

Annual Corporate Governance Report 2019

2020 Junta General
de Accionistas
Annual Shareholders' Meeting

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**ANNUAL CORPORATE GOVERNANCE REPORT
FOR LISTED COMPANIES**

ISSUER'S IDENTIFICATION

YEAR ENDING

31/12/2019

CORPORATE TAX ID [C.I.F.] A-64907306

Company name:

CELLNEX TELECOM. S.A.

Registered office:

C/ JUAN ESPLANDIÚ 11-13, MADRID (SPAIN)

**ANNUAL CORPORATE GOVERNANCE REPORT
FOR LISTED COMPANIES**

A STRUCTURE OF OWNERSHIP

A.1 Complete the following table on the company's capital:

Date of latest modification	Share capital (€)	Number of shares	Number of voting rights
05/11/2019	96,331,632.25	385,326,529	385,326,529

Remarks

Please specify 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	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
BLACKROCK INC	0.00	4.59	0.00	0.38	4.97
EDIZIONE, S.R.L.	0.00	29.90	0.00	0.00	29.90
CRITERIA CAIXA, S.A.U.	5.00	0.00	0.00	0.00	5.00
FUNDACION	0.00	5.00	0.00	0.00	5.00

BANCARIA CAIXA D'ESTALVIS I PENSIONS DE BARCELONA					
40 NORTH LATITUDE MASTER FUND LTD	1.00	0.00	0.00	0.00	1.00
ATLANTIA, S.P.A.	0.00	0.00	0.00	5.98	5.98
CANADA PENSION PLAN INVESTMENT BOARD	3.15	0.00	0.00	0.00	3.15
WELLINGTON MANAGEMENT GROUP	0.00	4.27	0.00	0.00	4.27

Remarks

Indirect interest:

Indirect shareholder	Direct shareholder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights
BLACKROCK INC.	VARIOUS FUNDS NOT SUBJECT TO OBLIGATION TO INDIVIDUALLY DISCLOSE	4.59	0.38	4.97
EDIZIONE, S.R.L.	CONNECT, S.P.A.	29.90	0.00	29.90
FUNDACION BANCARIA CAIXA D'ESTALVIS I PENSIONS DE BARCELONA	CRITERIA CAIXA, S.A.U.	5.00	0.00	5.00
WELLINGTON MANAGEMENT GROUP	WELLINGTON GROUP HOLDINGS LLP	4.27	0.00	4.27

Remarks

Indicate the principal movements in the shareholding structure during the year:

Most significant movements		
WELLINGTON MANAGEMENT GROUP LLP (shares and financial instruments)	24/01/2019	Exceeded 3% of aggregate capital
WELLINGTON MANAGEMENT GROUP LLP (shares and financial instruments)	31/01/2019	Fell below 3% of aggregate capital
WELLINGTON MANAGEMENT GROUP LLP (shares and financial instruments)	01/02/2019	Exceeded 3% of aggregate capital
WELLINGTON MANAGEMENT GROUP LLP (shares and financial instruments)	05/02/2019	Fell below 3% of aggregate capital
WELLINGTON MANAGEMENT GROUP LLP (shares and financial instruments)	01/03/2019	Exceeded 3% of aggregate capital
PERMIAN INVESTMENT PARTNERS.LP (shares and financial instruments)	05/03/2019	Fell below 3% of aggregate capital
THREADNEEDLE ASSET MANAGEMENT LIMITED (shares and financial instruments)	06/03/2019	Fell below 5% of aggregate capital
THREADNEEDLE ASSET MANAGEMENT LIMITED (shares and financial instruments)	15/03/2019	Exceeded 5% of aggregate capital
THREADNEEDLE ASSET MANAGEMENT LIMITED	19/03/2019	Fell below 6% of share capital
BLACKROCK INC (shares and financial instruments)	04/04/2019	Fell below 5% of aggregate capital
MILLENNIUM GROUP MANAGEMENT LLC (financial instruments. Tax havens only)	15/05/2019	Exceeded 1% of share capital
WELLINGTON MANAGEMENT GROUP LLP (shares and financial instruments)	23/05/2019	Exceeded 5% of aggregate capital
BLACKROCK INC (shares and financial instruments)	28/05/2019	Exceeded 5% of aggregate capital
MILLENNIUM GROUP MANAGEMENT LLC	29/05/2019	Sold all the share capital held
FIL LIMITED (shares and financial instruments). Tax havens only	02/08/2019	Exceeded 1% of aggregate capital
CAPITAL RESEARCH AND MANAGEMENT COMPANY (shares and financial instruments)	21/10/2019	Exceeded 3% of aggregate capital
FIL LIMITED (shares and financial instruments). Tax havens only	23/10/2019	Fell below 1% of aggregate capital
FIL LIMITED (shares and financial instruments). Tax havens only	04/11/2019	Exceeded 1% of aggregate capital
CAPITAL RESEARCH AND MANAGEMENT COMPANY (shares and financial instruments)	07/11/2019	Fell below 3% of aggregate capital
WELLINGTON MANAGEMENT GROUP LLP	07/11/2019	Fell below 5% of aggregate capital

(shares and financial instruments)
FIL LIMITED 07/11/2019 Fell below 1% of aggregate capital (shares and financial instruments). Tax havens only
BLACKROCK INC 04/12/2019 Fell below 5% of aggregate capital (shares and financial instruments)

A.3 Complete the following tables on company directors that hold voting shares in the company:

Name of director	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights	% of voting rights <u>that can be transferred</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR TOBIAS MARTINEZ GIMENO	0.02	0.00	0.00	0.00	0.02	0.00	0.00
MR PIERRE BLAYAU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR BERTRAND BOUDEWIJN 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

% total of voting rights held by the Board of Directors	0.02
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Remarks

Indirect interest:

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

Remarks

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

Name of related person or company	Type of relationship	Brief description
See Section D.2.		

A.5 Indicate commercial, contractual or corporate relationships between significant shareholders and the company and/or its group, if any, except any that are insignificant and those deriving from ordinary commercial business:

Name of related person or company	Type of relationship	Brief description
See Section D.2.		

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

Explain how significant shareholders are represented, if appropriate. Specifically, identify directors that have been appointed to represent significant shareholders, those whose appointment was initiated by significant shareholders, or that are related to significant shareholders and/or its group companies, specifying the nature of those relationships. Identify, if appropriate, the existence, identity and position of members of the Board or representatives of directors of the listed company that are, in turn, members of the board of directors or representatives at companies that hold significant shareholdings in the listed company or in group companies pertaining to those 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 the relationship/position
MR CARLO BERTAZZO	CONNECT S.P.A.	EDIZIONE S.R.L.	General Manager Edizione S.r.l.
MS ELISABETTA DE BERNARDI DI VALSERRA	CONNECT S.P.A.	EDIZIONE S.R.L.	Investment Director
MR FRANCO BERNABÈ	CONNECT S.P.A.	CONNECT	Member of the Board of Directors
MR MAMOUN JAMAI	CONNECT S.P.A.	INFINITY INVESTMENTS, S.A.	Director

Remarks

A.7 Indicate any shareholders' agreements of which the company has been notified pursuant to articles 530 and 531 of the Spanish Limited Liability Companies Act. Describe briefly, if any, indicating the shareholders bound by the agreement:

Yes

No

Parties to the agreement	% of share capital affected	Brief description of the agreement	Date the agreement expires, if applicable
INFINITY INVESTMENTS S.A., RAFFLES INFRAHOLDINGS LIMITED, CONNECT S.P.A., SINTONIA S.P.A.	29.90	Shareholder Agreement dated 9 October 2018 which regulates, among others, the appointment of proprietary directors in Cellnex and establishing certain reinforced quorum for adopting certain resolutions in Connect. The specific terms of this agreement are available on the CNMV's and Cellnex's websites.	5 years
EDIZIONE S.R.L., CONNECT S.P.A., SINTONIA S.P.A., ATLANTIA S.P.A.	5.98	Co-investment agreement dated 24 July 2018 which regulates certain agreements including the right granted by Sintonia to Atlantia to co-invest in Cellnex a stake of up to 5.98% and a right of first	--

		offer and a right to match in favor of Atlantia in certain circumstances. The terms and conditions of this co-investment agreement are available on the CNMV's website as well as in Cellnex's website	
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Remarks

Indicate any concerted actions among company shareholders of which the company is aware. Describe briefly, if any:

Yes

No

Parties to the agreed action	% of share capital affected	Brief description of the agreed action	Date the agreed action expires, if applicable

Remarks

Expressly indicate any change or break-up of those agreements or concerted actions, if any, that have taken place during the year:

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A.8 Indicate any individuals or entities that exercise or may exercise control over the company pursuant to article 5 of the Securities Market Act. Identify any that exist:

Yes

No

Name

Remarks

A.9 Please complete the following tables on the company's treasury stock:

At the year-end:

Number of direct shares	Number of indirect shares (*)	% total of share capital
199,943		0.05

Remarks

(*) Through:

Name of direct holder of the stake	Number of direct shares
Total:	

Remarks

Explain any significant changes during the year:

Explain any significant changes

A.10 Detail the conditions and the period(s) of the authorization(s) granted by the shareholders' meeting to the board of directors for the issue, buy-back or transfer of treasury stock.

