cellnex

2020 Annual Report on the remuneration of directors

2021 Junta General de Accionistas
Annual Shareholders' Meeting

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1 Explain the current director remuneration policy applicable to the current fiscal year. To the extent relevant, certain information may be included by reference to the remuneration policy approved by the General Shareholders' Meeting , provided that the incorporation is clear, specific and concrete.

A description should be given of the specific determinations for the current fiscal year, both of directors' remuneration for their status as such and for the performance of executive duties, which the Board has carried out pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting.

In any case, at least the following aspects must be reported:

- Description of the procedures and company's bodies involved in determining and approving the remuneration policy and its conditions.
- Indicate and, where appropriate, explain whether comparable companies have been taken into account in establishing the company's remuneration policy.
- Information on whether any external advisor has participated and, if so, the identity of the advisor.

1. Remuneration Policy applicable in 2021:

At the date of preparation of this Report, the current Cellnex's Directors Remuneration Policy is the one approved by the General Shareholders' Meeting on 9 May 2019, which will be in force during fiscal years 2019, 2020 and 2021.

However, the Board of Directors plans to submit a new Directors Remuneration Policy (hereinafter the "Remuneration Policy" or the "Policy") for approval at the General Shareholders' Meeting to be held at the end of March 2021, which, while maintaining the basic lines applied in previous years, introduces some new features.

Most of these new features are related to the adaptation of the Remuneration Policy to the new requirements set forth in Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholders' engagement (hereinafter the "Directive"), which is expected to be transposed into our legal system during the coming months.

From a qualitative point of view, the Policy submitted for approval aims to:

- Establish as clearly as possible the principles on which it is based, setting out in a transparent manner those activities that are sound remuneration practice:
    - Balance of different components of remuneration.
    - Consideration of multiple metrics.
    - Variable incentives with multi-year periods.
    - Obligation to permanently hold shares of the Company.
    - Risk mitigation measures.
    - Support from external advisors.
- To state in an equally clear manner the practices to be avoided:
    - Salary increases or variable remuneration guaranteed a priori.
    - Use of financial elements that allow speculation on the value of the shares received.
    - Remuneration of non-executive directors linked to the Company's results, or to individual performance.
- Include both internal and external factors in its definition:
    - Internal: results of recent years, creation of shareholder value, strategic priorities in the short and long term, growing importance of ESG criteria, increased transparency requirements, internal equity with remuneration conditions for all employees.
    - External: changes in the macroeconomic environment, the latest regulatory developments applicable to listed companies, practices of comparable companies and market trends in general, recommendations on good corporate governance at national and international levels, as well as recommendations received in the process of engaging with institutional shareholders.

In addition to the foregoing, from a quantitative point of view the new Remuneration Policy proposes to introduce the following new features:

- The total remuneration of the Chief Executive Officer is revised to: (i) align it with the results achieved in recent years, in particular the creation of value for our shareholders; (ii) promote the achievement of our strategic priorities; (iii) ensure that it is competitive and allows us to retain key talent.

  As a result, the following has been proposed for fiscal year 2021:
  - An increase in fixed remuneration from €1,000,000 to €1,300,000.
  - Maintenance of the current percentage of annual variable remuneration (100% of fixed remuneration).
  - An increase in long-term variable remuneration such that, for the 2021-2023 LTI (long-term incentive), the target amount is set at 183% of fixed remuneration (vs. the 150% of the 2020-2022 LTI) and the maximum incentive is limited to 238% of the fixed remuneration (as of the grant date). It is worth mentioning that the maximum incentive can increase up to 238% of the fixed remuneration, but it can also decrease up to 141%, due to the application of a correction factor (explained later); or even be 0, if the accrual and settlement conditions are not met.

  Thus, the weight of variable remuneration in a scenario of maximum fulfilment of objectives is more than 75% of total remuneration.

- Annual variable remuneration and long-term incentives are linked not only to corporate governance objectives, but also to environmental, social and governance objectives (ESG), linked to our sustainability strategy.

- The period of application of the malus and clawback clauses is increased from 6 to 12 months in the case of annual variable remuneration. For the long-term incentive, the period of application of this clause is 36 months.

- It is established that the permanent stock ownership requirement is an element of the Remuneration Policy, independent of the LTI programmes in force at any given time. As of 31 December 2020 the Chief Executive Officer meets (and significantly exceeds) this requirement.

- The amount of fixed remuneration for membership or chairmanship of the Board of Directors and its Committees (which was increased in 2020 from €100,000 to €115,000 for the Chief Executive Officer) is maintained for 2021. In addition, the limit of the maximum total annual remuneration to be paid to all the directors in their capacity as such is increased by € 200,000, to € 2,200,000. In this regard, it is worth noting the high number of Board and Committee meetings, which was much higher than expected (in 2020, 12 Board meetings were held, 8 meetings of the Audit and Control Committee, and 12 meetings of the Nominations and Remunerations Committee).

The term of this Remuneration Policy will cover the fiscal years 2021, 2022 and 2023.

2. Remuneration Policy Principles:

The principles and criteria of the Directors Remuneration Policy are reviewed periodically, within the framework of their competencies, by the Nominations and Remunerations Committee and the Board of Directors in order to keep the Remuneration Policy in line with best practices and market trends.

The general principles underlying the Remuneration Policy are as follows:

- **Alignment with stakeholders interests:** Align the interests of executive directors with those of shareholders, linking a significant portion of total remuneration to the Company's results and the creation of long-term shareholder value. Variable remuneration is also linked to the achievement of environmental, social or governance (ESG) objectives, aligned with the sustainability strategy.

  In addition, decisions on the remuneration of executive directors are made taking into account the remuneration conditions of the management team as a whole and the interests of other stakeholders.

- **Competitiveness:** the Remuneration Policy must be competitive, which is achieved by setting a remuneration package in line with market standards, considering comparable sectors and companies. Remuneration must be adequate to attract and retain directors with the talent and profile desired by the Company.

- **Suitability:** the Remuneration Policy is adapted to the composition of the Board, the amounts are sufficient to compensate its qualifications, dedication and responsibility, guaranteeing due loyalty and connection with the Company, but without compromising the independence of its members.

- **Transparency**: The Board of Directors of the Company assumes the commitment to make effective the principle of full transparency of all remuneration categories received by all Directors, providing transparent and sufficient information, issued with the necessary advance and aligned with the recommendations of good governance of listed companies.

3. Procedures and bodies of the Company involved in determining and approving the Remuneration Policy:

The following is a description of the procedures and the competent bodies of the Company in relation to the determination and approval of the Remuneration Policy and its conditions:

- **General Shareholders' Meeting** : in accordance with the provisions of the Spanish Companies Law and the Regulations for the General Shareholders' Meeting of the Company, it is responsible for approving the remuneration policy for directors under the terms established in the regulations.

- **Board of Directors**: in accordance with the provisions of the Spanish Companies Law, the Bylaws and the Board of Directors Regulations of the Company, it has the following non-delegable powers:

  - The decisions related to remuneration of directors, within the framework set by the bylaws and the Remuneration Policy approved by the General Shareholders' Meeting.

  - Approval of the Chief Executive Officer's contract, which, among other things, details all the categories in which it may obtain remuneration for the performance of executive duties.

- **Nominations and Remunerations Committee**: assumes the main role in determining, applying and reviewing the Remuneration Policy.

  In accordance with the powers attributed in the Board of Directors Regulations, the functions assigned to this Committee in relation to the determination, application, review and transparency of the Remuneration Policy are summarised below:

  - Proposing to the Board of Directors the remuneration policy for directors and general managers or those performing senior management functions under the direct supervision of the Board, executive committees or chief executive officers.

  - Proposing to the Board of Directors the individual remuneration and other contractual conditions of the executive directors, ensuring their observance.

The Nominations and Remunerations Committee meets whenever the Board of Directors or its Chairman requests the submission of a report or the adoption of proposals and, in any case, whenever it is appropriate for the proper performance of its duties.

The Nominations and Remunerations Committee believes it is essential to review the Remuneration Policy periodically, in line with best corporate governance practices adopted by institutional investors and recommendations of the principal proxy advisors.

