Secretary of the Board of any possible Conflicts of Interest to which they are subject due to their family relationships, their personal assets, their activities outside the Company, or for any other reason.

A Conflict of Interest will not be deemed to arise due to family relationships when the relationship exceeds the fourth degree of consanguinity or second degree of affinity.

A possible Conflict of Interest derived from personal assets will be deemed to exist when it arises in relation to a company in which the Affected Person holds an executive position or when he/she holds a significant shareholding (understood as any direct or indirect shareholding exceeding twenty percent of its issued share capital).

Affected Persons must keep the information updated, reporting any modification or cessation of the situations previously reported, as well as the emergence of new possible Conflicts of Interest.

Communications must be made as soon as possible once the current or possible situation of Conflict of Interest is noticed and, in any case, before taking a decision that could be affected by the possible Conflict of Interest.

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D.7 Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes  No


Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

Yes  No

<b>Report the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported</b>

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

<b>Mechanisms for resolving possible conflicts of interest</b>

## **E** RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's Risk Management and Control System, including tax risk.

<p>The Risk Management System operates in an integral, continuous manner, consolidating such management for each Business Unit. It is currently implemented in Corporation, Spain, France, Holland, Ireland, Italy, Portugal, United Kingdom and Switzerland. The newly acquired companies are expected to be included in the scope in the coming months.</p> <p>Following the risk culture at Cellnex and with the commitment to strengthen global risk management, the Board of Directors approved the methodology of the three lines of defence risk model, which mainly consists of the following:</p> <ul style="list-style-type: none"><li>• 1st Line: functional areas that are responsible for assessing, controlling and mitigating risks along with maintaining effective internal controls.</li><li>• 2nd Line: facilitates and monitors the implementation of effective risk management practices.</li><li>• 3rd Line: evaluates and manages risks by validating the performance of the first and second lines, providing independent assurance of the risk model.</li></ul>
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During 2020, two initiatives were launched in connection with this commitment to integrated risk management:

- The creation of the Global Risk Committee, the objective of which is to deploy risk management in the Cellnex Group and validate the risks and action plans defined in each risk map.
- Creation of the risk management department, which aims to promote a common risk culture within Cellnex.

In addition, the new Global Risk Management Policy and the Global Risk Management Model were approved in 2020.

- The policy establishes the essential principles and commitments in the area of Risk Management, its communication to stakeholders and its progressive integration into all operational processes of the Cellnex Group. The principles and commitments set forth in this Policy are of general application and must be taken into account in each of the projects, businesses and activities carried out by the company. This Policy is mandatory for all companies controlled by Cellnex Telecom.
- The model defines the methodology for Global Risk Management in the Cellnex Group. It establishes the governance model, roles and responsibilities, risk life cycle, risk taxonomy, and risk assessment and monitoring

E.2 Identify the bodies within the company responsible for preparing and executing the Risk Management and Control System, including tax risk.

The bodies responsible for definition, execution and supervision are the following:

- *Board of Directors*: is the highest authority responsible for approving the risk control strategy and policy as well as for defining the company's risk appetite.
- *Audit and Risk Management Committee*: as a function entrusted by the Board of Directors, it supervises the effectiveness of the risk management model, ensuring that the risk management model adequately identifies, prioritises, controls, monitors and discloses all risks.
- *Chief Executive Officer*: has ultimate responsibility for the organisation's risk management and control framework providing leadership and oversight of risk management activities.
- *Senior Management*: responsible for risk management, which includes the definition and implementation of defined risk policies, validation of risk maps, assignment of responsibilities, implementation of control activities and action plans, as well as monitoring of existing risks in its area of responsibility.
- *Function Managers*: each person responsible for an area is in charge of identifying, evaluating and implementing control activities aimed at mitigating risks.
- *Global Risk Committee*: its purpose is to deploy risk management in the Cellnex Group and validate the risks and action plans defined in each risk map, and to properly formalise the Three Lines of Defence in Cellnex.
- *Risk Management*: responsible for preparing and updating risk management policies, establishing the mechanisms and methodology for identifying and assessing risks, updating risk maps, implementing a monitoring system, and communicating with the highest governance bodies.

- *Internal Audit*: provides assurance to the Board of Directors, the Audit and Risk Management Committee and Senior Management that risks are adequately understood and managed, and proposes solutions to improve the risk control and management structure

E.3 Indicate the main risks, including tax risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

Risks at Cellnex can be classified into the following types:

- Strategic: risks that affect the business strategy or strategic objectives of any company.
- Operational: risks of potential losses resulting from the inadequacy of key operations processes as well as the people, equipment and systems that support these processes.

Risks are also classified according to the functional area of their main impact, and the functional areas defined are as follows:

- Legal / Regulatory / Compliance: the possibility of incurring legal or administrative sanctions, significant financial losses or loss of reputation due to non-compliance with laws, regulations, internal rules and codes of conduct applicable to the business.
- Financial: risk of loss of value or earnings as a result of adverse movements in financial variables and the company's inability to meet its obligations or build its assets.
- Business: any risk that may affect the company's core business in its provision of services to customers, either directly or indirectly.
- Operations: risks associated with the execution of operational processes, including, among others, technological risks, dependence on suppliers, etc.
- Environment and climate change: risks involving potential damage to the environment such as natural disasters, climate change, etc.
- People: risks related to people, such as: culture, talent, etc.
- Systems: those risks that may affect Cellnex's information systems infrastructure.

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

- Tolerance levels are defined in the risk assessment matrix.
- For the risks identified, each manager evaluates the potential impact of the risk if it materialises, differentiating among four levels: low, medium, important and critical, taking into account the economic impact, ramification in the organisation and reputational impact. The likelihood of the risk occurring is then assessed. This probability is classified among the four defined levels: remote, possible, probable and almost certain. The combination of impact and probability leads to risk prioritisation

E.5 Indicate which risks, including tax risks, have materialised during the year.

We highlight the most relevant risks that materialised during the year:

- A portion of the Group's revenues is derived from a small number of customers. In the Infrastructure Services for Mobile Telecommunications

Operations segment, the main customers are telecommunications operators (mostly MNOs); in the Broadcasting Infrastructure segment, its main customers are the broadcast media (TV channels and radio stations); and in the Other Network Services segment, its main customers are (i) a small number of public administrations, at the national, regional and/or local level, (ii) security and emergency response organisations, (iii) companies operating in the utilities sector, and (iv) certain telecommunications operators.

- Increased competition in the acquisition of assets and companies in the context of the Group's business expansion.
- In the renewal of relevant contracts in the broadcasting business in Spain, there has been a reduction in revenues with respect to the previous renewal cycle.
- The existing pandemic situation has led to a slowdown in economic activity that affects employee mobility and has had a slight impact on the execution of certain operations, on some business processes, etc.

E.6 Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise

The implemented risk management model establishes the response and supervision plans for the main risks based on their assessment.

The risk maps as well as those risks considered to be priority risks are reviewed by the Audit and Control Committee, which in turn reports to the Board of Directors, as well as if there is any variation in the risks not defined as priority risks. In addition, the areas perform risk management.

In order to reduce exposure to risks such as infrastructure sharing, regulatory changes, technological advances and development of alternative technologies not currently used, increased competition, among others, the Group continues with a policy of internationalisation, diversification and selective growth, promotes understanding with the Public Administrations for the development of infrastructure and continues with the efficiency plan for the optimisation of operating expenses and investments. In addition, in response to the health crisis resulting from the COVID 19 pandemic, Cellnex deployed business contingency and recovery plans in all countries. This has allowed the continuity of all critical services of our customers, preserving the safety of people. Practically all of our activities have been and continue to be carried out remotely.

We are currently immersed in the process of designing and updating the global business continuity model, starting with the most critical processes

## **F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)**

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

### **F.1 The entity's control environment**

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The Financial Reporting Internal Control System (hereinafter "FRICS") of Cellnex is part of its general internal control system and is configured as the set of processes that the Board of Directors, the Audit and Risk Management Committee, the Management and the Company's personnel carry out to provide reasonable assurance regarding the reliability of the financial information published in the markets.

Cellnex's "FRICS Organisational and Supervisory Model" (hereinafter "FRICS Organisational Model") establishes that the Board of Directors is ultimately responsible for the supervision of internal reporting systems, as well as the Risk Control and Management Policy. In addition, the Bylaws and the Board of Directors Regulations establish, among others, the following powers and responsibilities:

- The determination of the Company's general policies and strategies, as well as the Company's corporate governance policy.
- The formulation and approval of the annual accounts and any other report or information required by law.
- The approval of the financial information listed companies must periodically disclose.  
The determination of the Risk Control and Management Policy, including tax risks, and the supervision of internal information and control systems.
- The supervision of the effective functioning and performance of the delegated bodies, including the Audit and Risk Management Committee, and designated executives.

Based on the Board of Directors Regulations (art. 15), the basic responsibilities of the Audit and Risk Management Committee (hereinafter "ARMC") include:

- The supervision and evaluation of the process of preparation and presentation of the mandatory financial and non-financial information of the Company, as well as its integrity.
- The supervision and evaluation of the internal control and risk management systems, financial and non-financial of Cellnex and, where appropriate, of the group, including operational, technological, legal, social, environmental, political and reputational systems or those related to corruption, reviewing the compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.
- Discussion with the auditor of significant weaknesses in the internal control system detected during the audit.
- Supervision of the internal audit services, ensuring their independence, and verification that the recommendations and corrective measures recommended by them are considered by Management.

Cellnex's Internal Audit function is responsible for supervising the FRICS by delegation from the ARMC, with the Global Finance & M&A Department being responsible for its design, maintenance and implementation.



F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The Board of Directors of Cellnex assigns responsibility for the design and review of the organisational structure related to the preparation of financial information to the Global Organisation & Processes Department and the Global Finance & M&A Department. These departments define the general lines of the structure and distribution of responsibilities, as well as the procedure for the design, review, updating and dissemination thereof, a procedure that is documented in the organisational charts (organisational structure) and the process model and its associated regulations that form part of the Cellnex policy catalogue.

Cellnex has an internal organisation chart, which covers all areas, and which is fundamentally divided by department (including those departments involved in the preparation, analysis and supervision of financial information). This organisation chart indicates responsibilities up to a certain management level and is complemented by more detailed ones distributed at the department level.