At the 31 May 2018 Annual General Meeting, Cellnex Telecom's shareholders approved point nine on the agenda to:

Authorise the Company's Board of Directors to carry out the derivative acquisition of treasury stock, either directly by the Company or indirectly by its controlled companies, in accordance with articles 146 and 509 of the Spanish Limited Liability Companies Act and as per the terms set out below:

1. Modalities: The acquisition may be through a sale-purchase, swap, donation, foreclosure, transfer in lieu of payment or, in general, through any other legal means of acquisition on a payment basis of outstanding and fully paid-up shares.
2. Maximum number of shares that can be acquired: Up to the legal limit of ten percent (10%) of share capital or higher if permitted by law.
3. Minimum and maximum prices: The price or consideration will vary between a minimum equivalent to par value and a maximum equivalent to the higher of (i) 110% of the trading price of the Company's shares on the Spanish Continuous Market at the time of acquisition or the closing price of the last trading session prior to the acquisition, if the latter is done outside the normal working hours of the Continuous Market; and (ii) the result of increasing by 10% the maximum share price of the three months prior to the acquisition date.
4. Authorisation period: This authorisation will remain in force for five years as from the date of this agreement.

Shares acquired in this manner will not confer any political or voting rights, while economic rights will be allocated proportionately to the other shares as per article 148 of the Spanish Limited Liability Companies Act.

Moreover and for the purposes set out in the second paragraph of point 1.a) of article 146 of the Spanish Limited Liability Companies Act, it is proposed that express authorisation be given to acquire the Company's shares to any of the controlled companies under the same terms of this agreement.

Shares acquired by virtue of this authorisation may be disposed of or redeemed or allocated either directly to the Company's employees or directors, or as a result of said holders exercising their option rights, in accordance with the third paragraph of point 1.a) of article 146 of the Spanish Limited Liability Companies Act.

Lastly, it is proposed in relation to any shares not yet acquired that Resolution Five of the Company's Sole Shareholder on 10 April 2015 authorising the Company's Board of Directors to carry out the derivative acquisition of treasury stock either directly or through group companies and to dispose of them, be cancelled.

At the 9 May 2019 Annual General Meeting, Cellnex Telecom's shareholders approved point eleventh on the agenda to:

Delegate to the Board of Directors of the Company, in accordance with Article 297.1.b) of the Spanish Limited Liability Companies Act, the authority to increase share capital, without previously consulting the Annual General Shareholders' Meeting, within the deadline set for such purpose and for a maximum limited amount provided for in the Spanish Limited Liability Companies Act, with or without pre-

emptive subscription rights, thus rewording Article 5 of the Company By-laws concerning share capital, in compliance with the following conditions:

1. Authorized capital, amount and term: the Board of Directors is authorized, as broadly as required in Law, so that, in accordance with Article 297.1. b) of the Spanish Limited Liability Companies Act, it may increase share capital, without previously consulting the Annual General Shareholders' Meeting, on one or more occasions and at any time, within the period of five years from the conclusion of this Meeting, to an amount corresponding to half of the share capital at the time of authorization (i.e. 37,334,131.625 euros of nominal value), through the issuance of new shares, ordinary or otherwise, in accordance with the applicable legal requirements - with or without share premium- the consideration of the newly issued shares consisting of cash contributions.
2. Scope of delegation: the Board of Directors may set all terms and conditions of capital increases and the characteristics of the shares as well as determine the investors and markets to which the capital increases are intended and the placement procedure to be followed, freely offer the new shares not subscribed to in the pre-emptive subscription period, and, in the case of incomplete subscription, establish that the capital increase be rendered null or that the capital be increased solely by the amount of the subscriptions made and reword the article of the by-laws relating to share capital. The Board of Directors may designate the person or persons, whether directors or not, who are to execute any of the agreements adopted in application of this authorization and, in particular, the closing of the capital increase.
3. Rights of the new shares, issue rate and consideration of the increase: the new shares issued as a consequence of the capital increase or increases agreed upon under this delegation shall be ordinary shares equal in rights to existing shares (except for dividends already declared and pending payment at the time of issuance), that will be issued at the rate of their nominal value or with the share premium determined, when applicable. The consideration of the newly issued shares shall necessarily consist of cash contributions.
4. Exclusion of pre-emptive subscription right: in accordance with the provisions of Article 506 of the Spanish Limited Liability Companies Act, the Board of Directors is expressly granted the power to exclude, in whole or in part, the pre-emptive rights in respect of all or any of the issues it agrees to carry out by virtue of this authorization, although this power will be limited to capital increases carried out under the present delegation, as well as to those increases that are carried out within the scope of the authorization provided in item twelve on the Agenda, up to an amount equivalent to 10% of the capital of the Company at the date that this decision comes into effect (i.e. 7,466,826.325 euros of nominal value).

In accordance with applicable law, the Board of Directors may make use of the authority granted to it pursuant to the provisions of the preceding paragraph when the interests of the Company so require, and provided that the nominal value of the shares to be issued, plus the share premium, if any, corresponds to the fair value of the shares of the Company resulting from the report that, at the request of the Board of Directors, must be drawn up by an independent expert, appointed for this purpose by the Companies Registrar on each occasion that use of the powers of exclusion of the right to pre-emptive subscription rights conferred in the present paragraph.

5. Request for admission: the Board of Directors is authorized to apply for admission to trading, and their exclusion, in the organized domestic or foreign secondary markets, of all shares that may be issued or, in the case of a change in the nominal value of those already issued, their exclusion and new admission, in compliance with the applicable regulations regarding trading, maintenance of and exclusion from trading.
6. Power of substitution: the Board of Directors is authorized so that, in turn, it may delegate in favour of any of the members of the Board of Directors or any other person, whether or not a member of said body, the delegated powers referred to in this agreement.

It should be noted that the shareholders have been provided with the corresponding explanatory directors' report on the delegation to increase the share capital.

Finally, it is agreed to cancel in the undrawn part Resolution Seven adopted by the General Shareholders' Meeting of the Company on 31 May 2018, under which the Board of Directors of the Company was authorized to increase share capital.

A.11 Estimated floating capital:

	%
Estimated floating capital:	51.69

Remarks

A.12 State if there is any restriction (as per articles of association or legislation, or any other type) on the transfer of securities and/or any restriction on voting rights. In particular, report the existence of any type of restrictions that make it difficult to take control of the company by acquiring shares on the market, or any prior authorization or reporting requirements concerning the acquisition or transfer of the company's financial instruments that may be applicable due to industry regulations.

Yes No

Description of the restrictions

A.13 Indicate whether the general shareholders' meeting has voted to adopt measures to neutralise a takeover bid under Act 6/2007.

Yes No

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

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

A.14 Please specify whether the company has issued securities that are not traded on a regulated market within the European Union.

Yes No

Indicate, as the case may be, the different types of shares and for each type, the rights and obligations they confer.

Indicate the different classes of shares

B

GENERAL MEETING

B.1 State and, if appropriate, provide details about differences arising with respect to the minimum quorum established by the Spanish Limited Liability Companies Act compared to the quorum required to hold a general meeting.

Yes No

	% quorum different to that established in article 193 of the Spanish Limited Liability Companies Act for general matters	% quorum different to that established in article 194 of the Spanish Limited Liability Companies Act for special matters
Quorum required on first call		
Quorum required on second call		

Description of differences

B.2 Indicate and explain, if appropriate, if there are any differences with the system stipulated in the Spanish Limited Liability Companies Act for adopting corporate resolutions:

Yes No

Describe how it differs from the system set forth in the Spanish Limited Liability Companies Act.

	Qualified majority different to that established in article 201.2 of the Spanish Limited Liability Companies Act for matters	Other cases of qualified majorities

	governed by article 194.1 of said act	
% established by the company to adopt resolutions		

Describe the differences

- B.3 Indicate the rules applicable to changes in the company's articles of association. In particular, report any majorities required to make amendments to the articles of association and any rules established for safeguarding shareholder rights when amending the articles of association.

The provisions of the Spanish Limited Liability Companies Act shall be applied to the majorities required to amend the articles of association.