4. External advisor and comparable companies used to determine the Chief Executive Officer's remuneration:

The Nominations and Remunerations Committee, with the support of an independent external advisor of recognised prestige (Willis Towers Watson), specialised in the remuneration of directors and senior executives, has carried out the following work in the period from the beginning of fiscal year 2020 to the date of preparation of this report:

- An exhaustive study with comparable companies, which provided information to the Nominations and Remunerations Committee, among other factors, in its process of preparing the proposal for the Chief Executive Officer's remuneration for 2021 that was submitted to the Board of Directors for approval.

  The comparison took into account the top 17 companies in the telecommunications sector in Europe and the USA: American Tower, Deutsche Telekom, Crown Castle, Vodafone, Orange, Telefónica, Swisscom, Telia, KPN, Tele2, Inwit, Telenet, Sunrise, Masmovil, Rai Way, Telxius and TDC.

  The comparative report reflects that in fiscal year 2020:

  - Cellnex's results over the last 4 years, in terms of total shareholder return, revenue growth, EBITDA and total assets, place the Company consistently near the 75th percentile of the comparison group.

  - The Chief Executive Officer's total target remuneration (including fixed remuneration, annual variable remuneration, long-term incentives, contributions to pension plans and remuneration for dedication to the Board) is close to the 65th percentile of the comparison group.

- Design and preparation of the new Directors Remuneration Policy applicable to fiscal years 2021, 2022 and 2023.

- Review of this Annual Report on the Remuneration of Directors for 2020;

− Relative importance of variable remuneration categories with respect to fixed ones (remuneration mix) and which criteria and objectives have been taken into account in their determination in order to guarantee an appropriate balance between fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration scheme to reduce exposure to excessive risks and to align it with the company's long-term objectives, values and interests, including, where appropriate, a reference to measures contemplated to ensure that the remuneration policy takes account of the company's long-term results, measures taken in relation to those categories of personnel the professional activities of which have a material impact on the entity's risk profile and measures contemplated to avoid conflicts of interest, where appropriate.

Likewise, state whether the company has established any period of accrual or vesting of certain variable remuneration categories, in cash, shares or other financial instruments, a period of deferral in the payment of amounts or delivery of financial instruments already accrued and vested, or whether any clause has been agreed to reduce deferred remuneration or require the director to return remuneration received, when such remuneration has been based on data the inaccuracy of which has subsequently been clearly demonstrated.

The remuneration of the directors in their capacity as such is composed entirely of fixed components.

The Chief Executive Officer's remuneration package consists mainly of fixed remuneration, a contribution to the Defined Contribution Pension Plan, annual variable remuneration and long-term variable remuneration.

During the period of validity of the proposed new Policy, in a scenario of meeting standard and maximum objectives, the percentage of variable remuneration with respect to total remuneration rises to 69% and 76%, respectively, for the Chief Executive Officer.

The Remuneration Policy is designed considering the strategy and long-term results of the Company:

- The total remuneration of the executive director is composed of different remuneration elements consisting mainly of: (i) fixed elements, (ii) annual variable remuneration and (iii) long-term variable remuneration.

- The long-term variable remuneration is placed within a multi-year context, to ensure that the process of evaluation is based on long-term results and to take account of the underlying business cycle of the Company.

- In addition, there is an appropriate balance between fixed and variable components of remuneration. The variable remuneration scheme for executive directors is fully flexible and allows for them not to receive any amount in this category if the minimum compliance thresholds are not met.

In addition, the Remuneration Policy has the following characteristics that reduce exposure to excessive risks.

- One of the main functions of the Nominations and Remunerations Committee throughout the process is to analyse, select and propose the objectives and metrics of variable remuneration for executive directors and senior management. The principal characteristics of the objectives are as follows:
  a) they are periodically reviewed to ensure that they are sufficiently stringent;
  b) they are mostly measurable and quantifiable, with weightings and achievement levels approved by the Nominations and Remunerations Committee at the beginning of each year for annual variable remuneration, taking into account, among other factors, the economic environment, the strategic plan, historical analyses, the Company’s budget and the expectations or consensus of investors and analysts;
  c) during the measurement period they are monitored by the Nominations and Remunerations Committee;
  d) At the end of the measurement period, the Nominations and Remunerations Committee evaluates the final degree of fulfilment. Both for the establishment of the objectives and for the evaluation of their fulfilment, the Nominations and Remunerations Committee also considers any associated risks. Provision is made for the elimination of economic effects, positive or negative, derived from extraordinary events that could introduce distortions in the results of the evaluation. The Committee will evaluate the degree of achievement of the established objectives and, taking into account the weightings of each established metric, will determine the amount to be paid, which must be subsequently approved by the Board of Directors. The evaluation of annual and long-term objectives and award of variable remuneration is based on audited financial statements.
- The payment of the Chief Executive Officer’s annual variable remuneration is not made immediately, but after the preparation of the Annual Accounts for the year in which it is accrued, so as to allow the Company sufficient time to analyse the fulfilment of the objectives.

  In addition, if during a 12-month period circumstances arise that justify a new assessment or review of the degree of fulfilment of the objectives by the Board of Directors, following a report from the Nominations and Remunerations Committee, the Company may suspend the payment of the amounts pending payment to the Director in any variable category, as well as, if applicable, claim the amounts unduly paid as a result of the new assessment that is carried out.

  In relation to Long-Term Incentives, if during a period of three years following receipt of the incentive, (i) Cellnex is required to restate the accounts that were taken into account for the calculation of the incentive, due to extraordinary events; or (ii) the Board of Directors of Cellnex becomes aware of any misconduct on the part of the executive directors, Cellnex may recalculate the incentive paid and, if applicable, demand the reimbursement of the excess received based on such recalculation or its totality, if the conduct is considered very serious by the Board of Directors or has in any way influenced the metrics used for the calculation of the incentive.

The payment of the Chief Executive Officer’s long-term incentive is also not made immediately, but after the General Shareholders’ Meeting following the term of each LTI programme.

- To strengthen the executive director commitment to the Company’s long-term interests and alignment with shareholders’ interests, a minimum requirement of permanent share ownership is included.

In relation to the measures established to detect, determine and resolve possible conflicts of interest, art. 28 of the Board of Directors Regulations defines the cases of conflicts of interest and establishes the rules governing such situations. Art. 30 of the Board of Directors Regulations regulates the use of non-public information for private purposes. On the other hand, art. 31 sets forth the specific matters on which the director must report to the Company.

Likewise, and with respect to significant shareholders, arts. 33 and 34 of the Board of Directors Regulations establish the rules for "transactions with directors and significant shareholders". Among the powers attributed to the Audit and Control Committee is that of reporting transactions with related parties.

On the other hand, Chapter VIII of the Internal Code of Conduct regulates the criteria for action by Cellnex employees in situations of conflict between their personal interests and those of the Company.

– Amount and nature of the fixed components that directors are expected to earn during the fiscal year in their capacity as such.

The maximum total annual remuneration to be paid to all the Board Members in their capacity as such may not exceed € 2,200,000. This amount is slightly higher (+€ 200,000) compared to the amount included in the previous remuneration policy approved by the General Shareholders’ Meeting in May 2019.

The Board of Directors on 25 February 2020 resolved the distribution of the remuneration, effective 1 April 2020, as follows:

• Chairman of the Board	260,000 €/year
• Committees Chairmen (Chairwomen)	180,000 €/year
• Committees members	150,000 €/year
• Other Board members	115,000 €/year

The directors do not receive attendance fees. Notwithstanding the foregoing, travel and lodging expenses incurred in attending meetings of the Board of Directors and/or its Committees will be borne by the Company.

– Amount and nature of the fixed components that will be earned in the year by the performance of senior management functions of the executive directors.

The fixed remuneration that the Chief Executive Officer may receive for the performance of his executive duties is established in accordance with the following criteria:

- The specific characteristics of the position, the level of responsibility and required involvement of the executive directors.
- The competencies and experience of the person.
- The evolution of the contribution of the position and the person.
- Remuneration conditions for employees as a whole, and especially for the management team.
- Market data on companies of similar activity, size and complexity as Cellnex.