With regard to the process of preparing financial information, in addition to detailed organisation charts, for the purpose of assigning responsibilities there is the FRICS Organisational Model, developed by the Global Finance & M&A Department and approved by the ARMC.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

Cellnex has a Code of Conduct (Code of Ethics), approved by the Ethics and Compliance Committee, which has been communicated to employees and is available on the corporate intranet. The current composition of the Ethics and Compliance Committee is as follows:

- José M<sup>a</sup> Miralles (Chairman). General Counsel Legal and Regulatory Affairs.
- Sergi Martínez (Secretary). Internal Audit and Risk Control Manager
- Alberto López. Global Resources Director.
- Toni Brunet. Public and Corporate Affairs Director.

In order to maintain the independence of the Cellnex Group's Ethics and Compliance Committee, it maintains its functional and organic dependence on the Nominations, Remunerations and Sustainability Committee of the Board of Directors of Cellnex Telecom.

The main values and principles contained in the Code of Ethics are: integrity, honesty, transparency and good faith. Likewise, the Code of Ethics includes the commitment to offer economic and financial information that faithfully reflects its economic, financial and equity reality, in accordance with generally accepted accounting principles and applicable international financial reporting standards, as well as the responsibility of its employees and managers to ensure that this is so, both through the correct performance of their duties and by informing the governing bodies of any circumstance that may affect this commitment.

The body responsible for analysing noncompliance and proposing corrective action and sanctions is the Ethics and Compliance Committee.

- Whistle blower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistle blower and the person reported.

Cellnex has and promotes the use of communication channels on possible breaches of the Code of Ethics and other irregular activities in the organisation, especially financial and accounting, reporting in any case to the Ethics and Compliance Committee.

As indicated in the Cellnex Ethics Channel Policy, a document that regulates the procedure, scope and application of such reports, they can be communicated using a form, either by mail or email, respecting confidentiality.

Communications are received, analysed and followed up by the Ethics and Compliance Committee and subsequently reported periodically to the Nominations, Remunerations and Sustainability Committee and the Audit and Risk Management Committee. Periodically, the Ethics and Compliance Committee will report to both the Nominations, Remunerations and Sustainability Committee and the Audit and Risk Management Committee on the operation of the ethics channel.

If reports have been received during the year, the Ethics and Compliance Committee develops an Annual Report to facilitate the analysis of the functioning of the whistle-blower channel.

- Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the

assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

In relation to training and periodic updating programmes on aspects that may affect the preparation and publication of financial information, Cellnex believes that the development and continuous training of its employees and executives is key. In this regard, Cellnex also believes that in-depth and updated training in accounting regulations and standards for the preparation of financial information, capital market regulations, taxation and internal control is necessary to ensure that the information reported to the markets is reliable and complies with the regulations in force.

With respect to the preparation and review of financial information, during the 2020 financial year Cellnex carried out training based on the needs identified by the Consolidation and Corporate Management Control departments, in relation to:

- New accounting, tax, capital markets and internal control regulations, adopted by the European Union and applicable to Cellnex.
- Changes in the methodology for reporting to the Regulator (ESEF Reporting) and/or in the information systems.
- Individual initiative of team members.

As a result of the identification of needs in the aforementioned areas, appropriate training activities are designed and implemented to meet the annual training objectives in these areas.

Cellnex carried out training activities during the 2020 financial year by external experts and internal training sessions, covering personnel involved in the preparation and review of financial information. The training areas on which most emphasis was placed in 2020, in line with the previous year, are related to the accounting, tax and financial areas that may have a greater impact on the preparation of Cellnex's consolidated financial information, especially with changes in national and international tax and accounting regulations and with the new developments of the year related to EU-IFRS.

In this regard, the Consolidation, Corporate Management Control and Global Accounting Policy departments subscribe to various accounting/financial publications and journals, as well as to the IASB website, which periodically sends news and other communications of interest, which are analysed and duly disseminated, ensuring that they are taken into consideration in the preparation of Cellnex's financial information. For its part, Cellnex has an e-learning platform, where training can be provided, both technical, for certain groups, and other more general training on a voluntary and, in some cases, mandatory basis.

Finally, during the 2020 financial year, it is important to highlight the dedication of the various areas of the Global Finance & M&A and Corporate & Public Affairs Departments in responding to the new requirement of the CNMV and ESMA to present the Consolidated

Financial Statements for the 2020 financial year in XBRL format, in accordance with the transparency requirements imposed by the Regulator. To this end, Cellnex has relied on a team of experts and a technological platform of recognised prestige, which has allowed us to transform and automate the process of compliance and presentation of regulated financial information through this platform.

We believe that in the coming years this collaborative platform will allow users a considerable improvement in productivity, as well as greater control over the processes of preparing regulated financial information.

## F.2 Assessment of risks in financial reporting

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.
- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.
- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.
- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.
- The governing body within the company that supervises the process.

Cellnex has a Risk Control and Management Policy with the aim of establishing the basic principles and general framework of action for the control and management of the risks of all kinds that it faces. In this way, Cellnex identifies and updates the main risks, organising the appropriate internal control and information systems and regularly monitoring them.

Likewise, the Internal Control and Risk Management Manual of the FRICS (hereinafter, "Risk Management Manual") describes and formalises Cellnex's internal control and risk management model with respect to its Financial Reporting Internal Control System and establishes the mechanisms used to determine the risks in this area, the key business processes, as well as the practical and operational documentation of this internal control model.

The process for preparing and issuing financial information establishes the financial information to which it refers, as well as the methodology for

defining materiality. Additionally, guidelines are established to determine whether the process covers all the objectives of the financial information (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), whether it is updated and the frequency.

Cellnex has identified the relevant business processes, as well as the risks inherent to each one, and has designed a Risk and Control Matrix that aims to identify the main risks, based on which control activities have been designed, in such a way as to ensure that, from their proper fulfilment, full and reliable financial information is obtained.

The process of identifying risks of error in financial information is carried out and documented by the Consolidation department, a process that is complemented by the Internal Audit function, considering them in relation to Cellnex's general Risk Map (which includes both financial and non-financial risks). The entire process is ultimately supervised by the Audit and Risk Management Committee.

The Cellnex Audit and Risk Management Committee is responsible for supervising the internal control and risk management system with the support of Internal Audit.

During the second half of the 2020 financial year, a project was carried out to redefine and re-evaluate Cellnex's FRICS Model with the main purpose of adapting the current model to the current situation of exponential growth of the Group through the incorporation of new subsidiaries and assets. The aim of this project is to ensure that the FRICS model is based on standardised, homogeneous and global processes applicable to the entire Cellnex Group, which had recently been finalised by the organisation. The new approach to the FRICS model is expected to be rolled out in the second quarter of 2021.

### **F.3 Control activities**

Report on whether the company has at least the following, describing their main characteristics:

- F.3.1. Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

Cellnex has a Manual for Issuing Regulated Information, duly approved by the Audit and Risk Management Committee, which details the procedure for preparing and approving financial information and the description of the FRICS to be published in the securities and investment markets. This manual also

establishes the criteria for identifying relevant public financial information, which is classified as follows:

- Issuers' Periodic Public Reporting (PPR) obligations:
  - Quarterly Financial Report.
  - Semi-annual Financial Report.
  - Annual Financial Report and Annual Corporate Governance Report (ACGR).
- Annual Directors Remuneration Report (ARR).
- CIP/OIR.

Cellnex's Regulated Information Issuance Manual also establishes the departments involved in the process of preparing, reviewing and authorising financial information and their respective responsibilities, from the accounting close to the publication of the CIP/OIRs. In particular, for each set of relevant regulated financial information to be published in the market, there is a preparation and review procedure, which involves the completion of internal control questionnaires on the communication of regulated information, in order to obtain reasonable assurance on the reliability of the entity's financial statements.

Compliance with the Regulated Information Issuance Manual and the completion of specific internal control questionnaires are mandatory and are subject to review by Cellnex's internal auditor.

With regard to the documentation describing the flows of activities and controls of the different types of transactions that may materially affect the financial statements, Cellnex has a FRICS Organisational Model, which structures the specific mechanisms that have been set up to maintain an internal control environment conducive to the generation of complete, reliable and timely financial information, which contemplates the possible existence of irregularities and the ways to detect and remedy them. Cellnex has developed procedures for those processes that are considered material and relevant in terms of their potential impact on the financial information to be disclosed, as follows:

- Revenue recognition and accounts receivable
- Fixed assets and investments
- Purchases and accounts payable
- Staff
- Opinions and estimates
- Closing of accounts, consolidation (determination of scope) and reporting
- Treasury and debt
- Taxes

The individual and consolidated annual accounts, the semi-annual financial reports and the financial information contained in Cellnex's quarterly interim statements are prepared and reviewed by the Global Finance & M&A Department prior to their submission to the Audit and Risk Management Committee. The latter applies the procedures included in the Regulated

Information Issuance Manual as a step prior to submitting the information to the Cellnex Board of Directors for final approval.

Regarding activities and controls directly related to transactions that may materially affect the financial statements, Cellnex has descriptions of controls in place to mitigate the risk of material misstatement in the information reported to the markets. These descriptions are also documented in the Risk and Control Matrix and contain information on what the control activity should consist of, what it is performed for, who should perform it, how often, as well as other information on which information systems or which activities performed by third parties are relevant to the effectiveness of the respective control activity. The controls cover areas such as revenue generation, investments and expenses in concessions, acquisitions and subsequent valuation of other fixed assets, analysis of the recoverability of investments, recording of taxes on profits or the correct presentation of financial instruments and Cellnex's financing operations.

In relation to the relevant opinions and estimates made, Cellnex reports in its consolidated financial statements those areas of a degree of uncertainty that it considers particularly relevant. The specific review and approval of the relevant opinions, estimates, valuations and projections, as well as the key assumptions used in their calculation, with a material impact on the consolidated financial statements, is performed by the Global Finance & M&A Department and, if applicable, by the Managing Director. The most significant issues, such as asset value monitoring and hedging policies, are discussed and reviewed by the Audit and Risk Management Committee prior to approval by the Board of Directors.

- F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

Cellnex uses information systems to maintain an adequate record and control of its operations and, therefore, their correct functioning is a key element of special emphasis for Cellnex.