- B.4 Provide details of attendance at the general meetings held during the year to which this report refers, as well as for the two preceding years:

Date General meeting	Attendance				Total
	% of directors physically present	% represented by proxy	% remote voting		
			Electronic voting	Other	
27/04/2017	40.63	36.69	0.00	0.00	77.32
Of which, floating capital:	0.63	16.62	0.00	0.00	17.25
31/05/2018	34.15	49.39	0.00	0.00	83.54
Of which, floating capital:	0.16	35.15	0.00	0.00	35.31
09/05/2019	30.36	51.49	0.00	0.00	81.85
Of which, floating capital:	0.37	25.79	0.00	0.00	26.16

Remarks
Given there are institutional investors, it is not possible to guarantee the identity of ultimate shareholders.

B.5 State whether any point on the agenda of the general meetings during the year was bot approved by the shareholders for any reason:

Yes No

Agenda points that were not approved	% votes against (*)

(*) If the point was not approved due to a reason other than votes against, provide an explanation and include “n/a” in the “% votes against” column.

B.6 Please specify whether the articles of association establish any restrictions on the minimum number of shares required to attend the general meeting or to vote remotely:

Yes No

Number of shares required to attend the general meeting	100
Number of shares required to vote remotely	100

Remarks

B.7 State 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 actions that must be subject to the approval of the general meeting.

Yes No

Explain the decisions that must be submitted to shareholders at a general meeting, other than those established by law.

B.8 Indicate the address and manner of accessing corporate governance and other general meeting information that must be made available to shareholders on the company's website.

The “Shareholders & Investors” section on the website www.cellnextelecom.com provides the information stipulated in article 539.2 of the Spanish Limited Liability Companies Act and in the Spanish National Securities Market Commission Circular 3/2015.

C

COMPANY MANAGEMENT STRUCTURE

C.1 Board of directors

C.1.1 Maximum and minimum number of directors specified in the articles of association and the number agreed by the general meeting:

Maximum number of directors	13
Minimum number of directors	4
Number of directors set by the General Shareholders Meeting	12

Remarks

C.1.2 Please complete the following table about board members:

Name of director	Representative	Director category	Position on the board	Date of first appointment	Date of last appointment	Election procedure	Date of birth
MS MARIA LUISA GUIJARRO PIÑAL		Independent	DIRECTOR	31/05/2018	31/05/2018	GENERAL SHAREHOLDERS' MEETING VOTE	
MR GIAMPAOLO ZAMBELETTI		Independent	LEAD INDEPENDENT DIRECTOR	16/04/2015	31/05/2018	GENERAL SHAREHOLDERS' MEETING VOTE	
MR TOBIÁS MARTINEZ GIMENO		Executive	CEO	17/11/2014	09/05/2019	GENERAL SHAREHOLDERS' MEETING VOTE	
MS MARIETA DEL RIVERO BERMEJO		Independent	DIRECTOR	27/04/2017	27/04/2017	GENERAL SHAREHOLDERS' MEETING VOTE	
MR PIERRE BLAYAU		Independent	DIRECTOR	16/04/2015	31/05/2018	GENERAL SHAREHOLDERS' MEETING VOTE	
MR LEONARD PETER SHORE		Independent	DIRECTOR	16/04/2015	31/05/2018	GENERAL SHAREHOLDERS' MEETING	

						VOTE	
MR BERTRAND BOUDEWIJN KAN		Independent	VICE CHAIR	16/04/2015	31/05/2018	GENERAL SHAREHOLDERS' MEETING VOTE	
MR CARLO BERTAZZO		Proprietary	DIRECTOR	13/07/2018	09/05/2019	GENERAL SHAREHOLDERS' MEETING VOTE	
MS ELISABETTA DE BERNARDI DI VALSERRA		Proprietary	DIRECTOR	13/07/2018	09/05/2019	GENERAL SHAREHOLDERS' MEETING VOTE	
MS ANNE BOUVEROT		Independent	DIRECTOR	31/05/2018	31/05/2018	GENERAL SHAREHOLDERS' MEETING VOTE	
MR FRANCO BERNABÈ		Proprietary	CHAIR	25/07/2019	25/07/2019	CO-OPTION	
MR MAMOUN JAMAI		Proprietary	DIRECTOR	20/06/2019	20/06/2019	CO-OPTION	

Total number of directors	12
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State if any directors, whether through resignation, dismissal or any other reason, left the board during the reporting period:

Name of director	Director category on removal	Date of last appointment	Removal date	Specialised committees of which he/she was a member	Indicate whether the removal took place before the end of the appointed term of office
MR JOHN BENEDICT MCCARTHY	Proprietary	09/05/2019	27/05/2019	Appointments and Remuneration Committee	YES
MR MARCO PATUANO	Proprietary	09/05/2019	24/06/2019	N.A.	YES

Reason for the removal and other remarks
Mr John Benedict McCarthy, proprietary director of ConnecT S.p.A., handed

in his notice on 27/05/2019 and was replaced by the proprietary director, Mr Mamoun Jamai, on 20/06/2019.

Mr Marco Patuano, also a Connect proprietary director, stood down as Cellnex Telecom, S.A.'s director and chairman on 24/06/2019 after leaving the posts held in Connect S.p.A. He was replaced by Mr Franco Bernabè for both posts, as a Connect S.p.A. proprietary director.

C.1.3 Please complete the following tables about the members of the board and their different categories:

EXECUTIVE DIRECTORS

Name of the director	Position in company's organizational structure	Profile
MR TOBÍAS MARTINEZ GIMENO	CEO	<p>Tobias Martinez is the company's top-ranking executive (CEO). 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 Management from the Instituto Superior de Marketing de Barcelona (Higher Institute of Marketing of Barcelona).</p>

Total number of executive directors	1
% of board total	8.33

Remarks

PROPRIETARY EXTERNAL DIRECTORS

Name of the director	Name of the significant shareholder represented or that proposed the	Profile

	appointment	
MR FRANCO BERNABÈ	CONNECT S.P.A.	<p>Franco Bernabè combines a unique experience in international corporate leadership with an active pro bono involvement in social and cultural organizations. He led as CEO the restructuring and the listing in the NYSE of Eni, one of the major international oil companies. After leaving ENI in 1998, he spent the following 20 years mostly in the telecommunications industry as CEO and Chairman of Telecom Italia. More recently he contributed to the creation of Nexi, the Italian leader in payments.</p> <p>He was Vice Chairman of Rothschild Europe, member of the board and Chairman of the Audit Committee of PetroChina for 14 years, member of the Supervisory Board of TPG Post Group in the Netherlands, member of the International Council of JP Morgan. He was also member of the Executive Committee of Confindustria and member of the European Roundtable.</p> <p>He served pro bono in the leading Italian cultural institutions as Chairman of La Biennale di Venezia, MART, Quadriennale di Roma and the Italian Commission for UNESCO.</p> <p>He was awarded an honorary doctorate in environmental sciences at the University of Parma for the impulse given to the reclamation activities for the environmental recovery of polluted sites.</p> <p>He is senior advisor to Barclays Bank. In 2011 he was knighted by the President of the Italian Republic.</p>
MR CARLO BERTAZZO	CONNECT S.P.A.	<p>As Board Member and General Manager of Edizione Srl, the Benetton family holding company. He</p>

		<p>is also Director of other companies forming part of the Edizione Group: Sintonia (CEO), ConnecT, Schema 33. In addition he is board member of Abertis Infraestructuras and Atlantia. He has been in Edizione since 1994 and has played a key role in the diversification process of the Group over the years, managing the acquisitions of Autogrill and Generali Supermercati (1995), Atlantia (2000), a stake in Telecom Italia (2001) and Gemina (2005), now called Aeroporti di Roma, merged into Atlantia. He also contributed in the development of the partnerships that Edizione over time built with Italian and international investors. He has had an active role in the management of the investments of Edizione, covering also an operating position as the CEO of the listed company Gemina (2011-2013), and being a board member of several companies including TIM and Telecom Italia Media. He also ran the key disposals of the Group, such as the sale of Generale Supermercati to Carrefour (2000) and of World Duty Free to Dufry (2015). Previously to joining Edizione, he had worked in the financial sector (Banca Commerciale Italiana, now Banca Intesa) and in the investment department of the Agnelli family holding company. He holds a degree in Business and Administration Magna cum Laude from Ca' Foscari University in Venice.</p>
<p>MS ELISABETTA DE BERNARDI DI VALSERRA</p>	<p>CONNECT S.P.A.</p>	<p>Ms de Bernardi di Valserra is the Investment Director in Edizione Srl since 2015. She is also Director of other companies forming part of the Edizione Group: ConnecT (CEO), Autostrade</p>