This fixed amount should constitute a sufficient portion of the total remuneration in order to maintain an appropriate balance between the fixed and variable components of remuneration. That said, the weight of fixed remuneration in the Chief Executive Officer's total remuneration package is significantly lower (approximately 35%) than the average of his market peers (approximately 40%).

Specifically, for the 2021 fiscal year, the fixed remuneration of the Chief Executive Officer for his senior management duties was agreed by the Board of Directors, at the proposal of the Nominations and Remunerations Committee, on December 16th 2020, at an annual amount of € 1,300,000, to be paid monthly in cash (subject to the approval of the new Directors Remuneration Policy which includes this new amount).

In order to establish this amount, the Board of Directors, at the proposal of the Nominations and Remunerations Committee, has considered:

1. Cellnex's results:
   - Cellnex's total shareholder return since the IPO in 2015 has amounted to 336%.
   - Revenues have grown by more than 10% annualised since 2015 and EBITDA by more than 30%.
   - The integrations of the various acquisitions were successfully completed in record time (9 successful integrations in 2020).
   - Cellnex has a unique combination of a defensive yet high quality structural growth profile with limited exposure to COVID-19.

2. The demanding growth plan:

- Cellnex continues to execute the transactions portfolio and has the financial flexibility to continue its inorganic growth strategy, following the success of the capital increases carried out. In fact, considering the total volume of sites acquired in 2020 plus the future implementation of those already contracted in these acquisitions, the total sites exceed 107,000, 40% more than those existing at the end of 2020.
- Commercial activity is ongoing to ensure future organic growth, thanks to the diversification model or the offer of new connectivity products (DAS, Small Cells, Fibre Optics, Data Centres, Private Networks, etc.) in all countries where the Company is present.

3. The results of the market study indicated above, which reflect the lack of alignment between the positioning of the total target remuneration and the positioning of Cellnex when considering the results in recent years with respect to comparable companies.

The comparative report reflects that in fiscal year 2020:

- Cellnex's results over the last 4 years, in terms of total shareholder return, revenue growth, EBITDA and total assets, place the Company consistently near the 75th percentile of the comparison group.

- The Chief Executive Officer's total target remuneration (including fixed remuneration, annual variable remuneration, long-term incentives, contributions to pension plans and remuneration for dedication to the Board) is close to the 65th percentile of the comparison group.

The positioning of the total target remuneration, after the increase of fixed remuneration and the granting of the long-term incentive, would still be below the 75th percentile of the reference market.

The figures below clearly reflect the comparison between the evolution of the Company's different business figures and the evolution of the Chief Executive Officer's fixed remuneration over the last two years:

	Growth in two years
Fixed remuneration	30%
Countries	57%
Sites	100%
Revenues (€ 000s)	114%
EBITDA (€ 000s)	148%
Market capitalisation	361%

4. The proposed increase is in line with increases considered for Cellnex's management team and key talent.

5. The fixed remuneration (€1,000,000), annual variable remuneration (100% of the fixed remuneration) and long-term incentive for the 2018-2020 period (100% of the fixed remuneration) did not represent any increase over that corresponding to 2019 in these categories.

- Amount and nature of any remuneration in kind to be accrued in the fiscal year including, but not limited to, the insurance premiums paid in favour of the director.

The Chief Executive Officer is the beneficiary of health insurance that also covers his family, life and accident insurance and a leased car. The Chief Executive Officer's remuneration in kind has an annual cost of € 31,000.

- Amount and nature of the variable components, differentiating between those established in the short and long term. Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine the variable remuneration for the current year, an explanation of the extent to which these parameters relate to the performance of both the director and the entity and to their risk profile, and the methodology, required period and techniques contemplated to determine, at the end of the year, the degree of compliance with the parameters used to design the variable remuneration.

  Indicate the range in monetary terms of the different variable components according to the degree of fulfilment of the established objectives and parameters, and whether there is any maximum monetary amount in absolute terms.

In relation to the directors in their capacity as such, the fixed remuneration items indicated above are the only remuneration they receive for their membership of the Cellnex Board of Directors. There is no profit-sharing or bonus remuneration, nor are there any remuneration schemes or plans that incorporate variable remuneration.

As for the Chief Executive Officer, the variable components of his remuneration packages for the performance of his senior management duties are as follows:

- Annual variable remuneration.
- Long-term variable remuneration.

The main characteristics of each of these components for the Chief Executive Officer are described below:

i) Annual variable remuneration

The annual variable remuneration is intended to enhance the Chief Executive Officer's commitment to Cellnex and to motivate his performance.

The Board of Directors, at its meeting held on December 16th 2020, set the target amount of the Chief Executive Officer's variable remuneration for the 2021 financial year, i.e., the amount that corresponds to a standard level of achievement of objectives (target fulfilment level), at an amount equivalent to 100% of the fixed remuneration (€ 1,300,000) for the exercise of senior management functions, in accordance with the provisions of the directors remuneration policy of Cellnex and following standard practices in the Spanish market for positions of similar responsibility. In the event of overachievement of the pre-established objectives, it could reach a maximum of 150% of the fixed remuneration (€ 1,950,000) for the exercise of senior management functions.

The accrual of variable remuneration is linked to the achievement of certain annual economic-financial and operational objectives of the Cellnex Group. These objectives are approved by the Board of Directors, at the proposal of the Nominations and Remunerations Committee, at the beginning of each calendar year. The indicators, with their corresponding weights, for fiscal year 2021 are as follows:

- Recurring Levered Free Cash Flow (weighted at 35%).
- PoPs (TIS) & Nodes (weighted at 20%).
- Inorganic Growth (weighted at 15%).
- Product portfolio deployment (weighted at 15%).
- ESG (Environment, Social and Governance) (weighted at 15%).

The attainment of the annual variable remuneration is approved by the Company's Board of Directors, at the proposal of the Nominations and Remunerations Committee, based on evaluation of the degree of achievement of the established objectives, once the annual accounts for the year in question have been closed and audited. In order to ensure that the annual variable remuneration is effectively related to the professional performance of the Chief Executive Officer, when determining the level of fulfilment of the quantitative objectives, the economic effects, positive or negative, derived from extraordinary events that could distort the results of the evaluation may be eliminated.

The scale of achievement of each objective is between 0 percent and 100 percent, with a correction factor of 0.75-1.5 depending on the director's personal contribution. This factor is proposed by the Nominations and Remunerations Committee and approved by the Board of Directors. In 2021, the following aspects will be evaluated based on the Cellnex Leadership Model:

1. **Leading the vision**: through strategic vision, change orientation and innovation.
2. **Leading the development of people**: by managing the talent of the team, helping in its identification and growth.
3. **Leading the relationship**: through influential communication with stakeholders, teamwork and using synergies.
4. **Leading the contribution to results**: by setting challenging objectives and ensuring timely and quality execution.
5. **Ability and capacity to successfully integrate new business and M&A operations.**

The annual variable remuneration for 2021 will be paid in cash during the 2022 fiscal year. Notwithstanding the foregoing, it may be agreed to replace all or part of the annual variable remuneration with a company contribution to increasing the pension or with Cellnex shares.

ii) Long-term variable remuneration:

In addition to the annual variable remuneration, the Chief Executive Officer has a component of his total annual remuneration linked to a multi-year incentive.

Long-term variable remuneration has the following objectives:

- Motivate and retain by way of a remuneration policy that links and integrates the Group's executives and, in particular, the Chief Executive Officer, with the Company's Strategic Plan.
- Align management's objectives with those of the shareholder.
- Maintain external competitiveness to attract new talent.

In accordance with the provisions of the new Directors Remuneration Policy, the instruments used for the multi-year incentive may consist of stock options, share awards, cash bonuses, as well as other remuneration instruments that are considered market practice and that facilitate the achievement of the aforesaid objectives.

In the 2017 financial year, the Board of Directors, at the proposal of the Nominations and Remunerations Committee, resolved to implement a three-year Long-Term Incentive Plan (hereinafter "**ROLLING LTI**"), which will be applicable during part of the term of the new Remuneration Policy, and will aim to retain and incentivise the commitment of the Chief Executive Officer and certain key personnel of the Group.

In particular, as of the date of approval of this report, the following long-term incentive plans (hereinafter the "**Plans**") are in effect: 2019-2021 LTI; 2020-2022 LTI; and 2021-2023 LTI.