The Systems function, reporting to the Organisation and Efficiency Department, which in turn reports directly to the Resources Department, is responsible for establishing the internal control model for information systems in aspects related to access security, segregation of duties (in coordination with the business and support operating areas) and change control, in addition to carrying out risk monitoring activities and controls derived from the outsourcing of the systems.

- F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

Cellnex regularly uses reports from independent experts for the valuation of its financial instruments, employee benefit commitments and acquisition price

allocation processes in business combinations, among others. In addition, Cellnex maintains certain activities associated with the economic, personnel and operation and maintenance administration of its corporate information systems outsourced to an external provider.

Cellnex has formalised guidelines regarding the treatment of activities with third parties in both contracting and results. These guidelines are included in the internal procurement procedures.

The Global Finance & M&A Department carries out checks on the work of these experts, aimed at verifying:

- The competence, training, accreditation and independence of the experts.
- The validity of the data and methods used.
- The reasonableness of the assumptions used, if applicable.

In this regard, certain control and risk management mechanisms have been established with the supplier to ensure the integrity and quality of the financial information derived from these activities, such as a contract Management and Monitoring Committee, service level agreements, risk indicators, service reports, technological security measures, external audits, as well as contingency and continuity plans, among others.

#### **F.4 Information and communication**

Report on whether the company has at least the following, describing their main characteristics:

- F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

Responsibility for defining, maintaining and updating Cellnex's accounting policies lies with the Global Accounting Policy department, which is part of the Global Finance & M&A Department.

One of the functions of this department is to respond to any accounting queries that may be raised by the different business units or other corporate departments of Cellnex.

Cellnex has an accounting policy manual, Group Reporting and Accounting Principles Handbook (GRAPH) for the purposes of preparing the financial statements prepared under EU-IFRS, which is prepared by the Global Accounting Policy department and updated periodically (at least annually) and incorporates the standards applicable in the year. The Audit Instructions that the external auditor sends to the auditors of the different companies for the limited review or audit at each semi-annual and annual closing, respectively,



indicate that the accounting principles on which they must perform their work are those contained in the Cellnex GRAPH.

Any changes that may be made are communicated to the subsidiaries by e-mail. It was last updated in 2020 and, in any case, it is reviewed to ensure that in the most recent quarter there have been no significant new modifications that could affect the preparation of the consolidated financial information for the year.

- F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

Cellnex has a single integrated environment for the preparation of consolidated financial information, through two platforms: Planning and Budgeting Cloud Service (hereinafter "PBCS") and Financial Consolidation and Close Service (hereinafter "FCCS"), both from Oracle. The integrity and reliability of these information systems is validated by means of the general controls indicated in section F.3.2.

The consolidated and regulated financial information of the Cellnex Group and the individual financial statements of Cellnex Telecom, S.A. (Controlling Company) are prepared by the Global Finance & M&A Department. in order to ensure uniformity in their preparation.

On a monthly basis, the Corporate Management Control and Consolidation departments receive the monthly Reporting Package (under IFRS) from all subsidiaries included in the scope of consolidation. This Reporting Package includes all the financial information necessary for the preparation of the Group's consolidated financial information and, in turn, guarantees the homogeneity of the information received, by means of the following characteristics:

- It is homogeneous and consistent for all countries and businesses.
- It is prepared on the basis of the Cellnex accounting manual, which is the same for all subsidiaries.
- It incorporates the applicable legal, tax, commercial and regulatory requirements.

The monthly Reporting Package (under IFRS) is loaded directly into the tools indicated above by the Finance Department of each country.

It should be noted that as of the second half of 2020, the Go Live to the new Consolidation tool, "FCCS" of Oracle, from which the consolidated financial statements of the Cellnex Group are obtained, under international IFRS standards, has become effective. The new tool allows the homogenisation and maximum interconnection with the current Corporate Management Control tool, Oracle's "PBCS" (implemented in all countries) in order to obtain a single and homogeneous reporting that responds to the needs of both departments. With this migration, the synergies of having both areas (Planning & Control and

Consolidation) in an interconnected financial information flow environment have become effective. In addition, the new tool provides the advantages of a current, advanced system that is up to date with the latest Cloud technological advances.

## F.5 Supervision of the functioning of the system

Report on at least the following, describing their principal features:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

In line with the previous year, the Audit and Risk Management Committee has carried out the following specific activities in relation to the FRICS in fiscal year 2020:

- Monitoring of the degree of implementation and possible changes to Cellnex's FRICS model.
- Review of the information related to the FRICS included in the Annual Corporate Governance Report.
- Review of the financial information released by Cellnex to the market.
- Periodic monitoring and analysis of the evolution of the operational implementation of the FRICS, taking account of its degree of implementation and its effectiveness.
- Follow-up of the work performed by the Company's external auditors in order to be aware of the internal control weaknesses detected in the performance of their work, as well as the relevant aspects or incidents thereof.

At present, the Audit and Risk Management Committee has already approved the Internal Audit Plan for the year 2020, which includes the necessary actions to ensure adequate supervision and evaluation throughout the year, regularly reporting the incidents detected and the necessary improvement actions once contrasted with the audited areas.

Cellnex has an Internal Audit Department that reports functionally to the Audit and Risk Management, and whose main function, as indicated in the Board of Directors Regulations of Cellnex, and specifically, the section corresponding to the powers of the Audit and Risk Management Committee, is to supervise the effectiveness of internal control of the Company, the internal audit services, checking the adequacy and integrity thereof and reviewing the appointment and replacement of those responsible, to supervise the surveillance and control measures suitable for preventing the commission of criminal offences, the risk management systems, including tax risks, the systems for managing compliance with all applicable regulations, and to discuss with the auditors any significant

weaknesses in the internal control system detected during the course of the audit.

During the 2020 financial year, the Internal Audit function has carried out several activities to review the key business processes from which no significant weaknesses have arisen, all of which were reported in due time and form to the ACC, which could have a material impact on Cellnex's financial information for the 2020 financial year, and the necessary corrective actions have been established to resolve any other weaknesses in the future.

Likewise, the external auditor, as mentioned in section F.7.1. above, has issued an agreed procedures report on the description of the FRICS carried out by Cellnex in which no noteworthy matters have been highlighted.

- F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

The procedure for discussing significant internal control weaknesses identified is based, in general terms, on periodic meetings held by the various parties involved. In this regard, the Internal Audit function periodically informs the Global Finance & M&A Department and the Audit and Risk Management Committee of the conclusions regarding internal control identified in the FRICS reviews and in the internal audits of processes carried out during the year, as well as the status of implementation of the action plans established for their mitigation.

With regard to relations with the external auditors, as indicated in article 39 of Cellnex's Board of Directors Regulations, these are channelled through the Audit and Control Committee. In this regard, the Audit and Risk Management Committee regularly meets with the external auditor in order to fulfil its responsibilities to supervise its actions, as well as to receive, where appropriate, communications on potential internal control weaknesses detected in the course of its professional activities. These communications are documented in the minutes of the Audit and Risk Management Committee and are followed up through the Internal Audit function.

In addition, Cellnex's auditor has direct contact with the Global Finance & M&A Department, holding regular meetings both to obtain the necessary information for the development of its work and to communicate the control weaknesses detected in the development thereof.

## F.6 Other relevant information

No additional matters to be discussed have been identified.

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## F.7 External auditor's report

Report:

- F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

Cellnex has submitted the FRICS information sent to the markets for the 2020 financial year for review by the external auditor. The scope of the auditor's review procedures has been carried out in accordance with Circular E14/2013 of 19 July 2013 of the Spanish Institute of Chartered Accountants (*Instituto de Censores Jurados de Cuentas de España*), which publishes the Guidelines and auditor's report model referring to the information related to the financial reporting internal control system (FRICS) of listed entities.

## **G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

- 1. That the bylaws of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.**

Complies  Explain

- 2. That when the listed company is controlled by another entity in the meaning of article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:**

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.**
- b) The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies  Complies partially  Explain  Not applicable

- 3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:**

- a) Changes that have occurred since the last General Shareholders' Meeting.**
- b) Specific reasons why the company has not followed one or more of the recommendations of the Corporate Governance Code and the alternative rules applied, if any.**

Complies  Complies partially  Explain

- 4. That the company should define and promote a policy on the communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.**

**And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the**

**dissemination and quality of information available to the market, investors and other stakeholders.**

Complies  Complies partially  Explain

The Company complies with the definition and promotion of a policy on the communication and contacts with shareholders, institutional investors, as well as with proxy advisors, in the terms of the first paragraph of the recommendation, coinciding with recommendation 4 of the Good Governance Code as drafted prior to the amendment of the aforementioned Code made in June 2020. And on 19 February 2021, the Board of Directors approved the General Policy on the communication of financial, non-financial and corporate information, under the terms of the second paragraph of the recommendation.

- 5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the capital at the time of delegation.**

**And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports referred to by company law on its website.**

Complies  Complies partially  Explain

- 6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:**

**a) Report on the auditor's independence.**

**b) Reports on the workings of the audit and nominations and remunerations committees.**

**c) Report by the audit committee on related party transactions.**

Complies  Complies partially  Explain

- 7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.**

**And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.**

Complies  Complies partially  Explain

- 8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.**

Complies  Complies partially  Explain

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies  Complies partially  Explain

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

a) Should immediately distribute such complementary points and new proposals for resolutions.

b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies  Complies partially  Explain  Not applicable

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies  Complies partially  Explain  Not applicable

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies  Complies partially  Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies  Explain

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

- a) Is concrete and verifiable;
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nominations committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nominations committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies       Complies partially       Explain

- 15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.**

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies       Complies partially       Explain

- 16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.**

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies       Explain

As of 31 December 2020 the Board of Directors had 11 members, out of which 1 was an executive director, 7 independent directors and 3 proprietary directors. Although the percentage of share capital represented by the shareholders represented in the Board of Directors is lower than the percentage of proprietary directors over non-executive directors, we draw your attention to the fact that no other shareholder (relevant shareholder or not) has requested to appoint a director and, even, the director appointed by ADIA resigned during 2020. Consequently, and taking into account that the free float is approximately 42%, it is considered to be an adequate balance between independent and proprietary directors. Lastly, we draw your attention to the fact that at the date of this report the number of proprietary directors has decreased to 2 and there are two vacancies in the Board of Directors.