		<p>per l'Italia. In addition she is Board Member of Getlink and Aeroporti di Roma. She started her career in Morgan Stanley (2000) in the investment banking team, where she worked in the Communications & Media team in London and then in the corporate finance team in Milan, where she remained until 2013 as Executive Director. In Morgan Stanley, she advised on several transactions, including M&A, equity and debt transactions. Between 2013 and 2015, she has been a partner of Space Holding, launching and placing on the Italian Stock Exchange the Special Purpose Acquisition Vehicles Space SpA and Space 2 SpA, who have completed their business combinations merging with Fila, Avio and Aquafil. She graduated in Electronic Engineering Magna cum Laude at Università degli Studi di Pavia.</p>
MR MAMOUN JAMAI	CONNECT S.P.A.	<p>Mamoun Jamai serves is a "Senior Portfolio Manager" of the Infrastructure Division at the Abu Dhabi Investment Authority ("ADIA"). Mr. Jamai is responsible within the Infrastructure Division for developing and implementing investment strategy for Digital Infrastructure. Previously, he was responsible for European origination and coverage across infrastructure sectors. In addition to his responsibilities at ADIA, Mr. Jamai is a Chairman of ConneCT S.p.A and Director of Anglian Water Group and Tank & Rast. Prior to joining ADIA in 2008, he served as a member of the Industrials team at Bank of America. Mamoun Jamai is a Certified Financial Analyst (CFA) and holds a Master's degree in Finance from HEC Paris.</p>

Total number of proprietary directors	4
% of board total	33.33

Remarks

INDEPENDENT EXTERNAL DIRECTORS

Name of the director	Profile
MS MARIA 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 has a degree in Economics from the Universidad Autónoma de Madrid.</p>
MR GIAMPAOLO ZAMBELETTI ROSSI	<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 Zambelletti España, President and CEO of Zambelletti 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), Oger Telekomunikasyon (Turkey) and Telekom Austria.</p> <p>Giampaolo Zambelletti 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>MS MARIETA DEL RIVERO BERMEJO</p>	<p>Marieta del Rivero has 25 years of experience in leadership roles in the world of information and communications technology, mobility and the digital services industry and is one of the most prominent profiles in the sector in Spain. She has extensive experience and a proven track record ranging from key consumers to manufacturers and suppliers of hardware, to telecom operators and software industry. Her career and executive responsibilities have included working as Global CMO at Telefónica, CEO at Nokia Iberia and marketing director at Amena and at Xfera Móviles. She was Senior Advisor at Ericsson and President of the International Women’s Forum. She is currently Partner at Seeliger & Conde and a Board member of Gestamp Automoción S.A. In addition, she is a member of the advisory boards of the Mutual Society of Lawyers and of the “Made in Mobile” technology incubator and a member of the Board of the Spanish Directors Association (AED). She is also Vicepresident of the International Women’s Forum Spain and member the Women Corporate Directors Foundation in Spain.</p> <p>Marieta del Rivero is a graduate of Economics and Business Sciences from the Autonomous University of Madrid (UAM), AMP awarded by the IESE, and EP awarded by the Singularity University California.</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 & 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>MR LEONARD PETER SHORE</p>	<p>Leonard Peter Shore has extensive experience in the telecommunications and tech sector. He held the position of Chairman of Arqiva in the UK</p>

	<p>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. Leonard Peter Shore holds a degree in Applied Mathematics and Computing Science from the University of Adelaide.</p>
<p>MR BERTRAND BOUDEWIJN KAN</p>	<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 he moved to Lehman Brothers where he was Co-Head of the Global Telecoms Team and was a member of the European Operating Committee. In 2008 he became Head of the Global Telecoms, Media and Technology Group at Nomura and served on the Investment Banking Global Executive Committee. Among other responsibilities, he is currently a chairman of the Advisory Board of Wadhvani Asset Management and of the Supervisory Board of UWC Netherlands. Bertrand Kan graduated with B.Sc. and an M.Sc. degree in Economics from the London School of Economics.</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</p>

	Engineering from Telecom Paris.
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Total number of independent directors	7
% of board total	58.33

Remarks

State whether any director classified as independent receives any amount or benefit from the company, or its group of companies, for any reason other than remuneration for being a director; or whether the director has or has had, over the past year, a business relationship with the company or any company pertaining to the same group, whether on his/her own behalf or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If appropriate, include a statement from the board on the reasons for which it considers that the director concerned may carry out his/her duties as an independent director.

Name of the director	Description of the relationship	Reasoned statement

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why they cannot be considered proprietary or independent directors and their association with either the company, executives or shareholders:

Name of director	Reason	Related company, executive or shareholder	Profile

Total number of other external directors	N.A.
% of board total	N.A.

Remarks

Please specify any change, if any, in each director's category during the year:

Name of director	Date of change	Previous category	Current category
No information.			

Remarks

C.1.4 Complete the following table with details of the number of female directors at the end of each of the past four years, as well as the category of those directors:

	Number of female directors				% of total directors in each category			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive directors					0.00	0.00	0.00	0.00
Proprietary directors	1	1			25.00	25.00	0.00	0.00
Independent directors	3	3	1		42.8	42.8	20.00	0.00
Other external directors					0.00	0.00	0.00	0.00
Total:	4	4	1		33.33	33.33	20.00	0.00

Remarks

C.1.5 State whether the company has diversity policies relating to its board of directors on matters such as age, gender, disabilities or training and professional experience. In accordance with the definition set out in the Spanish Audit Act, small and medium-sized companies must at least report the policy they have in place on gender diversity.

Yes No Partial policies

If so, describe these diversity policies, their objectives, the measures implemented and the manner in which they have been applied, as well as the results obtained during the year. Also indicate the specific measures adopted by the board of directors and the appointments and remuneration committee to obtain a balanced and diverse group of directors.

In the event that the company does not apply a diversity policy, explain why not.

Description of the policies, objectives, measures and manner in which they have been applied, as well as the results obtained.
<p>On 18 February 2016, Cellnex Telecom’s Board of Directors approved the Director Selection and Appointment Policy, the aims of which are to ensure the Board of Directors has a suitable composition. When selecting members, the following aspects must be taken into account, among others: the Company’s share structure; the members’ diversity of knowledge, professional experience, nationality and gender; whether candidates will be able to dedicate the time required to fulfil their position; their possible specialisation in specific areas of special relevance (finance, legal matters, telecommunications, etc.); the absence of conflicts of interest (real or potential); and their personal commitment to defending the Company’s interests.</p> <p>1.- Scope of application.</p> <p>This policy applies to the selection of Board members that are natural persons. In the case of Board members that are legal persons, the provisions of this Policy shall apply to the natural persons that represent them.</p> <p>2.- Selection process.</p> <p>Pursuant to the provisions of the Spanish Limited Liability Companies Act, as regards proposing the appointment or reappointment of members of the Board of Directors, the Appointments and Remuneration Committee shall be responsible in the case of independent Board members, while the Board of Directors itself shall be responsible in all other cases. Proposals for appointment or reappointment must be presented together with a report from the Board justifying the choice by means of an assessment of the proposed candidate’s competence, experience and merits. Furthermore, proposals for the appointment or reappointment of non-independent Board members should be preceded by a report from the Appointments and Remuneration Committee.</p>

The selection of Board member candidates shall be based on a prior analysis of the needs of the Company, performed by the Board of Directors with the advice and report from the Appointments and Remuneration Committee. The aim is to integrate different professional and management experiences and skills and to promote the diversity of knowledge, experience and gender, while bearing in mind the weight of the different activities undertaken by Cellnex and considering those specific areas or sectors that need to be strengthened.

Any Board member may ask the Appointments and Remuneration Committee to consider the merits of potential candidates to cover vacant positions on the Board.

3.- Conditions to be met by candidates.

Candidates for the position of Board member of the Company must be honourable and ideal persons of recognised solvency, with the competence, experience, qualifications, training, availability and commitment required for the position.

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

When considering candidates, the Appointments and Remuneration Committee shall assess the following aspects, bearing in mind the needs of the Board of Directors:

1. The candidate's technical and professional competencies.
2. The candidate's management experience, bearing in mind the context in which Cellnex operates.
3. The commitment needed to hold the position, evaluating the positions already held by the candidate at other companies.
4. The potential existence of conflicts of interest.
5. The significance of any direct or indirect commercial, financial or professional relationships that exist or have recently existed between the candidate and the Company or other Group companies.
6. Any future proceedings that may have a detrimental effect on the candidate's responsibility or reputation.

4.- Disqualifications for being a candidate for the position of Board member.

Persons affected by any of the causes of incompatibility, incapacity or prohibition to holding the position of Board member set down by law or contained in the Company's internal regulations may not be considered as candidates for the position of Board member.