The objectives included in the various ROLLING LTI Plans have been determined by the Board of Directors, at the proposal of the Nominations and Remunerations Committee, and are linked to the Company's share price and/or economic figures.

The final assessment of the achievement of the objectives set in each of the ROLLING LTI Plans will be made by the Nominations and Remunerations Committee at the end of its term and the settlement, if applicable, will take place after the General Shareholders' Meeting that approves the annual accounts for the last fiscal year covered by each Plan.

The annual remuneration report corresponding to each year in which each of the Plans is settled will in detail reflect the calculation formula and the resulting amounts for each of them. Information will also be provided on the amount accrued and paid in each year, as well as the instrument finally used for the settlement of the remuneration in this category.

Without prejudice to the foregoing, the expected remuneration of the Chief Executive Officer if the objectives set forth in each of the Plans are achieved is as follows:

- **2019-2021 LTI Plan**

  The expected remuneration of the Chief Executive Officer, if the Company's objectives are achieved by the end of the 2021 fiscal year, is 116% of his fixed remuneration.

  The delivery of shares will be made applying a discount to offset the tax impact. Taking into account this discount (25%), the final percentage of 116% amounts to a maximum of 145%.

  30% of this remuneration will initially be paid through the delivery of granted shares and the remaining 70% through options, with an obligation to permanently hold shares equivalent to one year's fixed remuneration.

The amount to be received will be determined by the degree of achievement of the share price increase, calculated on the basis of the average price of the three months prior to November 2018, the date of the Board of Directors' approval of this volume-weighted ("vwap") plan (€ 21.93 per share, initial price for the period) and estimating a return of 8% per year over a three-year period, thus obtaining the target price at the end of the period (€ 27.62 per share).

If the Chief Executive Officer already complies with the obligation to permanently hold shares equivalent to one year's fixed remuneration, he may choose to receive part of the options in a contribution to his Defined Contribution Pension Plan (retirement insurance) or in cash.

- **2020-2022 LTI Plan**

The expected remuneration of the Chief Executive Officer, if the Company's objectives are achieved by the end of the 2022 fiscal year, is 150% of his fixed remuneration. This percentage is equivalent to the CEO's maximum remuneration in this category.

30% of this remuneration will initially be paid through granted shares and the remaining 70% through options, with an obligation to permanently hold shares equivalent to two years' fixed remuneration.

The amount to be received will be determined by the degree of achievement of the share price increase, calculated on the basis of the average price of the three months prior to December 2019, volume weighted ("vwap") (€ 38.17 per share), (initial price for the period) and estimating a return of 8% per year over a three-year period, thus obtaining the target price at the end of the period (€ 48.08 per share).

If the Chief Executive Officer already complies with the obligation to permanently hold shares equivalent to two years' fixed salary, he may choose to receive part of the options in a contribution to his Defined Contribution Pension Plan (retirement insurance) or in cash.

- **2021-2023 LTI Plan**

The expected remuneration of the Chief Executive Officer, if the Company's objectives are achieved by the end of the 2022 fiscal year, is 183% of his fixed remuneration.

30% of this remuneration will initially be paid through granted shares and the remaining 70% through options, with an obligation to permanently hold shares equivalent to two years' fixed remuneration.

The amount to be received will be determined by the degree of achievement of the share price increase, calculated on the basis of the average price of the three months prior to December 2019, volume weighted ("vwap") (€ 52.12 per share), (initial price for the period) and estimating a return of 8% per year over a three-year period, thus obtaining the target price at the end of the period (€ 65.66 per share).

If the Chief Executive Officer already complies with that obligation (to permanently hold shares equivalent to two years' fixed salary) he may choose to receive part of the options in a contribution to his Defined Contribution Pension Plan (retirement insurance) or in cash.

The final amount of the incentive may be corrected by applying a factor (upward or downward), the purpose of which is to reflect the contribution (or loss) of value resulting, if applicable, from a significantly higher (or lower) performance than expected, during the period of application of this LTI. This correction factor (+/- 30%) will consist of two components:

- 15% to be applied at the discretion of the Board of Directors, taking into account the contribution of value to stakeholders, including ESG factors.
- 15% to be applied using the parameter of RLFCF/share (Recurrent Levered Free Cash Flow per share), its evolution during the period and its comparison between the expected and real value.

In a maximum target achievement scenario, the incentive would amount to 238% of fixed remuneration. In addition to the reasons indicated in relation to the increase in fixed remuneration, the Board of Directors of Cellnex has considered it important to define this correction factor in order to strengthen the alignment between the interests of the Chief Executive Officer and the shareholders, and to allow the Chief Executive Officer (and other executives) to receive part of the additional value that may be generated for the shareholders.

It is worth mentioning that the maximum incentive can increase up to 238% of the fixed remuneration, but it can also decrease to 141%, due to the application of this corrective factor; or even be 0, if the accrual and settlement conditions are not met.

– Main characteristics of long-term savings schemes. The information indicated will include, inter alia, the contingencies covered by the scheme, if it is a defined contribution or defined benefit scheme, the annual contribution to be made to defined contribution schemes, the benefit to which the beneficiaries are entitled in the case of defined benefit schemes, the conditions of vesting of the economic rights in favour of the directors and their compatibility with any type of payment or indemnification for termination or early departure, or arising from the termination of the contractual relationship, on the terms provided, between the company and the director.

  Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the short and long-term performance of the director.

The directors, with the exception of the Chief Executive Officer, are not beneficiaries of long-term savings schemes, including pension and any other survivor's benefits, financed in whole or in part by the Company.

The Chief Executive Officer is the beneficiary of a Defined Contribution Pension Plan, instrumented through a group insurance policy.

The contingencies covered by the Defined Contribution Pension Plan are:

a) Survival to age 65 or to the legal retirement age.

b) Death.

c) Total permanent disability for the usual profession, absolute disability for all types of work and severe disability.

d) Long-term unemployment: he will be entitled to receive the total amount of the mathematical provision constituted in his favour in the Defined Contribution Pension Plan when, after ceasing to render services, he does not receive, during a full calendar year, work income as defined in the Personal Income Tax regulations.

If the Chief Executive Officer leaves the Company prior to the occurrence of any of the contingencies provided for in the pension plan, the Chief Executive Officer will be vested in the rights relating to the contributions made to date, except in the following cases:

a) If, at any time during the twelve (12) months following the termination of his services as Chief Executive Officer (for reasons other than the occurrence of the contingencies and without having received the survivor's benefit), he fails to comply with the noncompetition obligation regulated in his commercial contract.

b) In the event of cessation of the provision of his services due to breach of contractual good faith.

c) In the event of cessation of the provision of his services due to breach of trust in the performance thereof.

The annual contribution to the Chief Executive Officer's insurance covering the aforesaid contingencies is equivalent to 25% of his annual fixed remuneration for his senior management functions. The annual contribution for the year 2021 will amount to € 325,000.

– Any type of payment or indemnification for termination or early departure or arising from the termination of the contractual relationship under the terms provided between the company and the director, whether termination at the will of the company or the director, as well as any agreed clauses, such as exclusivity, post-contractual noncompetition and minimum term or loyalty, which entitle the director the right to any type of perception.

There are no compensation in the event of termination of the functions as directors.

– Indicate the conditions to apply to the contracts of executive directors exercising senior management functions. The report is to include, inter alia, the duration, the limits on amounts of indemnification, minimum terms of employment (minimum term clauses), terms of notice, as well as payment as a substitute for the aforesaid term of notice, and any other clauses related to hiring bonuses, indemnification or golden parachutes for early termination or termination of the contractual relationship between the company and the executive director. Include, inter alia, noncompetition, exclusivity, minimum term or loyalty and post-contractual noncompetition clauses or agreements, except as explained in the previous paragraph.