- 17. That the number of independent directors should represent at least half of the total number of directors.**



That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies  Explain

18. That companies should publish the following information on its directors on their website, and keep it up to date:

- a) Professional profile and biography.
- b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
- e) Company shares and share options that they own.

Complies  Complies partially  Explain

19. That the annual corporate governance report, after verification by the nominations committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies  Complies partially  Explain  Not applicable

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies  Complies partially  Explain  Not applicable

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the bylaws unless the Board of Directors finds just cause and a prior report has been prepared by the nominations committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the

shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies  Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nominations and remunerations committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies  Complies partially  Explain

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies  Complies partially  Explain  Not applicable

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies  Complies partially  Explain  Not applicable

**25. That the nominations committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.**

**And that the Board regulations establish the maximum number of company Boards on which directors may sit.**

Complies       Complies partially       Explain

**26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.**

Complies       Complies partially       Explain

**27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.**

Complies       Complies partially       Explain

**28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.**

Complies       Complies partially       Explain       Not applicable

**29. That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.**

Complies       Complies partially       Explain

**30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.**

Complies       Explain       Not applicable

**31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.**

**When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.**

Complies       Complies partially       Explain

**32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.**

Complies       Complies partially       Explain

**33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the bylaws, should prepare and submit to the Board of Directors a schedule of dates and matters to be**

considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies X      Complies partially       Explain

**34. That when there is a coordinating director, the bylaws or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.**

Complies X      Complies partially       Explain       Not applicable

**35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.**

Complies X.      Explain

**36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:**

- a) The quality and efficiency of the Board of Directors' work.
- b) The workings and composition of its committees.
- c) Diversity in the composition and skills of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nominations committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nominations committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies X      Complies partially       Explain

**37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.**

Complies       Complies partially       Explain       Not applicable

**38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.**

Complies       Complies partially       Explain       Not applicable

**39. All members of the audit committee, in particular its chairman, should be appointed taking into consideration their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.**

Complies .      Complies partially  E      Explain

**40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.**

Complies       Complies partially  Explain

**41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.**

Complies       Complies partially       Explain       Not applicable

**42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:**

**1. With regard to information systems and internal control:**

**a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.**

**b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.**

**c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities,**

especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies

Complies partially

Explain

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies

Complies partially

Explain

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies

Complies partially

Explain

Not applicable

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.

**e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.**

Complies     Complies partially     Explain

**46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:**

- a) **Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.**
- b) **Actively participating in drawing up the risk strategy and in important decisions regarding risk management.**
- c) **Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.**

Complies     Complies partially     Explain

**47. That in designating the members of the nominations and remunerations committee – or of the nominations committee and the remunerations committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.**

Complies     Complies partially     Explain

**48. That large-cap companies have separate nominations and remunerations committees.**

Complies     Explain     Not applicable

For the time being there is no need to have separate Committees because the current Nominations, Remunerations and Sustainability Committee is capable to address both topics altogether. Additionally, the size of Cellnex's Board of Directors, which is smaller than that of other listed companies with similar capitalization, makes it advisable not to duplicate the presence of directors on mandatory committees, thus maintaining the concentration in the Nominations, Remunerations and Sustainability Committee.

**49. That the nominations committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.**

**And that any director be able to ask the nominations committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.**

Complies     Complies partially     Explain

**50. That the remunerations committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:**

- a) **Proposing the basic conditions of employment for senior management to the**

**Board of Directors.**

- b) **Verifying compliance with the company's remuneration policy.**
- c) **Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.**
- d) **Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.**
- e) **Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.**

Complies     Complies partially     Explain

- 51. That the remunerations committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.**

Complies     Complies partially     Explain

- 52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:**

- a) **That they be composed exclusively of non-executive directors, with a majority of independent directors.**
- b) **That their chairpersons be independent directors.**
- c) **That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.**
- d) **That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.**
- e) **That their meetings be recorded and their minutes be made available to all directors.**

Complies     Complies partially     Explain

- 53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nominations committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.**

Complies     Complies partially     Explain



The Corporate Social Responsibility Policy of Cellnex has been recognizing the desire to implement its basic principles in the area of Human Rights and Stakeholders. And its development and execution is specified in the 2016-2020 Master Plan, whose strategic axes are: ethical management and good governance, development of people, sustainable development of the business, the contribution of value to the company, the communication and reporting and governance of Corporate Social Responsibility, under monitoring and control of the Nominations and Remunerations Committee. As a result of the review of the Good Governance Code on June 2020 and, specifically, of the new wording of this recommendation, the Company has incorporated on 19 February 2021, sustainability to the functions of the Nominations and Remunerations Committee, which has been renamed the Nominations, Remunerations and Sustainability Committee. Likewise, the Company has approved on the same date an ESG, Environmental, Sustainability and Governance Policy. Consequently, Cellnex as of the date of this report already complies with this recommendation.

**54. The minimum functions referred to in the foregoing recommendation are the following:**

- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.**
- b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.**
- c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.**
- d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.**
- e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.**

Complies

Complies partially

Explain

**55. That environmental and social sustainability policies identify and include at least the following:**

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct**
- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.**
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.**
- d) Channels of communication, participation and dialogue with stakeholders.**

**e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.**

Complies  Complies partially  Explain

The explanation of recommendation 53 is also useful for this one.

**56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.**

Complies  Explain

**57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.**

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies  Complies partially  Explain

**58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.**

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.**
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.**
- c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.**

Complies  Complies partially  Explain  Not applicable

**59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.**

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that

**would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.**

Complies       Complies partially       Explain       Not applicable

The Company complies with the first part of this recommendation, while the payment of the variable components of remuneration are subject to sufficient verification by the Nominations, Remunerations and Sustainability Committee that the previously established conditions have been met. Likewise, these conditions are explained in detail in the Annual Report on the Remuneration of Directors. However, although the Company has assessed the implementation of a “malus” clause (understood as being applied ex-ante, that is, it entails the reduction of variable remuneration to the point of not receiving an amount accrued and not paid), has decided not to implement it. Instead, the Company has implemented the clawback clause (applicable ex post, that is, it allows the company to recover a payment already made in the past) and has extended its application to 1 year in the case of the annual bonus. In relation to the LTIP, the clawback clause is maintained for 3 years.

**60. That remuneration related to company results should take into account any reservations that might appear in the external auditor’s report and that would diminish said results.**

Complies       Complies partially       Explain       Not applicable

**61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.**

Complies       Complies partially       Explain       Not applicable

**62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.**

**An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.**

**The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nominations and remunerations committee, to deal with such extraordinary situations as may arise and so require.**

Complies       Complies partially       Explain       Not applicable

**63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.**

Complies       Complies partially       Explain       Not applicable

**64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.**

**For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.**

Complies       Complies partially       Explain       Not applicable

The Company does not comply exactly with the recommendation since, although the payments to which the Managing Director is entitled as indemnification consist of the equivalent of two years of his total annual remuneration, the Managing Director has additionally established a post-contractual non-competition covenant for a period of one year, with economic consideration compensating such restriction of one year of his fixed remuneration, in such a manner that if the Managing Director breaches the obligation not to compete, he or she must return the amount received and pay an additional amount equivalent to another year of fixed remuneration.

## **H** FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

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Cellnex in 2020 adhered to the Spanish Tax Agency's Code of Best Tax Practices, which contains recommendations voluntarily assumed by companies, aimed at improving the application of the Spanish tax system by increasing legal certainty, reciprocal cooperation based on good faith and legitimate trust between the Spanish Tax Agency and the companies themselves, and the application of responsible tax policies in companies with the knowledge of the Board of Directors.

Cellnex's participation in Sustainability indexes and initiatives

### **Dow Jones Sustainability Index**

Cellnex participates annually in the DJSI index as an invited company, obtains good results and is above the sector average in the three areas evaluated: economic, environmental and social. While in 2020 the average score for the sector fell in all areas, Cellnex's score increased in all of them.

In addition, in 2020 Cellnex improved its score in all three areas compared to the results obtained in 2019. In short, Cellnex has increased its sustainability score two years in a row, reaching an overall score of 66 points (6 more than in 2019, 9 more than in 2018 and 14 more than in 2017). This result has allowed Cellnex to remain ahead of the sector average by 24 points (14 more than in 2019). Cellnex has improved in all areas: Environmental (12 more than in 2019), Social (7 more than in 2019) and Economic (2 more than in 2019).

### **CDP**

The CDP is one of the world's benchmark indices for measuring and rating corporate transparency in environmental and sustainability issues. CDP's annual environmental disclosure and rating process is recognised by many as the gold standard for corporate environmental transparency, and the organisation prepares the ratings based on information provided by companies.

CDP uses a thorough and independent methodology to evaluate these companies, assigning a score from A to D- based on completeness of reporting, awareness and management of environmental risks, as well as demonstration of best practices associated with green leadership, such as setting serious and ambitious targets. Companies that do not disclose information or provide insufficient information are graded with an F.

Cellnex has received an A for the second consecutive year, signifying that it continues to be a Leadership Brand. The score obtained is significantly higher than the average for the sector and is among the 20% of the companies that achieved the Leadership level in the Activity Group.

In 2020, Cellnex improved its scores in "Value Chain Commitment" and "Emission Reduction Initiatives" from a B (2019) to an A in both categories, and in "Energy" from a C (2019) to a B-. However, the score obtained in the "Objectives" category has worsened, equalling the average score for the sector (a C in 2020).

### **United Nations Global Compact**

Since November 2015 Cellnex has adhered to the United Nations Global Compact as an expression of its commitment to internalising the concept of corporate responsibility in its operational strategy and organisational culture. Every year, the company publishes its Communication on Progress (CoP) on the official Global Compact website.

The 2020 Communication on Progress includes:

- A statement from the highest management with a commitment to abide by the 10 principles of the Global Compact.
- A detailed report on the entity's commitment to support and respect the protection of human rights. For example, information is provided on employee training on or awareness of human rights issues, with a special focus on employees who are directly affected by human rights issues or who work in countries considered to be at risk in this regard. In addition, it is specified that the company has a whistle-blower channel where anyone can report cases of human rights violations.