5.- Help from External advisors.

When selecting candidates for the Board of Directors, the Appointments and Remuneration Committee may hire the services of external advisors specialising in searching for and selecting candidates in order to make the process more efficient and effective.

When analysing the candidacies, the advisor must assess the requirements set

out in section 3 of this Policy.

6.- Special reference to gender diversity.

In all cases, any type of implicit bias in the candidate selection process that may imply any kind of discrimination shall be avoided.

This Policy for the Selection of Board member candidates shall promote a balanced presence of men and women on the Board of Directors.

Said Policy must ensure that, as soon as possible and at the latest by the end of 2020, the least-represented gender shall make up at least thirty percent of the total number of members of the Board of Directors.

7.- Verification of compliance with this Policy.

On an annual basis, the Appointments and Remuneration Committee shall check compliance with this Board member Selection Policy and report its conclusions to the Board of Directors.

Specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee to obtain a balanced and diverse group of directors.

- C.1.6 Explain any measures that have been adopted by the Appointments Committee so that selection procedures do not give rise to implicit barriers to the selection of female Directors, and so that the Company deliberately seeks and includes female candidates that meet the required professional profile, in order to obtain a balance between men and women.

Explanation of the measures
During 2019 the only changes in the Board's composition related to proprietary directors so there was no selection process run by the Company in which the NRC could adopt any relevant measures. In any event, please note that the Board of Directors currently has a percentage of women higher than the one established by the Unified Good Governance Code.

When despite any measures that have been adopted there are few or no female directors, please explain the reasons:

Explanation of the reasons
n/a

- C.1.7 Please explain the conclusions of the appointments committee as regards verification of compliance with the director selection policy. In particular, how that policy is promoting the objective of female directors representing at least 30% of all members of the board of directors by 2020.

The Board restructuring carried out in 2018, which included the increase of the number of members, resulted in more than 30% of the Board being female board members.

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

Name of shareholder	Reason

Indicate whether any formal requests for a place on the board from shareholders with an interest equal to or greater than that of other shareholders whose request for the appointment of proprietary directors has been met have been rejected. If so, explain why such requests were rejected:

Yes

No

Name of shareholder	Explanation

C.1.9 Indicate, if any, powers-of-attorney and authority delegated by the board of directors to directors or board committees:

Name of the director	Brief description
TOBÍAS MARTINEZ GIMENO	CEO who has been delegated all the powers of representation and management and power to sell assets that can be delegated by law or pursuant to the Company's Articles of Association.

C.1.10 Please identify any board members who hold positions as administrators, representatives of administrators or executives in companies in the listed company's group:

Name of director	Name of the group company	Position	Does he/she have executive duties?
No information.			

Remarks

C.1.11 Name any company directors or representatives of directors who are members of the board of directors or representatives of directors of non-group companies listed on Spanish stock exchanges, insofar as the company has been notified:

Name of director	Name of the listed company	Position

MR CARLO BERTAZZO	ATLANTIA S.p.A.	DIRECTOR
MS ELISABETTA DE BERNARDI DI VALSERRA	GETLINK SE	DIRECTOR
MS ANNE BOUVEROT	CAPGEMINI	DIRECTOR
MS ANNE BOUVEROT	EDENRED	DIRECTOR
MS ANNE BOUVEROT	TECHNICOLOR	CHAIRPERSON
MS MARIETA DEL RIVERO BERMEJO	GESTAMP AUTOMOCION	DIRECTOR

Remarks

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

Yes No

Explanation of the rules and identification of the regulating document
<p>On 28 June 2018, Cellnex Telecom, S.A.'s Board of Directors voted to amend the Board of Directors Regulations. Among others, the second paragraph of article 26 that read: "The directors must show proper dedication and will adopt the measures required for the sound management and control of the Company in the performance of their duties." was expanded by adding the following wording: "For this purpose, the directors of the Company may not sit on more than four boards of other listed companies other than the Company. For purposes of this rule, all the boards of companies that are part of the same group will be counted as a single board and the following will not be counted: (i) boards of holding companies or companies that may constitute vehicles or complements for the professional exercise of the director, his or her spouse or person with a similar sentimental relationship or their closest family members, (ii) boards on which the director sits as a proprietary director at the proposal of the Company or any company pertaining to its group, and (iii) the boards of companies whose purpose is complementary or accessory to another activity that, for the Company director may entail an activity related to leisure, assistance or aid to third parties or of any other kind that does not imply true dedication to a commercial business".</p>

C.1.13 State the following amounts of the overall remuneration accrued to the board of directors:

Remuneration accrued during the year to the board of directors (thousands of euros)	6,830
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Amount of pension rights accumulated by current directors (thousands of euros)	900
Amount of pension rights accumulated by former directors (thousands of euros)	

Remarks

C.1.14 Identify any members of senior management who are not executive directors and indicate the aggregate remuneration accrued to them during the year:

Name	Position
MR JOSÉ MANUEL AISA MANCHO	Corporate Director of Finance and M&A
MR ANTONI BRUNET MAURI	Director of Corporate and Public Affairs
MR LUIS DEULOFEU FUGUET	Deputy CEO
MR ALBERTO LOPEZ PRIOR	Director of Resources and Operations
MR DANIEL FERNÁNDEZ CAPO	Director of Service Management and Cellnex Ventures
MR JAVIER MARTÍ DE VESES ESTADES	General and Board Secretary
MR ALEXANDRE MESTRE MOLINS	General Director of Global Business

Total senior management remuneration (thousands of euros)	10,937
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Remarks
The difference with the amount that appears in the annual accounts is due to the fact that in the Annual Report on Corporate Governance we also add the remuneration of the internal auditor.

C.1.15 Please specify whether the board of directors regulations were amended during the year:

Yes No

Description of amendments

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C.1.16 Please specify the procedures for the selection, appointment, re-election and removal of directors. Indicate the competent bodies, the formalities and the criteria to be followed in each of these procedures.

<p>The procedures for the selection, appointment, re-election, evaluation and removal of directors are detailed in articles 18 to 21 of the Board of Directors Regulations.</p> <p>SEE EXPLANATORY NOTE ON SECTION C.1.16</p>

C.1.17 Explain to what extent the Board's annual evaluation has given rise to significant changes with respect to its internal organisation and the procedures that are applicable to its activities:

Description of changes
<p>As a result of an assessment carried out by an external advisor in 2017 and the Board's self-assessment in 2018, various changes were made during 2019 in the following areas:</p> <ul style="list-style-type: none">- Promotion of involvement in and participation in the Board and its committees.- Special evaluation of business and operational matters.- Senior management succession plan.- Assessment of the Corporate Social Responsibility risk map and actions.

Describe the evaluation process and assessed areas performed by the board of directors with the assistance, where applicable, of an external consultant, regarding the board's operations and composition, and those of its committees, as well as any other area or matter that has been evaluated.

Description of the evaluation process and assessed areas
<p>At the end of 2019, the Board carried out a self-assessment of its performance by completing a questionnaire split into several blocks of questions: (i) Board composition; (ii) Board performance; (iii) Board chairman; (iv) Board secretary; (v) Board committees; (vi) performance of CEO and relationship with senior management; (vii) Board's alignment with and commitment to strategic objectives; (viii) individual contributions of members; and (ix) overall assessment of Board. All directors completed the questionnaire.</p>

C.1.18 Provide detailed information, as applicable for any years in which the evaluation has involve the assistance of an external consultant, on business relations between the consultant or any of its group companies with the company or any other group company.

The assessment by an external advisor was carried out in 2017. There have not been any business relations with the advisor.

C.1.19 Please specify the situations in which board members are required to resign.