The main characteristics of the commercial agreement between the Company and the Chief Executive Officer are as follows:

- **Duration**: fixed, from subscription until 31 December 2024.
- **Exclusivity**: the contract includes the obligation to provide services to the Company exclusively and with full dedication.
- **Advance notice period**: a period of 3 months is established. If the Chief Executive Officer fails to comply with this obligation, he will be required to pay the fixed remuneration corresponding to this period.
- **Termination**: the Chief Executive Officer's contract will be automatically terminated in the following cases: (i) resignation or cessation of the Chief Executive Officer in his capacity as such; (ii) non-renewal of his position; and (iii) expiration of the established term.
- **Indemnification**: In the event of termination of the contractual relationship prior to the expiration of the agreed period, the Chief Executive Officer will not be entitled to receive any remuneration for the termination of the relationship, except in the following cases: (i) serious breach by the Company of the obligations included in the contract; (ii) non-consensual substantial modification of his functions, powers or conditions not due to a cause attributable to the Chief Executive Officer; (iii) change of control of the Company within the meaning of article 42 of the Commercial Code, or as a consequence of the assignment or transfer of all or a significant part of its activity; or (iv) termination or non-renewal of the position of Director, provided that such termination is not due to any cause attributable to a breach of the duties of loyalty, diligence and good faith on the part of the Chief Executive Officer.

  In these cases, the Chief Executive Officer as indemnification will be entitled to receive two (2) times his fixed and variable remuneration (accrued during the last year prior to the termination of the contract).
- **Post-contractual noncompetition agreement**: The Chief Executive Officer undertakes, for one year from the date of termination of the contract, not to provide services, directly or indirectly, for his own account or for the account of others, by himself or through an intermediary, to companies or any other entity the purpose of which is "activities competing with those of the Company".

  The specific economic consideration that compensates for these restrictions will consist of the payment of one year's fixed remuneration. If the Chief Executive Officer fails to comply with his obligation not to compete, he must return the amount received and pay an additional amount equivalent to another year of his fixed remuneration.

  This agreement will not apply if the contract is terminated and the Chief Executive Officer maintains any type of legal relationship with Cellnex or its group of companies.

These indemnities are compatible with the contingencies covered by the Defined Contribution Pension Plan.

- The nature and estimated amount of any additional remuneration to be earned by directors in the current fiscal year in consideration for services rendered other than those inherent in their position.

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

- Other remuneration categories such as those derived, where applicable, from the grant by the company to the director of advances, loans and guarantees and other remuneration.

The Remuneration Policy does not contemplate the possibility of granting advances, loans and guarantees to directors.

- The nature and estimated amount of any other expected supplementary remuneration not included in the preceding paragraphs, whether paid by the entity or another entity of the group, to be earned by the directors in the current period.

The Remuneration Policy does not provide for any supplementary remuneration other than as indicated above. As of the date of issuance of this report, there is no supplementary remuneration accrued in favour of the directors as consideration for services rendered other than those inherent to their position, nor any remuneration category in addition to those explained in the preceding sections.

A.2 Explain any significant changes in the remuneration policy applicable in the current year arising from:

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

As indicated above, the Board of Directors plans to submit for approval to the General Shareholders' Meeting to be held at the end of March 2021 a new Directors Remuneration Policy (hereinafter the "Remuneration Policy" or the "Policy") which, while maintaining the fundamental lines applied in previous years, introduces some new features. The new features proposed to be introduced in the new Remuneration Policy have already been described in previous sections.

A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

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

A.4 Explain, taking into account the data provided in section B.4, how the shareholders' vote was taken into account in the general shareholders' meeting at which the annual remuneration report for the previous year was submitted for an advisory vote.

Given the large percentage of votes in favour of the Annual Report on the remuneration of directors for 2019 (92.96%), a similar structure has been maintained for 2020, although the information contained therein has been expanded.

B OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE MOST-RECENTLY CLOSED PERIOD

B.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration reflected in section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the board of directors and, where applicable, the identity and role of the external advisors whose services have been used in the process of applying the remuneration policy in the closed fiscal year.

The duties of the Nominations and Remunerations Committee are regulated in the Board of Directors Regulations.

During fiscal year 2020, the Nominations and Remunerations Committee met on 12 occasions, with the attendance (in person, telematically or by proxy) of all its members, representing 100% attendance. In 2021, as of the date of publication of this report, it has met on 4 occasions.

At the aforesaid meetings, the Remuneration Committee discussed, among others, the following matters and resolved, if appropriate, to submit them to the Board of Directors for approval:

- The evaluation of the achievement of the Chief Executive Officer’s annual objectives in 2019, as well as their definition for 2020.
- The evaluation of fulfilment of the 2017-2019 LTI.
- The proposed remuneration of the Board Members.
- The report on the functions of the Committee itself.
- The Corporate Social Responsibility report.
- The Annual Report on the remuneration of directors and the Annual Corporate Governance Report.
- Appointments, ratifications or re-elections of Board Members.
- The Equity, Diversity and Inclusion Plan.
- The Company Succession Plan.
- Evaluation of the Board and Committees.
- Market study and proposal for remuneration of senior management.
- Organisational aspects affecting the Company’s Senior Management.

The Board of Directors Regulations establish that the Nominations and Remunerations Committee will be comprised of a minimum of 3 and a maximum of 5 non-executive directors, at least two of whom must be independent directors.

The Board of Directors also will appoint a Chairperson from among the independent directors that are members of the Committee.

As of 31 December 2020 and as of the date of preparation of this report, the Nominations and Remunerations Committee was composed of the following members:

- **Chairman**: Giampaolo Zambeletti (Independent)
- **Member**: Pierre Blayau (Independent)
- **Member**: Marieta del Rivero (Independent)
- **Member**: Maria Luisa Guijarro (Independent)
- **Member**: Alexandra Reich (Proprietary)
- **Secretary**: Alberto López Prior

The Nominations and Remunerations Committee will meet each time the Board or its Chairperson requests the submission of a report or the adoption of proposals and, in any case, whenever it is appropriate for the proper development of its functions. It will be called by the Chairperson of the Committee, either on his own initiative, or at the request of the Chairperson of the Board of Directors or of two (2) members of the Committee itself.

At the meeting of the Board of Directors following each meeting of the Remuneration Committee, the Chairperson of the Committee reports to the directors on the matters discussed.

In order to establish an adequate and market-competitive remuneration for the Chief Executive Officer, the Nominations and Remunerations Committee for its determination and possible revisions takes into account the foregoing elements, as well as the salary studies and analyses prepared by consulting firms of recognised prestige.

On this basis, the Board of Directors, at the proposal of the Nominations and Remunerations Committee, annually proposes the remuneration of the Chief Executive Officer, for subsequent approval by the General Shareholders' Meeting.

At the end of 2018, the Company commissioned Willis Towers Watson to conduct a comprehensive study with comparable companies that served as the basis for determining the Chief Executive Officer's remuneration for 2019 and 2020.

As a result of this study, a pay upgrade was proposed to bring the Chief Executive Officerto the lower end of the 75th percentile (approximately the 60th percentile). The General Shareholders' Meeting of May 2019 approved fixed remuneration of € 1,000,000, a variable percentage equivalent to 100% of his fixed remuneration, and an increase in the multi-year variable remuneration of 116% (annualised) of the fixed remuneration for the 2019 – 2021 LTI programme. (As mentioned above, this percentage amounts to 145%, after applying an allowance to offset the tax impact).

B.2 Explain the different actions taken by the company in relation to the remuneration scheme and how they have contributed to reducing exposure to excessive risks and adjusting it to the objectives, values and long-term interests of the company, including a reference to the measures that have been adopted to ensure that remuneration earned has taken into account the long-term results of the company and achieved an appropriate balance between the fixed and variable components of remuneration, what measures have been adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile, and what measures have been adopted to avoid conflicts of interest, if any.

The different measures adopted by the Company to ensure that the Remuneration Policy is in line with the Company's long-term results and to reduce exposure to excessive risks have been described in section A.1 above.

In addition, during 2020, the following actions were taken to reduce the Company's exposure to excessive risks:

- Remuneration benchmarking has been carried out to determine the alignment of remuneration paid and market practice in comparable companies in order to avoid talent drain.
- A succession plan has been drawn up to ensure the continuity of the most relevant positions in Cellnex, thus avoiding a power vacuum in key positions in the Company.
- The term of application of the clawback clause in the annual variable remuneration has been increased from six (6) months to twelve (12) months.
- The following clauses have been introduced in the contracts of the Chief Executive Officer and Senior Management in order to safeguard the interests of the Company:
    - Exclusivity and full dedication clause.
    - Ethical duties clause.
    - Non-competition clause.