- An indication of the projects and activities with which the company contributes to local development, through actions to promote employment, economic growth and relations with other stakeholders in the environment.
- Information on supply chain impact assessment is incorporated.
- The report details policies and practices to achieve effective equality between women and men, as well as measures related to balancing family life and employment.
- The measures created by the company to address climate change are communicated. For example, CO2 emissions, measures related to the circular economy and the sustainable use of resources.
- The entity details the values, principles, standards and rules of conduct of the organisation, paying special attention to those focused on identifying unethical or illegal conduct through the creation of a whistle-blower channel.
- The report includes the entity's commitment to contribute to the SDGs, as well as the identification of the SDGs that are priorities for the company.

#### **FTSE4GOOD.**

The FTSE4GOOD index series is designed to measure the degree of compliance of companies that demonstrate a high level of competence in their environmental, social and governance practices. These are indices used by many financial market players in the creation and evaluation of so-called responsible investment funds and other products that integrate environmental, social and corporate governance factors into their investment decisions.

In January 2017 Cellnex was selected to join this index. In terms of the overall ESG rating, Cellnex scored slightly lower than in 2019 (4.2 in 2020, down 0.2 from 2019). However, it should be noted that this has been a general trend, as both sub-sector and industry averages have followed a similar trend.

Furthermore, Cellnex's overall score far exceeds the average for the telecommunications sector and the mobile telecommunications subsector, both with 2.8 out of 5. Cellnex also outperformed the average of Spanish companies in the selective index (3.2 out of 5).

Cellnex obtained the maximum score (5 out of 5) in the aspects related to corporate governance, anti-corruption measures, labour conditions and climate change. Aspects related to human rights and the community, as well as social aspects throughout its value chain, scored 4 out of 5. However, there remains some room for improvement in environmental management throughout the supply chain (which scored 3 out of 5).

#### **Standard Ethics**

The Standard Ethics indices are a benchmark in the measurement over time of the financial markets' assessment of the principles and guidelines of the European Union, the OECD and the United Nations in matters of sustainability, corporate governance and corporate social responsibility.

Cellnex has been participating in the Standard Ethics sustainability index since 2017, and this year obtained an "EE-", the same classification as last year, which is equivalent to an adequate level for good compliance with governance, sustainability and social responsibility.

### **Sustainalytics**

Cellnex is evaluated by Sustainalytics, an environmental, social and corporate governance (ESG) research and rating company for investors worldwide.

This year Cellnex has made a qualitative leap in the Sustainalytics evaluation, as it has moved up a category in "Market capitalisation" (from 6 billion dollars to 12-15 billion dollars), as well as in the evaluation level (from average to outstanding performance). This has placed the company in seventh place in the Global Telecommunications Ranking.

This year, its average score was 76 points, up from 70 in 2019. In this sense, Cellnex has improved its overall score in all three areas, especially in the social area, due to the actions undertaken in Diversity Programmes, Health and Safety Certifications and Community Involvement Programmes, and also in Environment, with the Environmental Policy and the new eco-design requirements.

### **MSCI Europe**

MSCI ESG ratings are intended to measure a company's resilience to ESG risks over the long term. Companies are scored on an AAA-CCC scale relative to the industry on the most relevant Key Issues based on a company's business model.

Cellnex joined the MSCI Europe index in 2019. In 2020, Cellnex obtained a "BBB" ESG rating, improving its assessment from the previous year (BB). The company has undertaken initiatives to improve its labour and ethics management policies over the past two years, however, there is still progress to be made in adopting industry best practices. Within the Rating, Cellnex ranks in the highest score range in the Corporate Governance area relative to its global peers, reflecting that the company's corporate governance practices are generally well aligned with investor interests.

### **Social Contribution**

Cellnex has a strong commitment to contributing to society, collaborating with charitable organisations, funding projects, volunteering, etc. In this sense, many Cellnex projects aim to make its knowledge and technology available to society.

Due to the large number of social projects that Cellnex develops in each of the areas in which it operates, Cellnex has been working for a long time to establish its own foundation to organise and give visibility to all social initiatives undertaken by the company.

### **Cellnex COVID-19 Relief Initiative**

As in previous years, Cellnex has shown its commitment to the welfare of society through various donations. However, due to the public health crisis generated by the COVID-19 pandemic, in 2020 Cellnex has taken unprecedented decisions, aware of the magnitude of this crisis worldwide. The company has created several collaborative projects in the countries where it operates grouped under the project "Cellnex COVID-19 Relief Initiative" and the donation of 10 million euros for the years 2020-2021.

On the one hand, Cellnex with 5 million euros over two years is financing a research project involving cutting-edge European research teams in the field of immunotherapy to detect and obtain T cells to combat SARS-CoV-2 infection.

The other 5 million of the total 10 million euros to combat COVID-19 has been earmarked for social action projects with non-governmental organisations to help individuals and groups in vulnerable situations, fund the purchase of protective equipment for healthcare personnel and provide resources to the most vulnerable groups.

### **Inclusive Connectivity**

The COVID-19 crisis has highlighted more than ever how vital it is for everyone to have access to good connectivity and digital tools to stay connected to the rest of the world in this digital society. The absence of these elements only accentuates the isolation and sense of exclusion of people experiencing difficulties.

Against this backdrop, Cellnex, as a telecommunications infrastructure operator, is doing everything possible to bring 5G connectivity even to rural areas at no great cost.

In addition to promoting the connectivity of the territories, Cellnex wants to connect people, especially people and groups at risk of social exclusion. One of the most relevant projects in this regard, the Casa Bloc project, provides connectivity to subsidised housing.

### **Quality education and digitalisation**

Cellnex not only promotes internal training, contributing its knowledge and skills, but also supports academic institutions and public administrations to provide quality education for all. In this sense, Cellnex has collaborated in different projects with the ESADE Foundation, the BEST Foundation, IESE and the universities UAB, UdL, URV and UdG.

### **Youth Challenge Project**

During the 2019-2020 academic year, a group of 66 volunteers participated as instructors in the Youth Challenge project, an initiative with young people at very high risk of social exclusion in Barcelona that aims to reduce school dropout rates and promote the employability of young people

### **Collaboration with various entities**

#### **SERES Foundation**

The company has collaborated with the SERES Foundation, the objective of which is "to build a healthier, stronger society with competitive companies that are sustainable over time". The purpose of the foundation is to encourage and promote strategic business activities that contribute to the overall improvement of social reality. Cellnex has signed an agreement through which it undertakes to collaborate with the SERES Foundation, publicise the collaboration between both entities, share its knowledge of good practices in social matters and participate in meetings between partners and other entities with social purposes.

#### **Barcelona Climate Plan**

Participation in the co-production, together with the Barcelona City Council, of the Barcelona Climate Plan, which brings together all ongoing and planned actions related to climate change in the city. Cellnex prepares proposals at the company level and participates in the discussion of all the proposals received by the participants.

#### **Marató de TV3**

Cellnex has been collaborating with Fundació La Marató de TV3 for more than 10 years. The Foundation aims to encourage and promote biomedical research and social awareness in relation to diseases for which there is still no cure. All proceeds go to research to discover new methods of prevention, diagnosis and treatments for rare diseases.

In 2020, due to the exceptional situation and in view of the need to advance research on COVID-19, the Fundació's Board took the exceptional decision to change the theme it had planned for the 2020 Marató and dedicate it to COVID-19, postponing the edition on mental disorders to 2021.

### **Cellnex Foundation**

In December 2020 the Board of Directors approved the creation of the Cellnex Foundation, in response to Cellnex Telecom's firm desire to take a further step in its contribution to a more



connected and socially responsible environment, as a comprehensive initiative that will complement the company's Corporate Social Responsibility.

The creation of the Foundation is aimed at promoting actions aimed at people and entities through technology and telecommunications, such as innovation, connectivity, reduction of the digital divide / gap, promotion of mobility and the Internet of Things (IoT), among others. To this end, the Foundation will focus on the challenges brought about by the three divides: digital, territorial and social.

## **REVIEW OF THE INTERNAL CORPORATE GOVERNANCE RULES FEBRUARY 2021:**

Cellnex has decided to implement a strong Corporate Governance regime, in line with the Company's growth. To this end, it has taken into account the different legal or regulatory initiatives, in force or about to be approved, as well as adopting the best Corporate Governance practices, through the By-Laws, the Shareholders Meeting Regulations, the Board of Directors Regulations, the Internal Code of Conduct and several related corporate policies/codes.

The review has primarily considered the matters arising from the following regulatory milestones:

### 1.1. Corporate Governance for Listed Companies

In June 2020, the Comisión Nacional del Mercado de Valores (Spanish National Securities Market Commission; hereinafter, "**CNMV**") reviewed its Code of Good Governance for listed companies dated 18 February 2015 ("**CGG**") and made significant changes. Hence the need for a review of the Company's Corporate Documents to ensure that they are aligned with the new principles and recommendations of the CGG, as these Corporate Documents often include the previous version of the CGG verbatim.

### 1.2. The Rules on Inside Information

Royal Decree-Law 19/2018 of 23 November 2009 on Payment Services and Other Urgent Measures in Financial Matters amended the Restated Text of the Securities Market Law (Ley del Mercado de Valores; "**LMV**") approved by Royal Legislative Decree 4/2015 of 23 October 2015 which adapted Spanish legislation on inside information to the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Internal Code of Conduct has been adapted to the legislation and to its interpretation and application made by the CNMV in relation to the safeguarding, treatment, deferral and dissemination of inside or relevant information.

### 1.3. La información no financiera

Law 11/2018 of 28 December 2018 amended the Commercial Code (Código de Comercio), the Spanish Companies Law (Ley de Sociedades de Capital) and the Law on Accounting Audits (Ley de Auditoría de Cuentas) with the aim of disclosing non-financial information and diversity, adapting the guidelines of Directive 2014/95/EU to Spanish law, as the prior legislative background for the Spanish regulator's commitment to sustainability.

The Board of Directors Regulations and certain policies (for example, the policy on relations with investors) have been reviewed to include the requisite references to non-financial information.

#### 1.4. Promoting Long-Term Engagement of Shareholders

On 14 July 2020, the Council of Ministers approved the Draft Law amending the LSC and other financial provisions regarding the promotion of long-term engagement of shareholders of listed companies (the “**Draft Law**”), in order to implement the provisions of the European Directive 828/2017.