1. Directors shall resign from their posts when they have completed the period for which they were appointed and when decided by the General Meeting under the powers legally or statutorily vested therein.
2. Directors must tender their resignation to the Board and, if the Board of Directors considers it appropriate, formally resign in the following cases:
 - a) When they cease to hold the executive positions with which their appointment as Director was associated. Independent directors: when they complete twelve (12) years in the position;
 - b) When they find themselves in a situation of conflict of interests or a prohibited situation as provided for by law;
 - c) When they are prosecuted for an alleged criminal act or are subject to disciplinary proceedings for serious or very serious misconduct instituted by the supervisory authorities;
 - d) When their continued presence on the Board may jeopardise the Company's interests or when the reasons for which they were appointed cease to exist. The above circumstance shall be deemed to occur in the case of proprietary directors when the total shareholding they own or whose interests they represent is disposed of or when the reduction of such shareholding requires a reduction in the number of relevant proprietary directors.
3. Executive directors must tender their resignation to the Board once they have reached the age of 70, and the Board must decide whether they may continue to perform their executive or delegated functions or remain simply as a director.
4. Whenever, due to resignation or any other reason, directors leave their position before the completion of their mandate, an explanation must be given of the reasons for this decision in a letter addressed to all members of the Board of Directors. Without prejudice to the timely communication of the cessation as a material event, the Board will give account of the cessation in the Annual Corporate Governance Report.
5. The Board of Directors may only propose the cessation of an independent director before the end of the statutory period when there is just cause, as appreciated by the Board following a report by the Appointments and Remuneration Committee. In particular, just cause will be deemed to exist when the director goes on to hold new offices or undertakes new duties that prevent him or her from devoting the necessary time to the tasks inherent in the role of director, fails to perform the duties inherent to his or her office or is involved in any of the circumstances that might cause him or her to lose his or her status of independent director, in accordance with the provisions of the applicable legislation. Said removal from a post may also be proposed as a result of a public tender offer, merger, or other similar

Additional requirements and/or maximum number of terms of office	
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C.1.24 Indicate whether the articles of association or the board of directors' Regulations establish specific rules for delegating votes within the board of directors to other directors, the manner in which it is done and, in particular, the maximum number of delegations that a director may make, as well as whether there is any limitation to the categories of director who can be delegated votes other than those stipulated by law. Briefly provide details of any such rules.

Article 23.a of the Articles of Association state that any director may confer representation to another director in writing, by fax, email or any other similar method. Non-executive directors may only confer representation to another non-executive director.
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C.1.25 Please specify the number of meetings held by the board of directors during the year. Also indicate how many times the board met without the chairman in attendance. Attendance is deemed to include any proxies made with specific instructions.

Number of board meetings	17
Number of board meetings without the chairman present	1

Remarks

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

Number of meetings	0
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Remarks

Indicate the number of meetings held during the year by the various board committees:

Number of meetings held by the executive committee	
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Number of meetings held by the audit committee	10
Number of meetings held by the appointments and remuneration committee	8
Number of meetings held by the appointments committee	
Number of meetings held by the remuneration committee	
Number of meetings held by the _____ committee	

Remarks

C.1.26 Please specify the number of meetings held by the board of directors during the year and information regarding the attendance of its members.

Number of meetings at which at least 80% of the directors were physically present	16
% attendance of total votes during the year	94.60
Number of meetings at which all directors were physically present or represented by proxies with specific instructions	11
Votes issued when physically present and represented by proxies with specific instructions, as a percentage of the total votes cast during the year	94.60

Remarks

C.1.27 Please specify whether the annual individual and consolidated annual accounts are certified before being presented to the board for approval:

Yes No

If appropriate, name the person(s) certifying the company's individual and consolidated annual accounts before they are approved by the board:

Name	Position
MR. JOSÉ MANUEL AISA MANCHO	Corporate Director of Finance and M&A
MR. TOBIAS MARTINEZ GIMENO	CEO

Remarks

C.1.28 Explain the mechanisms, if any, established by the board to avoid a qualified audit report on the individual and consolidated annual accounts from being presented to shareholders at a general meeting.

In accordance with article 39.3 of the Board of Directors Regulations, the Board shall strive to prepare the annual accounts in such a way that avoids the auditor including any qualifications in the audit report. However, when the Board considers it should apply its own criteria, it shall explain publicly the content and scope of any discrepancies. Additionally, among others, the Audit and Control Committee shall supervise the process of preparing and presenting the statutory financial information as well as the completeness thereof.

The Audit and Control Committee holds regular meetings with the Company's external auditors to avoid discrepancies in the criteria to be followed in preparing the annual accounts.

C.1.29 Is the Secretary of the Board a Director?

Yes

No

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

Name of the secretary	Representative
MR JAVIER MARTI DE VESES ESTADES	

Remarks
Mr Javier Martí de Vesés was Secretary non-member of the Board until 31/12/2019 (including). As from 31/12/2019 Mr Jaime Velázquez Vioque is the Secretary non-member of the Board.

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

One of the duties of the Audit and Control Committee (article 15.b of the Board of Directors Regulations) is to put before the Board of Directors, so that it may submit them to the General Shareholder's Meeting, in accordance with the regulations in force from time to time: (i) any proposals for the selection, appointment, re-election or replacement of the external auditor or auditing firm,

(ii) the terms of engagement, (iii) the scope of their professional mandate and, as the case may be, (iv) any revocation or non-renewal, (v) garnering from the auditor information on the audit plan and progress implementing it, and (vi) preserving its independence in the exercise of its duties.

Another function (article 15.d of the same Regulations), is to establish the appropriate relations with external auditors or auditing firms in order to receive information on issues that may jeopardise the independence of the same, to be studied by the Committee, and any other information relative to the auditing of the accounts, as well as any other notifications envisaged in legislation and regulations concerning the auditing of accounts. In all cases, the Committee must receive on an annual basis from the external auditors or external auditing companies written confirmation of their independence from the Company or any organisations directly or indirectly related thereto, in addition to information regarding any additional services of any kind provided to said organisations and the corresponding fees received therefrom by the external auditors or external auditing companies, or by persons or organisations related thereto in accordance with the provisions established in the legislation applicable to the auditing of accounts.

Additionally, another function of the Audit and Control Committee (article 15.e of the Board of Directors Regulations) is to issue annually, prior to the issuance of the audit report on the annual accounts, a report which shall express an opinion on the independence of the auditors or audit companies. This report must contain, in all cases, an evaluation of the provision of the additional services referred to in the previous paragraph, considered individually and as a whole, other than the legal audit, and in connection with their independent status or with the governing regulations of the audit.

In accordance with legal requirements, the fees paid to the Company's external auditor for all audit and non-audit services rendered are disclosed in the notes to the Company's annual accounts.

The Company's governing bodies pay particular attention to ensuring the independence of financial analysts, investment banks and rating agencies.

C.1.31 Please specify whether the company changed its external auditor during the year.
If so, name the outgoing and incoming auditor:

Yes

No

Outgoing auditor	Incoming auditor

Remarks

If the company had any disagreements with the outgoing auditor, indicate their

nature:

Yes

No

Explanation of disagreements

C.1.32 State whether or not the audit firm does any work for the company and/or its group other than standard audit work and, if so, indicate the amount of the fees received for such work and the percentage these represent of the total fees invoiced to the company and/or its group:

Yes

No

	Company	Group companies	Total
Amount of work other than standard audit work (thousands of euros)	1,734	32	1,766
Fees for work other than standard audit/Fees for audit work (%)	628	2.6	117

Remarks

C.1.33 Please specify whether the audit report on the annual accounts for the preceding year contains a disclaimer of opinion or qualifications. If so, indicate the reasons given to shareholders by the chair of the audit committee for the content and scope of those qualifications or disclaimer.

Yes

No

Explanation of the reasons

C.1.34 Please provide details on the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated annual accounts. In addition, indicate the ratio of the number of years audited by the current auditors to the total number of years that the annual accounts have been audited:

	Individual	Consolidated
Number of consecutive years	7	7

	Individual	Consolidated
Number of years audited by the current audit firm/Number of years that the company or its group has been audited (%)	100%	100%

Remarks

C.1.35 Indicate, providing details as necessary, if there is an established procedure for directors to obtain any information they may need to prepare for meetings of the governing bodies sufficiently in advance:

Yes

No

Procedure details
<p>Pursuant to section 22 of the Board of Directors Regulation, the agenda of Board meetings will clearly indicate any points regarding which the Board of Directors must adopt a decision or resolution so that the directors may examine or gather, in advance, the information required for the adoption thereof. All information referring to the proposals to be presented to directors will be available to them at least forty-eight (48) hours in advance.</p> <p>The information sent to directors during the financial year 2019 was generally circulated one week in advance of the meetings.</p>

C.1.36 Indicate, providing details if appropriate, if the company has established rules requiring directors to report and, if necessary, resign in any cases that could be detrimental to the company's reputation:

Yes

No

Explain the rules
<p>Article 21 of the Board of Directors Regulations provides that directors must tender their resignation to the Board and, if the Board of Directors considers it appropriate, formally resign in the following cases:</p> <ul style="list-style-type: none"> - When they find themselves in a situation of conflict of interests or a prohibited situation as provided for by law; - When they are prosecuted for an alleged criminal act or are subject to disciplinary proceedings for serious or very serious misconduct instituted by the supervisory authorities;

- When their continued presence on the Board may jeopardise the Company's interests; or
- When the reasons for which they were appointed cease to exist.

The above circumstance shall be deemed to occur in the case of proprietary directors when the total shareholding they own or whose interests they represent is disposed of or when the reduction of such shareholding requires a reduction in the number of relevant proprietary directors.