B.3 Explain how the remuneration earned during the fiscal year complies with the provisions of the remuneration policy in force.

Report also on the relationship between directors' remuneration and the entity's short and long-term results or other measures of performance, explaining, where appropriate, how changes in the company's performance may have influenced the variation in directors' remuneration, including remuneration earned that has been deferred, and how these contribute to the company's short and long-term results.

The maximum total annual remuneration to be paid to all the Directors in their capacity as such, as established in the Directors Remuneration Policy applicable to the 2020 financial year, could not exceed € 2,000,000. The various items and amounts actually paid in 2020, which amount to € 1,630,000 in this category, are detailed in section B.5. below.

The directors have not received remuneration in the form of profit-sharing or bonuses, or remuneration schemes or plans that incorporate variable remuneration, or remuneration based on the Company’s results or other performance measures.

As for the Chief Executive Officer, certain components of his remuneration for the exercise of his senior management duties have been related to the Company’s results and other performance measures. Specifically, in fiscal year 2020:

A. Annual or short-term variable remuneration:

As indicated below, the Board of Directors, on proposal of the Nominations and Remunerations Committee, resolved that the determination of the annual variable remuneration corresponding to the 2020 fiscal year be made based on the criteria presented below. The level of achievement of each of them is also stated:

Objective	Detail	Weight	Minimum (70%)	Target (85%)	Maximum (100%)	Achievement
Pops (TIS) & Nodes	75% PoPs (Point of Presence) 25% Nodes	20%	PoPs: Budget'20 – 3% Nodes: Budget'20 – 3%	Budget'20	PoPs: Budget'20 + 5% Nodes: Budget'20 + 5%	92.9%
Inorganic Growth Projects	Number of executed inorganic growth projects	15%	1	2	3 (or 2, but 1 with volume (EV) > 1,000 Mn€ or 1 new country)	100%
Product Portfolio deployment	50% Number of offers signed in Europe (Min: 30, Std: 35, Max: 45) 50% Sales Budget (Min: BDG'20-10%, Std: BDG'20, Max: BDG'20+15%)	15%	70%	85%	100%	100%
CSR (Corporate Social Responsibility)	Assess and track the efforts made by the Group on ESG (Environmental, Social and Governance) matters, based on mix of the overall score achieved on a selection of ESG indexes in which Cellnex Telecom participates (i.e. DJSI; Sustainalytics and FTSE4Good)	15%	Improvement of 2%	Improvement of 3%	Improvement of 4%	100%
Recurring Levered Free Cash Flow	EBIDTA less maintenance CAPEX less change in working capital less interest paid less income tax paid	35%	Budget'20 – 3%	Budget'20	Budget'20 + 5%	100%

The final weighted achievement of these factors is 98.17%.

The attainment of the annual variable remuneration is approved by the Company's Board of Directors, at the proposal of the Nominations and Remunerations Committee, based on evaluation of the degree of achievement of the established objectives, once the annual accounts for the year in question have been closed and audited.

For the 2020 fiscal year, the scale of achievement of each objective was between 0% and 100%, with a corrective factor of between 75% and 150% depending on the Chief Executive Officer's personal contribution in each fiscal year. For the purposes of applying the aforesaid factor, the Board of Directors has evaluated the following aspects based on the Cellnex Leadership Model:

Objective	Value (75%-150%)
1. Leading the vision: through strategic vision, change orientation and innovation.	130%
2. Leading the development of people: by managing the talent of the team, helping in its identification and growth.	110%
3. Leading the relationship: through influential communication with stakeholders, teamwork and using synergies.	140%
4. Leading the contribution to results: by setting challenging objectives and ensuring timely and quality execution.	150%
5. Ability and capacity to successfully integrate new business and M&A operations.	150%
Average	**136%**

Following the evaluation of the foregoing objectives as a whole, the Nominations and Remunerations Committee concluded that the Chief Executive Officer has achieved overall compliance for the 2020 financial year of 133.5% (98.17% * 136%). Consequently, the Board of Directors, at the proposal of the Nominations and Remunerations Committee, has approved annual variable remuneration in the amount of € 1,335,000 (133.5% of the annual fixed remuneration for senior management functions).

B. Long-term variable remuneration:

During fiscal year 2020, the 2018-2020 LTI has been finalised.

The 2018-2020 LTI consisted of a combination of a multi-year bonus in cash or through a delivery of shares which, after a specified period of time and verified achievement of the specific objectives, would be paid to the LTI beneficiaries, in full or in the applicable percentage.

The expected remuneration of the Chief Executive Officer, if the Company's strategic objectives are achieved by the end of 2020, is 100% of his fixed remuneration as of December 2020. At least 50% of such remuneration must be paid by the delivery of shares of the Company, with an obligation to hold them for a minimum period of two (2) years.

The amount effectively paid and the shares effectively delivered to the Chief Executive Officer will take the corresponding tax obligations into account. That said, the Company grants, in favour of the beneficiaries of this LTI programme (including the Chief Executive Officer), a discount to offset the tax effect.

The 2018 – 2020 LTI indicators and their respective weights are described below:

- **Recurrent levered cash flow per share ("RLFCF per share")** (50% weighting): determined according to market consensus and with a constant perimeter of consolidation. The percentage of achievement of the target will be 0 if an amount less than the target minus 5% (€ 1.482) is achieved; a percentage ranging from 50% to 100% proportionally to the amount, if the amount is between € 1.482 and € 1.56; 100% if an amount equal to the target is achieved; a percentage ranging from 100% to 150% proportionally to the amount, if the amount is between € 1.56 and € 1.638; and a maximum of 150% if the target is exceeded by at least 5% (€ 1.638).
- **Appreciation of the Company's share** (50% weighting): from the beginning of the period to the end of 2020, taking a weighting by volume of the last quarter into account. The percentage of achievement of this target will be between 75% and 125% depending on the appreciation compared to the IBEX 35 and to certain European and American competitors (Inwit, American Towers, Crown Castle and SBA Communications).

Metric	Weighting	Detail		Min.	Target	Max.
RLFCF per share	50%	2020 Market consensus in EUR 1.56		-5%	EUR 1.56	5%
				50% Pay-out	100% Pay-out	150% Pay-out
Relative TSR	50%	Ranking of TSR relative to peers (70%) and to IBEX-35 (30%)	Ranking	No. 4	No. 3	Nos. 1-2
			Pay-out	75%	100%	125%
			IBEX-35	Median	65th Percentile	80th Percentile
			Pay-out	75%	100%	125%

The evaluation of these objectives is detailed below:

- The RLFCF per share obtained was € 1.75, which represents a degree of achievement of this objective of 150%.
- Cellnex Shareholder Total Return has been positioned in the 1st position with respect to the group of comparable companies (listed before) and in the 90th percentile of the Ibex-35. Therefore, the degree of achievement of this objective is 125%.

These levels of achievement have been validated by the Company's external auditor.

As a result, the overall degree of achievement of the objectives was 137.5% of the target and the incentive that the Chief Executive Officer will receive in the month following the General Shareholders' Meeting that will approve the 2020 financial statements will amount to € 1,100,000 in shares and € 550,000 in cash (137.5% of the target incentive and 165% of the fixed remuneration).

Of this total, the portion of remuneration that the Chief Executive Officer will receive in shares is subject to a partial allowance (25% due to the tax impact thereof).

B.4 Report on the result of the advisory vote of the general shareholders' meeting on the annual report on the remuneration of directors for the prior period, indicating the number of negative votes, if any:

	Number	% of total
Votes cast	286,312,654	74.34%

	Number	% of cast
Votes against	19,040,597	6.65%
Votes in favour	266,143,643	92.96 %
Abstentions	1,128,4114	0.39 %

Observations

B.5 Explain how the fixed components earned during the year by directors in their capacity as such were determined, and how they varied from the previous year.