The Draft Law aims to improve our corporate governance system along two main lines: on the one hand, the improvement of the long-term financing received by listed companies through capital markets; and, on the other, to increase the transparency in relation to the actions of players in capital markets and in connection to directors’ remuneration and the execution of transactions between the company and its related parties.

#### EXPLANATORY NOTE TO SECTION C.2.1. – AUDIT AND RISK MANAGEMENT COMMITTEE

##### **a) Responsibilities**

The rules of organization and operation of the Committee are described in the applicable legislation, the Company’s By-laws and in the Company’s Board of Directors Regulations and, without prejudice to the other tasks assigned to the Committee by the applicable legislation, the Board of Directors or the regulations governing the auditing of accounts, the Committee will have at least the following responsibilities:

- a) To inform the General Shareholders' Meeting on questions that may arise regarding its competences, and in particular, on the result of the audit, explaining how it has contributed to the integrity of the financial and non-financial information and the role that the Committee has taken in this process.
- b) To propose to the Board of Directors, for submission to the General Shareholders' Meeting, proposals for the selection, appointment, re-election and replacement of the statutory auditors or audit firms, taking responsibility for the selection process, the conditions of employment, the scope of professional mandate and, where appropriate, the revocation or non-renewal, all in accordance with the applicable regulations, as well as to regularly collect from the aforesaid information on the audit plan and the implementation thereof, and to maintain their independence in the exercise of their duties.
- c) To monitor and evaluate the process of preparation and presentation of financial and non-financial information as well as the control and management systems of financial and non-financial risks related to the Company and, where appropriate, the group, including operational, technological, legal, social, environmental, political and reputational or related to corruption, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.
- d) To establish the appropriate relations with the statutory auditors or external audit firms to receive information on issues which may threaten their independence, to be analyzed by the Committee, and any other issues related to the process of account auditing, and where appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as any other requirements set out in legislation and regulations on the auditing of accounts. In all cases, an annual statement must be received from the statutory auditors

or audit firms, regarding their independence with regards to their relationship with the entity or directly or indirectly related entities, in addition to detailed information on an individual basis about any type of additional services provided and the corresponding payments received from these entities by the external auditors or audit firms or by persons or entities related to them, pursuant to the regulations on auditing activities.

- e) In the event of the resignation of the external auditor, to examine the circumstances that gave rise to it.
- f) To ensure that the remuneration of the external auditor does not compromise its quality or independence.
- g) Ensure that the Company communicates the change of external auditor through the Spanish Securities Market Commission, accompanied by a statement of any disagreements arising with the existing auditor and the reasons of the same.
- h) Ensure that the external auditor has a yearly meeting with the Board of Directors in full to inform about the work undertaken and developments in the Company's risk and accounting positions.
- i) To ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other regulations concerning auditor independence.
- j) To issue, on an annual basis, prior to the issuance of the Audit Report, a report containing an opinion regarding whether the independence of the statutory auditors or audit firms has been compromised. This report must contain, in all cases, a reasoned evaluation of the provision of each and every additional service referenced in the previous paragraph, considering each service individually and jointly, other than the legal audit, and in relation to the independence regime or the regulations governing audit activities.
- k) To inform the Board of Directors in advance on all matters provided for by the Law, the Corporate Bylaws and in these Regulations and, in particular, regarding the financial information that the Company must publish periodically, on the creation or acquisition of shares in special purpose entities or that are registered in countries or territories considered tax havens and on transactions with related parties.
- l) To provide information in relation to situations and transactions that involve or could involve situations of conflicts of interest, and in general, on the matters contemplated in Chapter IX of these Regulations, as well as periodically review situations of potential conflicts of interest.
- m) To monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the Board of Directors of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular information on its activities; and verify that senior management are acting upon the conclusions and recommendations of its reports.
- n) To monitor the effectiveness of the Company's internal control, , the internal audit, and the risk management systems, as well as discussing with the statutory auditors any significant weaknesses of the internal control system detected during the audit, without compromising their independence. For these purposes, and where appropriate, they may

submit recommendations or proposals to the management body and the corresponding deadline for their monitoring.

- o) To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors to report, confidentially, irregularities of potential significance related to the Company, including especially financial and accounting irregularities, as well as those which may involve criminal responsibility for the Company.
- p) To analyse and report to the Board of Directors on the economic conditions of the structural and corporate modification operations that the Company plans, and its accounting impact and, especially, where applicable, on the proposed exchange ratio.

The above responsibilities are stated by way of example, without prejudice to any others that may be conferred upon the Committee by the applicable legislation, the Board of Directors or which may be attributed thereto by the regulations governing the auditing of accounts.

## **b) Operation**

The applicable legislation, the Company's By-laws and the Company's Board of Directors Regulations shall define the skills of the Committee and its scheme of organization and operation.

The members of the Committee will be appointed for a maximum term of four (4) years, may be re-elected, and will cease when they do so in their capacity as directors or when so agreed by the Board of Directors, following a report from the Nominations, Remunerations and Sustainability Committee. The Board of Directors will likewise determine who will hold the position of Chairperson from among the independent directors, who will be substituted every four (4) years, being able to be re-elected once a period of one (1) year has elapsed since his/her cessation. The Committee itself will appoint a Secretary and may also appoint a Vice Secretary, neither needing to be members thereof. The Committee will meet as many times as necessary for the execution of its functions and will be convened by its Chairperson, either on his/her own initiative or at the request of the Chairperson of the Board of Directors or of two Committee members.

The Committee will be validly constituted when the majority of its members attend the meeting, either present or represented. The resolutions will be adopted by a majority of the members in attendance, present or represented.

Any member of the Company's management team or of the Company's personnel who is required to do so, will be obliged to attend the Committee's sessions and to collaborate and provide access to the information in his/her possession. The Committee can also request that the Company's external auditor or external auditing company attend its sessions.

## **Activities**

During 2020, the Committee held eight meetings and carried out the activities listed below. The Committee has been fully updated by the management team on the topics of its competence (during the formal meetings, by means of other informal meetings or by correspondence and conference calls) and has been provided with the relevant supporting documentation.

### **a) Review of financial information**

- 2019 financial statements:

- On 24 February 2020, the Committee supervised and evaluated the preparation process and the integrity of the financial and non-financial information 2019, the 2019 Consolidated Financial Statements and the 2019 Integrated Annual Report, including the external Auditors' Report, with the finance team and the external auditors who presented the main aspects and their conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve (i) the 2019 Integrated Annual Report and the 2019 Financial Statements (including the Management Report and the Annual Corporate Governance Report) and (ii) the application of the 2019 results.
- 2020 financial statements and 2021 budget:
  - On 6 May 2020, the Committee reviewed the financial results for the first quarter of the year, the Covid-19 forecast 2020 and the Covid-19 3-years projections. This information was discussed with the members of the management team responsible for their preparation who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the first quarter results.
  - On 20 July 2020, the Committee reviewed the half-yearly financial statements and the relevant external Auditors' Report. This information was discussed with the members of the management team responsible for their preparation and with the external auditors who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve these interim financial statements that have been audited.
  - On 22 September 2020, the Committee reviewed the August 2020 results and a first draft of the 2021 budget with the finance team who presented the main aspects and its conclusions.
  - On 2 November 2020, the Committee reviewed the financial results for the third quarter of the year. This information was discussed with the members of the management team responsible for their preparation who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the third quarter results.
  - On 2 November 2020, the Committee reviewed the 2021 budget with the finance team who presented the main aspects and its conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the 2021 budget.

**b) External auditors**

- On 24 February 2020, the external auditors attended the Committee to review the 2019 Consolidated Financial Statements (including the Management Report and the Annual Corporate Governance Report) and the 2019 Integrated Annual Report, including the external Auditors' Report, and presented the main aspects and their conclusions.
- On 20 July 2020, the external auditors attended the Committee to present the report of the 2020 half-yearly financial statements.

**c) Corporate Governance**

- On 11 February 2020, the Committee reviewed and unanimously approved the following reports for year 2019 in connection with the Annual Accounts, the Management Report and the Annual Corporate Governance Report, namely: (i) the 2019 Report on the Functions and Activities of the Committee; and (ii) the Report on Related Party Transactions. On 24 February, the Committee reviewed and unanimously approved also the Report on the Independence of the Auditor.
- On 2 November 2020, the Internal Audit Manager proposed to review and approve the Global Risk Management Policy, with the determination of the different types of risk and a Global Risk Management Model based on different levels. The Committee unanimously approved the Global Risk Management Model and provided a favourable recommendation to the Board of Directors to approve the Global Risk Management Policy.

#### **d) Capital markets**

- On 24 February 2020, the finance team presented to the Committee an update on the recent bond issuances, explained the hedging policy and proposed a new GBP bond issuance. The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to:
  - Approve one of the following alternatives for a bond issuance under the EMTN programme, with execution from Q1 2020 onwards and subject to market conditions, and subject to the terms agreed:
    - a) One or several issuances of pound sterling (£) denominated senior unsecured bonds for a maximum aggregate amount of up to £1,000,000,000; or
    - b) One or several issuances of euro (€) denominated senior unsecured bonds for a maximum aggregate amount equivalent to up to £1,000,000,000 and execution of any hedging financial instruments that are necessary or advisable.
- On 1 April 2020, the finance team provided the Committee with an overview of the work undertaken internally, as a consequence of the Covid-19 crisis, regarding the review and analysis of any potential impact on the ability to draw the current committed credit lines.
- On 6 May 2020, the Committee discussed the renewal of the European Medium Term Note (**EMTN**) and the multi-currency European Commercial Paper (**ECP**). The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve (i) the renewal of the existing EMTN Programme for one year (i.e., until mid-2021) and the increase of its limit to €10,000 million (or the equivalent amount in other currencies); and (ii) the renewal of the existing ECP Programme for one year (i.e., until mid-2021) for an amount of €500 million (or the equivalent amount in other currencies) and the capacity to drawdown the full amount.
- On 6 May 2020, the finance team also presented the currency hedging and proposed to the Committee to fix the LIBOR to which the existing GBP credit facilities are subject. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve (i) a fix floating rate (LIBOR) through the entry into an interest rate SWAP of the current GBP credit facilities and term loan for up to GBP 1bn or the issuance of GBP bonds in accordance with the current approvals; and (ii) the acquisition of GBP currency both at spot rates and/or forward contracts up to GBP 1bn.