C.1.37 Indicate whether the company has been notified by a board member that he/she has been charged with, or is being tried for, any of the crimes stipulated in article 213 of the Spanish Limited Liability Companies Act:

Yes

No

Name of the director	Crime	Remarks

Indicate whether or not the board of directors has analysed the case. If the answer is yes, provide a detailed explanation of the decision taken on whether or not the director shall continue in the post or, where applicable, explain the action taken by the board of directors prior to the date of this report or any that it plans to take.

Yes

No

Decision adopted/action taken	Reasoned explanation

C.1.38 Provide details of any significant resolutions adopted by the company coming into force or modified or concluded in the event of a change in control of the company due to a takeover, and its effects.

Debentures and other loans

The terms and conditions of the bonds include a change of control clause (as requested by bondholders) which, if evoked, would require the bonds to be redeemed early.

For bonds issued as part of the EMTN Programme, the put option can only be triggered if there is a change of control event and the bonds' credit rating is downgraded due to said change of control (as defined in the terms and conditions of the EMTN Programme). For the convertible bonds, the put option can only be exercised if there is a change of control or an event that triggers the offering (as defined in the terms and conditions of the EMTN Programme).

In both clauses, a change of control event is defined as the acquisition of more than 50% of the voting rights in the parent company or the right to appoint or remove all or a majority of the controlling company's board of directors.

Loans and credit facilities

For the loans and credit facilities entered into by Cellnex, the change of control trigger is at Cellnex level and for the syndicated facilities agreement entered into by Swiss Towers, the change of control trigger is measured with respect to Cellnex Switzerland, Swiss Towers and Swiss Infra Services (as defined below). A “change of control event” is generally triggered when a third party, alone or together with others, acquires either 50% of shares with voting rights, or obtains the right to appoint or dismiss the majority of the members of the board of directors of the relevant company.

Infrastructure procurements

With regards to purchases of the Group’s infrastructure by mobile telephone operators, the agreements signed with the vendors include change of control clauses stipulating that if one of the vendor’s competitors becomes the controlling shareholder of the company in question (where control is defined as the acquisition of more than 50% of the voting rights in the parent company or the right to appoint or remove all or a majority of the controlling company’s board of directors), the vendor is entitled to repurchase the aforesaid infrastructure. This repurchase right may also be granted if one of the vendor’s competitors acquires a significant part of the shares or obtains the voting or governance rights that could be exercised in such a way that is detrimental to the vendor’s interests. The change of control provisions can be triggered in Cellnex Telecom and at group company level.

C.1.39 Please identify, individually when concerning directors and on an aggregate basis in all other cases, any agreements between the company and its administration and management or employees entitling said parties to compensation or including guarantee or gold parachute clauses upon their resignation or wrongful dismissal, or if the contractual relationship comes to an end due to a takeover or any other type of transaction.

Number of beneficiaries	2
Type of beneficiary	Description of the agreement
CEO and senior management	<p>Directors have signed agreements with the Company that contain compensation clauses.</p> <p>In general terms, the compensation clause in these agreements provides for the payment of compensation to the executive in the event of unfair dismissal. Said compensation will be equal to the higher of the following amounts:</p> <ul style="list-style-type: none"> a) compensation equivalent to one year’s salary, taking into consideration the annual gross fixed remuneration in cash received at the time the employment relationship is terminated, as well as the annual gross variable remuneration received by the executive in the 12 months immediately before the

	<p>effective cessation of their services; or</p> <p>b) the compensation established in current employment legislation.</p> <p>In the case of the CEO and other members of senior management, compensation will be equal to the higher of the following amounts:</p> <p>a) compensation equivalent to one year's salary, taking into consideration the annual gross fixed remuneration in cash received at the time the employment relationship is terminated, as well as the annual gross variable remuneration received by the executive in the 12 months immediately before the effective cessation of their services; or</p> <p>b) the compensation established in current employment legislation.</p> <p>In the case of the CEO and other members of senior management, the compensation clause in the contracts provides for the payment of compensation in favour of the executive in the event of (i) unfair dismissal or (ii) unilateral termination of the contract by the director due to serious breach by the Company of the obligations set out in the contract, a substantial change in their duties without consent, a change in control of the Company as specified in article 42 of the Code of Commerce and similar circumstances.</p>
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State whether these agreements have to be reported to and/or approved by the governing bodies of the company or its group, beyond what is required by law: If so, specify the procedures, foreseen cases and the nature of the bodies responsible for said reporting and/or approval:

	Board of directors	General meeting
Body authorising the clauses	X	

	Yes	No
Is the general meeting informed of the clauses?		X

Remarks
The Board approves the basic conditions applicable to senior management based on a report from the Appointments and Remuneration Committee.

C.2 Board committees

C.2.1 Please provide details on all board committees, their members and the proportion

of executive, proprietary, independent, and other external Directors on the committee:

EXECUTIVE COMMITTEE

Name	Position	Category

% of executive directives	
% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the duties delegated or attributed to this committee, other than those already described in section C.1.10 and describe the procedures and rules governing its organisation and operation. Indicate the most important actions relating to each of these duties during the year and how each of the assigned duties, whether by law, the articles of association or other corporate agreements, have been fulfilled in practice.

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AUDIT COMMITTEE

Name	Position	Category
MR LEONARD PETER SHORE	MEMBER	Independent
MR BERTRAND BOUDEWIJN KAN	CHAIRMAN	Independent
MS ELISABETTA DE BERNARDI DI VALSERRA	MEMBER	Proprietary
MS ANNE BOUVEROT	MEMBER	Independent

% of executive directives	0.00
% of proprietary directors	25.00

% of independent directors	75.00
% of other external directors	0.00

Remarks

Explain the duties, including any additional to those required by law, attributed to this committee and describe the procedures and rules governing its organisation and operations. Indicate the most important actions relating to each of these duties during the year and how each of the assigned duties, whether by law, the articles of association or other corporate agreement, have been fulfilled in practice.

SEE EXPLANATORY NOTE ON SECTION C.2.1

Identify the directors on the audit committee appointed based on his or her knowledge and experience in the areas of accounting, auditing, or both and state the date on which the chairperson of this committee was appointed.

Names of experienced directors	MR BERTRAND BOUDEWIJN KAN/MS ELISABETTA DE BERNARDI DI VALSERRA
Date the chairperson was appointed	16/02/2017

Remarks

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
MS MARIA LUISA GUIJARRO PIÑAL	MEMBER	Independent
MR GIAMPAOLO ZAMBELETTI ROSSI	CHAIRMAN	Independent
MS MARIETA DEL RIVERO BERMEJO	MEMBER	Independent
MR PIERRE BLAYAU	MEMBER	Independent
MR MAMOUN JAMAI	MEMBER	Proprietary

% of executive directives	0.00
% of proprietary directors	20.00
% of independent directors	80.00
% of other external directors	0.00

Remarks

Explain the duties, including any additional to those required by law, attributed to this committee and describe the procedures and rules governing its organisation and operations. Indicate the most important actions relating to each of these duties during the year and how each of the assigned duties, whether by law, the articles of association or other corporate agreement, have been fulfilled in practice.

SEE EXPLANATORY NOTE ON SECTION C.2.1

APPOINTMENTS COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the duties, including any additional to those required by law, attributed to this committee and describe the procedures and rules governing its organisation and operations. Indicate the most important actions relating to each of these duties during the year and how each of the assigned duties, whether by law, the articles of association or other corporate agreement, have been fulfilled in practice.

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REMUNERATION COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the duties, including any additional to those required by law, attributed to this committee and describe the procedures and rules governing its organisation and operations. Indicate the most important actions relating to each of these duties during the year and how each of the assigned duties, whether by law, the articles of association or other corporate agreement, have been fulfilled in practice.

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_____ COMMITTEE

Name	Position	Category

% of executive directives	
% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Please explain the duties attributed to this committee and describe the procedures and rules for its organization and operation. Indicate the most important actions relating to each of these duties during the year and how each of the assigned duties, whether by law, the articles of association or other corporate agreement, have been fulfilled in practice.

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C.2.2 Please complete the following table with the information on the number of female directors on the Board Committees at the end of the last four years:

	Number of female directors			
	Year t Number – %	Year t-1 Number – %	Year t-2 Number – %	Year t-3 Number – %
Executive committee				
Audit committee	2 – 50%	2 – 50%	0 – 0%	0 – 0%
Appointments and remuneration committee	2 – 40%	2 – 40%	1 – 25%	0 – 0%
Appointments committee				
Remuneration committee				
_____ committee				

Remarks

C.2.3 Indicate the existence, if appropriate, of board committee regulations, where they are available for consultation, and any amendments made during the year. Also indicate whether an annual report on the activities of each committee has been drafted voluntarily.