The only remuneration received by the directors in their capacity as such for their membership to the Board of Directors of Cellnex during the 2020 financial year, with the exception of the remuneration of the Chief Executive Officer for the performance of his senior management duties, is as follows:

- Chairman of the Board 260,000 €/year (€220,000 in 2019)
- Committees Chairmen (Chairwomen) 180,000 €/year (€150,000 in 2019)
- Committees members 150,000 €/year (€130,000 in 2019)
- Other Board members 115,000 €/year (€100,000 in 2019)

B.6 Explain how the salaries earned during the closed year by each executive director for the performance of management duties were determined, and how they varied from the previous year.

In 2020, the fixed remuneration amounted to € 1,000,000 (same amount as in 2019).

B.7 Explain the nature and main characteristics of the variable components of the remuneration schemes earned in the closed year.

In particular:

- Identify each of the remuneration plans that determined the variable remuneration earned by each of the directors during the closed year, including information on its scope, date of approval, date of implementation, accrual and validity periods, the criteria used to evaluate performance and how this affected the determination of the variable amount earned, as well as the measurement criteria used and the period necessary in order to be in a position to adequately measure all the stipulated criteria and conditions.

  In the case of share option plans or other financial instruments, the general features of each plan will include information about the conditions both for vesting and for exercising those options or financial instruments, including the price and term of exercise.

- Each of the directors and their category (executive directors, proprietary external directors, independent external directors and other external directors) that are beneficiaries of remuneration schemes or plans that incorporate variable remuneration.
- If applicable, the information is to include a report on the established payment accrual or deferral periods that have been applied and/or the periods for retaining or not disposing of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration schemes
The Board of Directors set the amount of the Chief Executive Officer's variable remuneration for the 2020 financial year at € 1,000,000, representing 100% achievement of the established objectives. This amount corresponded to 100% of his fixed remuneration, in accordance with the provisions of Cellnex's Directors Remuneration Policy applicable to the 2020 financial year and following the usual practices in the Spanish market for positions of similar responsibility. The Nominations and Remunerations Committee concluded that the Chief Executive Officer has achieved overall compliance for the 2020 financial year of 133.5%. Consequently, the Board of Directors, at the proposal of the Nominations and Remunerations Committee, has proposed annual variable remuneration in the amount of € 1,335,000 (133.5% of the annual fixed remuneration for senior management functions), to be collected once the Annual Accounts for the year have been prepared.

Details on the evaluation of each of these objectives have been previously stated in section B.3. of this Report.

The only director who receives variable remuneration is the Chief Executive Officer.

In fiscal year 2020 there were no stock option plans or other financial instruments.

Explain the long-term variable components of the remuneration schemes

A detailed breakdown of the long-term incentive plans in progress is provided in section A.1. of this report.

The 2018-2020 LTI ended on 31 December 2020. After evaluating all the objectives to which this cycle is linked, the Nominations and Remunerations Committee found an overall achievement rate of 137.5%.

The details of the objectives to which the LTI is linked and the evaluation made by the Committee have been described in detail in section B.3. above of this Report.

Consequently, the Chief Executive Officer will receive € 1,650,000 in the month following the General Shareholders' Meeting that will approve the 2020 financial statements.

B.8 Indicate whether certain variable components have been reduced or reclaimed when, in the first case, payment has vested and been deferred or, in the second case, vested and paid, on the basis of data the inaccuracy of which has subsequently been manifestly demonstrated. Describe the amounts reduced or returned by the application of the clawback clauses, why this was done, and the years to which they relate.

No amount of any variable component has been claimed or reduced in 2020.

B.9 Explain the main characteristics of long-term savings schemes the amount or equivalent annual cost of which appears in the tables in Section C, including retirement and any other survivor benefits that are partially or totally financed by the company, whether funded internally or externally, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies it covers, the vesting conditions of the economic rights in favour of the directors and its compatibility with any type of indemnification for early termination or termination of the contractual relationship between the company and the director.

The annual contribution to the Chief Executive Officer's insurance during the 2020 financial year is equivalent to 25% of his annual fixed remuneration for his senior management functions. The annual contribution for 2020 was € 250,000.

Section A.1. shows the contingencies covered, as well as the vesting conditions.

B.10 Explain, if applicable, the indemnities or any other type of payment deriving from early departure, whether at the will of the company or of the director, or from the termination of the contract, under the terms provided therein, accrued and/or received by the directors during the closed fiscal year.

During the 2020 fiscal year, no remuneration in these categories has been accrued or paid to the Directors.

B.11 Indicate whether there have been any significant changes in the contracts of those exercising senior management functions as executive directors and, if so, explain them. Likewise, explain the main conditions of the new contracts signed with executive directors during the fiscal year, unless they have already been explained in section A.1.

As mentioned above, the following clauses (already existing in the Chief Executive Officer's contract) have been extended to Senior Management contracts in order to safeguard the Company's interests:

- Exclusivity and full dedication clause.
- Ethical duties clause.
- Non-competition clause.

B.12 Explain any additional remuneration accrued to directors as consideration for services rendered other than those inherent in the position.

There are no supplementary remunerations in addition to those indicated in the preceding paragraphs.

B.13 Explain any remuneration derived from the grant of advances, loans and guarantees, indicating the interest rate, the essential features and the amounts eventually repaid, as well as the obligations assumed on their behalf by way of guarantee.

There have been no advances or loans granted to directors by the Company due to their status as members of the Board of Cellnex in 2020.

B.14 Detail the remuneration in kind earned by the directors during the fiscal year, briefly explaining the nature of the different salary components.

The Chief Executive Officer is the beneficiary of health insurance that also covers his family, life and accident insurance and a leased car. The remuneration in kind of the Chief Executive Officer during the 2020 fiscal year had an annual cost of € 28,000.

B.15 Explain the remuneration earned by a director by virtue of payments made by the listed company to a third party entity within which the director serves, when the purpose of such payments is to remunerate the director's services within the company.

Not applicable

B.16 Explain any category of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be considered to be a related party transaction or when payment thereof distorts the true and fair view of the total remuneration received by the director.

There are no remuneration categories in addition to those indicated in the preceding paragraphs.

C DETAILS OF INDIVIDUAL REMUNERATION OF EACH OF THE DIRECTORS

Name	Type	Accrual year t
Franco Bernabè	Chairman	January 1st 2020 - December 31st 2020
Tobías Martínez Gimeno	Director	January 1st 2020 - December 31st 2020
Pierre Blayau	Nominations and Remunerations Committee	January 1st 2020 - December 31st 2020
Leonard Peter Shore	Audit and Control Committee	January 1st 2020 - December 31st 2020
Giampaolo Zambeletti	Chairman Nominations and Remunerations Committee	January 1st 2020 - December 31st 2020
Bertrand Boudewijn Kan	Chairman Audit and Control Committee	January 1st 2020 - December 31st 2020
Marieta del Rivero Bermejo	Nominations and Remunerations Committee	January 1st 2020 - December 31st 2020
Marisa Guijarro Piñal	Nominations and Remunerations Committee	January 1st 2020 - December 31st 2020
Anne Bouverot	Audit and Control Committee	January 1st 2020 - December 31st 2020
Carlo Bertazzo	Nominations and Remuneration Committee	January 1st 2020 - February 28th 2020
Elisabetta De Bernardi di Valserra	Audit and Control Committee	January 1st 2020 - June 10th 2020
Mamoun Jamai	Director	January 1st 2020 - August 24th 2020

Christian Coco	Audit and Control Committee	April 2nd 2020 - December 31st 2020
Alexandra Reich	Nominations and Remuneration Committee	December 16th 2020 – December 31st 2020

C.1 Complete the following tables regarding the individual remuneration of each of the directors (including remuneration for performance of executive duties) earned during the period.

a) Remuneration from the reporting company:

i) Cash remuneration (€ 000s)

Name	Fixed remuneration	Per diems	Remuneration for membership on board committees	Salary	Short-term variable remuneratio n	Long-term variable remuneratio n	Indemnificatio n	Other categories	Total year t	Total year t-1
Franco Bernabè	250								250	92
Tobías Martínez Gimeno	111			1,000	1,335	550			2,996	4,045
Pierre Blayau			145						145	130
Leonard Peter Shore			145						145	130
Giampaolo Zambeletti			172						172	150
Bertrand Boudewijn Kan			172						172	150