- On 1 April, 6 May, 9 June, 20 July, 22 September and 2 November 2020, the Corporate Finance Director, together with the CFO, provided to the meeting a capital markets and financing update (including the liquidity and bond market assessment).
- On 22 September 2020, the Committee discussed the issuance of new bonds in order to take advantage of market opportunities. The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the issuance of bonds for a total amount of €3.5Bn, out of which up to €1,000Mn to be approved by the Board on the terms agreed, and to delegate to the CEO the power to issue bonds, having to previously inform the ACC each time, for the remaining amount, on the terms agreed.
- On 22 September 2020, the Committee also discussed the repurchasing of the convertible bond 2026 by issuing a new convertible bond of up to €800Mn on the terms agreed. The finance team presented the main aspects and its conclusions.
- On 2 November 2020, the Committee discussed the issuance of a convertible bond. The finance team presented the main aspects, characteristics and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the issuance of a convertible bond for a total amount of up to €1,500Mn on the terms agreed.
- On 2 November 2020, the Committee also discussed the execution of a Facilities Agreement. The finance team presented the main aspects, characteristics and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the execution of a Facilities Agreement which would include (i) a bridge to bonds for an amount of up to €7,500Mn, (ii) a 3-year term loan, and (iii) a 5-year term loan, all of them on the terms agreed.

#### **e) Capital structure**

- On 24 February, 6 May, 9 June, 20 July and 2 November 2020, the Business Plan and Capital Structure Director, together with the CFO, attended the Committee to:
  - Provide an update on the current situation with rating agencies (including MSA and IFRS 16 updates) and the different aspects affecting the Company's credit rating;
  - Review the M&A projects pipeline and the Company's financial firepower to execute said pipeline; and
  - Provide a capital structure assessment, including financing considerations, details on the financial and debt structure of the Company and its group and strategic and key considerations and all the information necessary regarding the August Company's capital increase.
- On 9 June and 20 July 2020, a Spanish law firm and external financial advisors attended the Committee to present their views and strategic and key considerations on the Company's

August capital increase. They explained the strong rationale for the Company to pursue the rights issue on the terms described and provided a favourable recommendation to go ahead with such capital increase.

- On 22 September 2020, the finance team presented to the Committee an update after the execution of the Company's August capital increase focusing mainly on investors and market feedback and on relevant financial aspects.
- On 22 September 2020, two legal firms attended the Committee to present their views on some of the M&A projects in the Company's pipeline and their impact on Cellnex's structuring chart.

#### **f) Tax**

- On 24 February 2020, the Head of Corporate Tax, together with PwC, presented to the Committee an update of the tax audit process. They explained that the Company has been able to mitigate the main tax risks and obtain a good final assessment after hard negotiations.
- On 24 February and 1 April 2020, the Head of Corporate Tax, together with the Spanish law firm Garrigues presented to the Committee the financial structure noting that the proposed evolution of the group's financial model entails consequences in terms of VAT deductions and explained the 5 possible solutions. They also explained that there were business reasons to justify adapting the current financial structure by partially reallocating the Company's debt through intercompany loans to the different subsidiaries within the countries.
- On 24 February and 1 April 2020 the Head of Corporate Tax, together with PwC provided an update to the Committee on the merger of Cellnex Italia into Galata, which was still under assessment.
- On 1 April 2020 the Tax Governance and Control responsible explained the evolution of the Tax Control Framework and the main objectives for 2020. He also presented the Tax Technology, noting that the Company was looking into different IT solutions to automatize the processes and reduce the errors risk. The International Tax responsible provided an overview of the Tax Audits in Ireland and Switzerland and PwC provided an update on the Tax Audits in Spain. Likewise, the International Tax responsible provided an overview of the Real Estate Transfer Tax in two countries (France and The Netherlands). The Head of Corporate Tax provided an overview of the tax cash evolution since 2014 and the main measures of the tax planning until 2025 and explained the local taxation at the countries' level. Deloitte also attended the Committee to present their views on the transfer pricing.
- On 2 November 2020 the Head of Global Tax, together with PwC provided the Committee with an update on (i) the Company's position regarding the adhesion to the Code of Good Tax Practice (CGTP), (ii) the adoption of a standard, the UNE 19602, and (iii) the creation of the Tax Compliance Officer function. The Committee discussed these issues and after due consideration provided a favourable recommendation to the Board of Directors to approve the adhesion of Cellnex to the Code of Good Tax Practices and the new Tax Policy. The Committee also discussed the new Tax Risk Control and Management Standard and, after due consideration, provided a favourable recommendation to the Board of Directors to approve it.
- On 2 November the Head of Global Tax, together with KPMG, also explained the proposal to create a FinanceCo to isolate the financing activity of the group. The finance team presented the main aspects, characteristics and its conclusions. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve the incorporation



of a new entity, Cellnex Finance Company, S.A.U. (FinanceCo), fully owned by Cellnex Telecom, S.A.

**g) Other information**

- IFRS 16: The finance team has kept the Committee updated on the main aspects of this topic during all the year.
- Analysis of the internal audit function: On 24 February 2020, the Committee discussed this topic. The Internal Audit Manager explained the key points of the first report prepared together with an external advisor aimed at reinforcing the area.
- Non-audit services: On 11 June 2020 the Committee approved unanimously Deloitte's fees in relation to the Company's August capital increase. The scope of work undertaken as well as the details of the fees and the key justifications regarding the level of fees were explained to the Committee.
- Re-appointment of auditor: On 24 February 2020, the Head of Consolidation & Corporate Finance Reporting, together with the CFO, proposed to the Committee the re-appointment of the Company's group external auditors for three financial years. After due consideration, the Committee provided a favourable recommendation to the Board of Directors, for its submission to the General Shareholders' Meeting, for the re-appointment of the external auditors of the Company's group for financial years, 2021, 2022 and 2023.
- Corporate matters:
  - Shareholder Remuneration Assessment: On 24 February 2020 the Investor Relations Director provided an overview of the Shareholder Remuneration Policy. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve the Shareholder Remuneration Policy.
  - Derogation of Cellnex's Treasury Stock Policy: On 24 February 2020 the Secretary of the Committee explained to its members that Cellnex's Treasury Stock Policy was based on certain guidelines issued by the CNMV which had been derogated for not complying with the regulations on market abuse and proposed the derogation of this policy. The Committee provided a favourable recommendation to the Board of Directors to derogate the Cellnex's Treasury Stock Policy.
  - NewCos Incorporation/acquisitions: On 6 May 2020 the Secretary of the Committee explained that two M&A transactions required the incorporation of a special purpose vehicle in Spain and Ireland. The Committee provided a favourable recommendation to the Board of Directors to incorporate or acquire these special purpose vehicles.
  - On 9 June 2020, the Secretary of the Committee explained that an M&A transaction required the setting up of a corporate structure in a new country, Finland. The Committee provided a favourable recommendation to the Board of Directors to, should the transaction be approved by the Board, set up this corporate structure.
  - On 2 November 2020 the finance team presented to the Committee two internal projects, one about how to standardize the administrative function in finance and the other about the digitalization of the cash variations and the banking relationships.

- On 2 November 2020, the Global Commercial Director explained that a business development transaction required the incorporation of a new subsidiary of Cellnex in a new country, Sweden. The Committee approved unanimously the incorporation of this subsidiary. The Committee provided a favourable recommendation to the Board of Directors to set up this corporate structure.
- Investor relations update: On 24 February, 6 May, 9 June, 20 July and 2 November 2020, the Investor Relations Director, together with the CFO, provided to the Committee an update on this topic, focusing mainly on the share price performance, the relation with investors and analysts and the status of short positions.

#### **h) Internal audit**

- Functions: The main internal audit functions are:
  - Perform the auditing activities as defined in the annual audit plan, and report directly to the Committee on its execution, submitting an activity report at the end of each year, based on reasonable and established criteria, especially in the risk level assessment and focusing on the main organizational activities, giving priority to those that are considered to be more exposed to risk, and those that are requested by the Committee and / or by the Senior Management.
  - Maintain an adequate coordination with the external auditors for the exchange of information regarding the audits carried out with the aim of minimizing duplication and in order to track the audits performed as well as any weaknesses in the internal control identified.
  - Report to the Committee and Senior Management of the Company's group regarding the key recommendations in each company of the group, as well as to provide them with the action plan to be performed by such companies.
  - Propose budget for the service.
- Activities: The main activities carried out by internal audit and supervised by the Committee are:
  - Audits:
    - The performance of those audits included in the 2020 audit plan and of those audits not originally included in the audit plan but requested by the Committee and / or by the Senior Management.
    - The monitoring of the recommendations and action plans proposed for the different audits. While carrying out its audit work, if internal audit detects that improvements can be made to the internal controls, it reports the main recommendations and the action plans defined by the area responsible that includes the implementation date of the action plan, with the aim of strengthening the existing control or implementing a new control.
    - The review of the defined processes and controls related to financial reporting which are included in the annual internal audit plan.

- Audit Plan: Prepare the audit plan for the next year. On 2 November 2020, the Responsible of the unit presented its annual work plan, the Committee reviewed and unanimously approved the audit plan for 2021 based upon:
  - Assessing the risk level and focusing on the main organization's activities, giving priority to those that are considered to be more exposed to risk, and those that are requested by the Committee and / or by the Senior Management.
  - Defining the activities to be reviewed, i.e., basic processes ( sales, treasury, etc.), other processes (rentals, health&safety, etc.) or compliance (ICFR, others).

#### **i) Risk control**

This function is carried out by internal audit, which participates in the internal Risk and Management Committee made up of different departments.

The activities carried out in this regard by internal audit and supervised by the Committee in 2020 were:

- The review of the risk maps (including likelihood and impact) at corporate level and by country, including France, Ireland, Italy, the Netherlands, Portugal, Spain, Switzerland and UK.
- The review of the action plans associated to the risks in these countries.

#### **EXPLANATORY NOTE TO SECTION C.2.1. – NOMINATIONS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE**

##### **A) Operation**

In accordance with the provisions of the Board of Directors Regulations, the Board of Directors will appoint a Chairperson of the Committee from among the independent directors. The Committee will appoint a Secretary and may also appoint a Vice Secretary, neither needing to be members thereof.

The Committee will meet each time the Company's Board of Directors or its Chairperson requests the submission of a report or the adoption of proposals and, in any case, whenever it is convenient for the proper execution of its duties. It will be convened by the Chairperson of the Committee, either on his/her own initiative or at the request of the Chairperson of the Board of Directors or of two members of the Committee.

It will be validly constituted when the majority of its members attend the meeting, either present or represented. The resolutions will be adopted by a majority of the members in attendance, present or represented.

##### **B) Responsibilities**

Without prejudice to other functions assigned to it by the Board of Directors or the applicable legislation, the Committee will have the following basic responsibilities:

- a) To evaluate the skills, knowledge and experience necessary in the Board of Directors. To this end, it shall define the duties and skills required from candidates to fill each vacancy, and it shall evaluate the time and dedication required for them to effectively perform their duties.
- b) To establish a target to increase the less represented gender on the Board of Directors and to prepare guidelines on how to attain said target.

- c) To present to the Board of Directors proposals for the appointment of independent directors for their appointment by co-optation or for their submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.
- d) To report on proposals for the appointment of the other directors for their appointment by co-optation or for the submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.
- e) To report to the Board of Directors proposals for the appointment and dismissal of senior management positions.
- f) To report, in advance, on the appointment by the Board of Directors of the position of Chairperson and, where applicable, of one (1) or more Vice Chairpersons, as well as the appointments to the position of the Secretary and, where applicable, of one (1) or more Vice Secretaries. The same procedure shall be followed to agree on the dismissal of the Secretary and, where applicable, of each Vice Secretary.
- g) To examine and organize the succession of the Chairperson of the Board of Directors and the Company's CEO and, if appropriate, to submit proposals to the Board of Directors to ensure that such succession is conducted in an orderly and planned manner.
- h) To propose to the Board of Directors the members that should be part of each of the Committees.
- i) To coordinate the performance assessment of the Board of Directors and its Committees, and raise the results of the aforementioned assessment to the plenary session, together with a proposal for an action plan or with recommendations to correct any deficiencies detected.
- j) To report to the Board of Directors on the non-financial information that the Company must disclose periodically.
- k) To supervise compliance with corporate governance rules and internal codes of conduct.
- l) To monitor the implementation of the general policy regarding the communication of economic, financial, non-financial, and corporate information, as well as communication and contacts with shareholders, investors, proxy advisors and other interest groups.
- m) To evaluate and periodically review the corporate governance system and the environmental and social policy of the Company, in order to comply with their mission of promoting corporate interest and take into account, as appropriate, the legitimate interests of the remaining interest groups.
- n) To monitor that the Company's practices in environmental and social matters comply with the strategy and policies established.
- o) To supervise and evaluate the relationship processes with the different interest groups.
- p) To review and inform on the Annual Sustainability Report prior to its presentation to the Board of Directors.
- q) To recommend the strategy regarding the contributions to the Cellnex Foundation and affect them in compliance with the Sustainability programs adopted by the Company.

r) To propose to the Board of Directors the remuneration policy for directors and senior management, or for those individuals who perform their senior management functions reporting directly to the Board of Directors, executive committees or CEOs, as well as the individual remuneration and other contractual conditions for executive directors.

s) To verify observance of the remuneration policy established by the Company.

t) To review periodically the directors and senior managers remunerations policy including the remuneration systems with shares and their application, as well as guarantee that their individual remuneration is proportionate to that paid to other directors and senior managers of the Company.

u) To ensure that conflicts of interest do not affect the independence of the external advice provided to the Committee.

v) To verify the information on directors and senior managers remunerations contained in the various corporate documents, including the annual report on directors' remunerations and propose to the Board of Directors, for submission to a consultative vote at the General Shareholders' Meeting the preparation of the aforementioned annual report.

## **Activities**

### (A) Corporate Governance

- The Corporate Governance Annual Report and the Annual Report on Remunerations were reported on.
- The corresponding report was issued assessing the competence, experience and merits of the independent director Ms. Marieta del Rivero, as well as the proprietary directors Mr. Franco Bernabé and Mr. Mamoun Jamaï for the purpose of their ratification and re-election by the General Meeting.
- A report was prepared on the composition and number of members of the Board of Directors.
- The corresponding report was issued assessing the competence, experience and merits of proprietary director Mr. Christian Coco, for the purpose of his appointment by co-optation and his incorporation to the Audit and Control Committee (now renamed Audit and Risk Management Committee). The corresponding report was also issued for the purpose of his ratification and re-election.
- The corresponding report was issued assessing the competence, experience and merits of the proprietary director Ms. Alexandra Reich, for the purpose of her appointment by cooptation and her incorporation to the Nominations and Remunerations Committee (now renamed as the Nominations, Remunerations and Sustainability Committee). The corresponding report was also issued for the purpose of her ratification and re-election.
- An external evaluation of the functioning of the Board and Committees for the 2020 financial year was carried out, valuing the independence of the advisor and proposing improvements to the Board through an Action Plan.
- The Secretary of the Board was commissioned to prepare a review of the Corporate Governance structure and two sessions were held to review the Bylaws, Regulations of the General Meeting, Regulations of the Board and Internal Code of Conduct, as well as the ESG Policy, the composition of the Board of Directors, communication of financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors, and the Policy on Equity, Equality and Diversity. All of this in order to adapt

to best corporate governance practices, to legal modifications and to the review of the recommendations of the National Securities Market Commission (CNMV).

- A calendar of meetings of the governing bodies for the financial year 2021 was drawn up, with a proposed agenda for each meeting.

#### (B) Remuneration-related activities

- The degree of achievement of the CEO's objectives in 2019 and the performance appraisal were analysed. The CEO's objectives for 2020 were also analysed and the corresponding proposals were made to the Board.
- The remuneration of the CEO and key executives (reporting directly to the CEO) for 2020 was reviewed and the corresponding proposal was made for approval by the Board.
- The final assessment of the achievement of the objectives set for the ILP 2017-2019 (phase II) was made and the approval of the Long Term Incentive Plan 2021-2023, applicable to the CEO and certain key personnel of the company, as well as the corresponding contracts, was prepared and proposed to the Board.
- It was proposed to present all employees with company shares in recognition of the great performance in 2020.

#### (C) Activities related to Corporate Social Responsibility

- The Corporate Responsibility Master Plan for the period 2016-2020 was monitored, which is the instrument that integrates all the company's ethical, environmental and social initiatives and whose information on annual progress is included in the Integrated Annual Report.
- The Corporate Responsibility Master Plan for the period 2021-2025 was reviewed and submitted for approval.
- The Equity, Diversity and Inclusion Plan was monitored.
- The incorporation of the Cellnex Foundation was reported on.

#### (D) Activities related to the Ethics/RIC Code

- Potential conflicts of interest were analysed and appropriate measures were adopted. Specifically, declarations of non-conflict of interest by members of the Committee were reviewed and approved.
- A certificate of independence of the Secretary of the Board was issued.
- The Crime Prevention and Detection Model and the Anti-Corruption Policy were reviewed and submitted for approval.

(E) Talent Management

- Commissioned an update of the company's Succession Plan for key positions (Senior Management and Country Managing Directors), and extended its scope as an Executive Development Programme for a group of more than 50 directors), with the help of an external consultant of recognised prestige.
- Organisational and talent development proposals were reviewed and approved, including new senior management appointments.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on 25 February 2021.

Indicate whether any director voted against or abstained from approving 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
<b>Remarks</b>		

# **Cellnex Telecom, S.A. and Subsidiaries**

Auditor's report on the system  
of Internal Control over  
Financial Reporting (ICFR) of the  
Cellnex Group for 2020

*Translation of a report originally issued in Spanish.  
In the event of a discrepancy, the Spanish-language  
version prevails*



*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails*

AUDITOR'S REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF THE CELLNEX GROUP FOR 2020

To the Directors of Cellnex Telecom, S.A.:

As requested by the Board of Directors of Cellnex Telecom, S.A. and Subsidiaries ("the Cellnex Group") and in accordance with our proposal-letter of December 21, 2020, we have applied certain procedures to the information relating to the ICFR system included in section F of the Annual Corporate Governance Report ("ACGR") of the Cellnex Group for 2020, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the information relating to the ICFR system, included in section F of the ACGR.

It should be noted in this regard, irrespective of the quality of the design and operating effectiveness of the internal control system adopted by the Cellnex Group in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Cellnex Group was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Cellnex Group's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Cellnex Group's annual financial reporting for 2020 described in the information relating to the ICFR system, included in section F of the ACGR. Therefore, had we applied procedures additional to those described below or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the Consolidated Spanish Audit Law, we do not express an audit opinion in the terms provided for in that Law.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Cellnex Group in relation to the ICFR system - disclosure information included in the directors' report- and assessment of whether this information addresses all the information required in accordance with the minimum content described in section F, relating to the description of the ICFR system, of the model ACGR established in CNMV Circular no. 5/2013, of 12 June 2013, and subsequent amendments, the most recent being the CNMV Circular no. 1/2020, of 6 October 2020 (hereinafter, CNMV Circulars).
2. Questioning of personnel responsible for the drawing up of the information detailed in point 1 above: (i) to obtain an understanding of the process that goes into drawing up the information; (ii) to obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) to obtain information on whether the control procedures described are in place and functioning at the Cellnex Group.
3. Review of the explanatory supporting documentation for the information detailed in point 1 above, including the documentation furnished directly to the personnel in charge of preparing the ICFR system descriptive information. In this regard, the aforementioned documents include reports prepared for the Audit and Control Committee by internal audit, senior management and other internal or external specialists.
4. Comparison of the information detailed in point 1 above with the knowledge on the Cellnex Group's ICFR system obtained through the procedures applied during the financial statement audit work.
5. Reading of the minutes taken at meetings of the Board of Directors, Audit and Control Committee and other committees of the Cellnex Group to evaluate the consistency between the ICFR business transacted and the information detailed in point 1 above.
6. Obtainment of the representation letter in connection with the work performed, signed by those responsible for preparing and formulating the information detailed in point 1 above.

The procedures applied to the information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the information.

This report has been prepared exclusively in the context of the requirements established by article 540 of the consolidated text of the corporate enterprises act Corporate Enterprises Act, and by the aforementioned CNMV Circulars, for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Iván Rubio

February 25, 2021