Marieta del Rivero Bermejo			145						145	130
Marisa Guijarro Piñal			145						145	130
Anne Bouverot			145						145	130
Carlo Bertazzo			17						17	100
Elisabetta De Bernardi di Valserra			70						70	130
Mamoun Jamai			0						0	0
Christian Coco			113						113	0
Alexandra Reich			0						0	0

Observations
Mamoun Jamai waived his remuneration. Remuneration for committee membership includes remuneration for being a Board member. In the preparation of this report in fiscal year 2019, the foregoing table used an **accounting criterion**, i.e., the figures presented included the amounts provisioned during the fiscal year (even if they corresponded to unpaid remuneration). Specifically, the difference was in the long-term variable remuneration (LTI). As there were several ongoing programmes (during 2019, the 2017-2019, 2018-2020 and 2019-2021 LTI programmes were ongoing), provisions had been made related to future payments for those programmes, and that was the figure reflected in the ARR (Annual Remuneration Report). The total remuneration in 2019, following this criterion, was €4,521 thousand. In the current year, the **vesting criterion** has been applied, i.e., the long-term variable remuneration includes that which "the director has accrued at the end of the accrual period when the objectives to which they were linked have been met" (following the procedure defined in the rules of this report). In other words, it includes the long-term remuneration corresponding to the 2018-2020 LTI programme, whose end and, therefore, the end of accrual and entitlement to receive payment coincides with the end date of the reported period (2020). In order to present comparable figures, the total cash remuneration for 2019 is shown using this same vesting criterion (€4,045 thousand). Logically, they differ from the €4,521 thousand reported in the 2019 ARR, due to the change in criterion explained above.

ii) Table of movements of share-based remuneration schemes and gross benefit of vested shares or financial instruments

Name	Name of the Plan	Financial instruments at beginning of year t		Financial instruments awarded during year t		Financial instruments vested in the year				Instruments matured and not exercised	Financial instruments at end of year t	
		No. of instruments	Equiv. no. of shares	No. of instruments	Equiv. no. of shares	No. of instruments	Equiv. / vested no. of shares	Vested shares price	Gross benefit of vested shares or financial instruments (€ 000s)	No. of instruments	No. of instruments	Equiv. no. of shares
Tobías Martínez Gimeno	**2018-2020 LTI**		11,869 (1)				11,869	49.12	1,100			
	2019-2021 LTI		12,212 (2)									12,212
	2020-2022 LTI				4,961							4,961

Observations

- Financial instruments at the beginning of the year: includes those already granted at 1/1/2020, calculated at maximum achievement:
    - LTI 2018-2019 (1): in the 2019 ARR, 11,946 shares were reported as financial instruments at the end of the year corresponding to this LTI. The difference with respect to the figure now reported (11,869) is due to three reasons:
        - The actual value of the share price at 12/31/2020 (€ 49.12 per share) was used for the calculation of the shares, while an assumption of the share price at 12/31/2019 (€ 38.37 per share) was used in the 2019 ARR. That said, the final number of shares to be delivered will be adjusted by the average share price of the last month preceding the General Meeting, as indicated in the Remuneration Policy.
        - The Chief Executive Officer has decided to receive a higher percentage of the LTI in shares (60%) than he is obligated to receive (50%).

- The tax withholding that has been applied is higher than the one that was applied in 2019.

- The figure of 11,869 shares is calculated as follows: the gross amount in shares to be settled (€ 1,100,000, see section B.3) equals € 583,000 net. This figure, divided by the share price of 49.12 euros (to be adjusted on the date of the AGM), results in 11,869 shares.
- 2019-2021 LTI (2): the number reported in 2019 corresponding to this LTIP was 12,672 shares. The difference with respect to the figure now reported (12,212) is due to the same previous reason, that is, the tax withholding that has been applied is higher than the one that was applied in 2019.

iii) Long-term savings schemes

	Remuneration from vesting of rights in savings schemes
Director	

Name	Contribution for the year by the company (€ 000s)				Amount of accumulated funds (€ 000s)			
	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Schemes with vested economic rights	Schemes with unvested economic rights	Schemes with vested economic rights	Schemes with unvested economic rights
Tobías Martínez Gimeno			**250**	**250**		**1,150**		**900**

Observations

iv) Details of other categories

Name	Category	Remuneration amount
Tobías Martínez Gimeno	**Life insurance premium**	7
Tobías Martínez Gimeno	**Health insurance premium**	2
Tobías Martínez Gimeno	**Vehicle**	17
Tobías Martínez Gimeno	**Gasoline**	2

Observations

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

i) Cash remuneration (€ 000s)

Name	Fixed remuneration	Per diems	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other categories	Total year t	Total year t-1
Director 1										
Director 2										

Observations

ii) Table of movements of share-based remuneration schemes and gross benefit of vested shares or financial instruments

Name	Name of the Plan	Financial instruments at beginning of year t		Financial instruments awarded during year t		Financial instruments vested in the year				Instruments matured and not exercised	Financial instruments at end of year t	
		No. of instruments	Equiv. no. of shares	No. of instruments	Equiv. no. of shares	No. of instruments	Equiv. / vested no. of shares	Vested shares price	Gross benefit of vested shares or financial instruments (€ 000s)	No. of instruments	No. of instruments	Equiv. no. of shares
Director 1	Plan 1											
	Plan 2											

Observations

iii) Long-term savings schemes

	Remuneration from vesting of rights in savings schemes
Director 1	

	Contribution for the year by the company (€ 000s)				Amount of accumulated funds (€ 000s)			
Name	Savings schemes with vested economic rights		Savings schemes with unvested economic rights					
	Year t	Year t-1	Year t	Year t-1	Year t		Year t-1	
					Schemes with vested economic rights	Schemes with unvested economic rights	Schemes with vested economic rights	Schemes with unvested economic rights
Director 1								

Observations

iv) Details of other categories

Name	Category	Remuneration amount
Director 1		

Observations

c) Summary of remuneration (€ 000s):

The summary must include the amounts corresponding to all remuneration categories included in this report that have been earned by the director, in thousands of euros.

	Remuneration earned in the Company					Remuneration earned in group companies				
Name	**Total cash remuneration**	**Gross benefit of vested shares or financial instruments**	**Remuneration from savings schemes**	**Remuneration from other categories**	**Company year t total**	**Total cash remuneration**	**Gross benefit of vested shares or financial instruments**	**Remuneration from savings schemes**	**Remuneration from other categories**	**Group year t total**
Franco Bernabè	250				250					
Tobías Martínez Gimeno	2,996	1,100	250	28	4,374					
Pierre Blayau	145				145					
Leonard Peter Shore	145				145					
Giampaolo Zambeletti	172				172					
Bertrand Boudewijn Kan	172				172					

Marieta del Rivero Bermejo	145				145					
Marisa Guijarro Piñal	145				145					
Anne Bouverot	145				145					
Carlo Bertazzo	17				17					
Elisabetta De Bernardi di Valserra	70				70					
Mamoun Jamai	0									
Christian Coco	113				113					
Total:	4,515	1,100	250	28	5,893					

Observations
The figures presented in this table follow the same **vesting criterion**, applied and explained in the table in section C.1.a.i. For ease of comparison, the CEO's total compensation figures for the last three years are shown below (in thousands of €): • 2019: 4,989 • 2020: 4,374 (-12%) • 2021: 4,774 (+9%) The decrease in 2020 is due to the extraordinary bonus for the year 2019. If the effect of this bonus is eliminated (in order to make homogeneous comparisons), the result is as follows: • 2019: 3,989 • 2020: 4,374 (+10%) • 2021: 4,774 (+9%)

D OTHER INFORMATION OF INTEREST

If there is any relevant aspect of director remuneration that it has not been possible to include in the other subsections of this report, but that it is necessary to include in order to set forth more complete and reasoned information regarding the remuneration practices and structure of the company as regards its directors, briefly explain.

This annual remuneration report was approved unanimously by the Board of Directors of the Company at its meeting held on ___________ .

State whether there are any directors who voted against or abstained from voting to approve this Report.

Yes ☐ No ☐

Name or corporate name of the member of the Board of Directors not voting in favour of approval of this report	Reason (opposed, abstained, not in attendance)	Explain the reason