The Board committees do not have their own regulations and their functioning is regulated by the Board of Directors Regulations, which are available on the Company's website.

Each of these committees has drawn up an activity report for 2019, which is available on the Company's website.

RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1 Explain any procedures and competent bodies for approving transactions with related parties or intragroup transactions.

Pursuant to article 4 of the Board of Directors Regulations, the Board will have the authority to approve, based on a report from the Audit and Control Committee, any operations between the Company and its directors, significant shareholders, shareholders with board representation or other persons related thereto, except when these fulfil the three following conditions:

- 1) They are carried out by virtue of contracts, the conditions of which are standardised and apply en masse to many customers.
- 2) They go through at market prices, generally set by the person supplying the goods or services.

3) Their amount is no more than 1% of the group's annual revenues.

Furthermore, article 33 of the aforementioned regulations establishes that:

The Board of Directors formally reserves the right to know about any important transaction by the Company with a significant shareholder.

With regard to ordinary transactions, the general authorisation for the line of operations and their conditions of execution will suffice.

D.2 Please describe any transactions for significant amounts or relating to significant issues between the Company or group companies and the company's significant shareholders:

Name of the significant shareholder	Name of the company or group company	Nature of the relationship	Type of transaction	Amount (Thousand euro)
ConneCT	Cellnex Telecom, S.A.	Corporate	Dividends and other benefits distributed	7,959
Criteria Caixa, S.A.U.	Cellnex Telecom, S.A.	Corporate	Dividends and other benefits distributed	1,331
Canada Pension Plan Investment Board	Cellnex Telecom, S.A.	Corporate	Dividends and other benefits distributed	840
Wellington Management Group LLP	Cellnex Telecom, S.A.	Corporate	Dividends and other benefits distributed	1,229
Blackrock, Inc	Cellnex Telecom, S.A.	Corporate	Dividends and other benefits distributed	1,317

Remarks

D.3 Please describe any transactions for significant amounts or relating to significant issues between the company or group companies and the company's administrators or directors:

Name of administrators or directors	Name of the related party	Relationship	Nature of the transaction	Amount (thousands of euros)

Remarks
See Note 22.a) of the 2019 consolidated annual accounts.

D.4 Please describe any significant transactions carried out by the company with other companies belonging to the same group, to the extent that they are not eliminated for the purposes of preparing the company's consolidated financial statements and do not (in terms of their purpose and conditions) form part of the company's ordinary business activities.

In any event, any intragroup transactions carried out with companies established in countries or territories that are considered to be tax havens will be reported:

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

Remarks
At 31 December 2019, the Group had no material balances payable to or receivable from associates of the Cellnex Group.
It also performed no transactions for material amounts with associates in 2019.

D.5 Describe any significant transactions between the company or group companies and other related parties, if not reported in the preceding sections.

Name of the related party	Brief description of the transaction	Amount (thousands of euros)
Hispasat, S.A.	Leasing of capacity of certain satellite transponders	2
Atlantia	Agreement under which the Group can install certain assets to provide telecommunications infrastructure services on Italian motorways that are operated under concession by Atlantia until 2038	4

Remarks
In addition to the aforementioned contracts, no transactions for material amounts have been performed with related parties during the financial periods ended 31 December 2019.

D.6 Please describe the mechanisms established to detect, assess, and resolve potential conflicts of interests between the company and/or its group and its directors, executives or significant shareholders.

<p>In accordance with the Board of Directors Regulations, directors and executives must report any conflicts of interest and abstain from participating or influencing the decision-making process on matters affected by the conflict. Directors (article 27.c of the Board of Directors Regulations) must abstain from participating in discussions and votes regarding resolutions or decisions in which they or a related person has a direct or indirect conflict of interest. Resolutions or decisions that affect their status as directors, such as their appointment to or removal from positions in the governing body or other similar decisions, shall be excluded from the aforementioned obligation to abstain.</p> <p>Additionally, Directors (article 27.e of the same Regulations) must adopt the necessary measures to avoid situations in which their interests, whether on their own account or that of others, may conflict with the Company's interests and their duties towards the Company. The foregoing excludes cases in which the Company has provided its consent, pursuant to the terms set forth in article 230 of the Spanish Limited Liability Companies Act.</p> <p>Directors (article 28 of the same Regulations) must advise the Board of Directors of any direct or indirect conflict that they or people related to them might have with the Company's interests. The director concerned will refrain from taking part in resolutions or decisions related to the operation to which the conflict refers. The votes of the directors affected by the conflict and who must abstain, will be deducted for the purposes of calculating the majority of votes needed. In particular, the duty to avoid conflicts of interest obliges directors to refrain from:</p> <ul style="list-style-type: none"> a) Carrying out transactions with the Company, except when these are ordinary operations, carried out under standard conditions for customers, and are of little importance; understood as those operations whose information is not required to convey a true and fair view of the Company's assets, financial position and results. b) Using the Company's name or their status as director to unduly influence the conduct of private operations. c) Using the Company's assets, including its confidential information, for private purposes. d) Taking advantage of the Company's business opportunities. e) Obtaining benefits or payments associated with the performance of their position from third parties other than the Company or its Group, unless they are acts of mere courtesy. f) Carrying out activities, on their own account or for others, that cause them to be in effective competition, whether real or potential, with the Company or which, in any other way, cause a permanent conflict with the Company's interests.
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In July 2016, Cellnex's Board of Directors approved a new Internal Code of Conduct (ICC) adapted to the requirements of the European Market Abuse Regulation. With regard to conflicts of interest, the ICC establishes:

Principles of action

In any situation involving a "Conflict of Interest" (being a clash between the interests of the Company and the personal interests of the Affected Person), Affected Persons shall act in accordance with the following principles:

(i) Independence.

They must act at all times with loyalty to the Company, irrespective of their own interests or those of third parties.

(ii) Abstention.

They must refrain from intervening or influencing in the taking of decisions concerning matters affected by the conflict.

(iii) Confidentiality.

They shall refrain from accessing confidential information which may have a bearing on the aforesaid conflict.

Notification of conflicts of interest

Affected Persons shall notify the General Secretary's Office of any possible conflicts of interest to which they are subject by their family relationships, their personal holdings, their activities outside the Company, or on any other grounds.

It shall be considered that there is no conflict of interests owing to family relationships when said relationship is beyond the fourth degree of consanguinity or the second degree of affinity.

It shall be considered that there is a possible conflict of interests derived from personal holdings when said holdings arise in relation to a company in which the Affected Person holds a management post or has a significant stake (which is understood to mean a total stake, direct or indirect, in excess of twenty per cent of its total issued share capital).

Affected Persons must ensure that the information is kept up to date, reporting any modification to or termination of previously communicated situations, as well as the emergence of any new possible conflicts of interest.

Communications must be issued without delay once the current or possible situation of conflict of interest is recognised, prior to taking any decision which may be affected by the possible conflict of interest.

Members of the Board of Directors

In addition to the foregoing, the members of the Company's Board of Directors shall be subject to the provisions of the applicable corporate regulations and internal Company's rules.

D.7 Is there more than one group company listed in Spain?

Yes

No

Identify other companies that are listed in Spain and its relationship with the company:

Identity and relationship with other listed companies in the group.

State whether or not the respective areas of activity and business relationships between them, as well as those between any other listed company and all other group companies, have been precisely disclosed publicly.

Yes

No

Define any business relationships between the parent company and the listed subsidiary, and between the latter and other group companies

Identify the mechanisms established to resolve any conflicts of interest between the listed company and other group companies:

Mechanisms to resolve possible conflicts of interest

E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's risk management and control system, including the tax area.

The Risk Management and Control System provides continuous, end-to-end management, consolidated by geographical area/subsidiary and support services at corporate level. It is currently in place at corporate headquarters and in Spain, France, the Netherlands, Italy, the United Kingdom and Switzerland. It is planned that the Risk Management and Control System will be rolled out at the subsidiary in the Republic of Ireland in 2020, since it recently joined the Group.

A risk management model is in place that has been approved and is overseen by the Audit and Control Committee. It is applicable to all business units and corporate units in every country where the Cellnex Group operates.

There are guidelines to identify risks that have been defined and approved by the Audit and Control Committee. Each area of the Company is responsible for identifying, assessing and monitoring inherent and residual risks and also for supervising and implementing control measures to mitigate such measures.

The risk map is approved and reviewed by the Audit and Control Committee which informs the Board of Directors, and it is also discussed with and implemented by the Management Committee.

E.2 Please identify the bodies of the company that are responsible for developing and implementing the risk management and control system, including the tax area.

The following bodies are responsible for defining, executing and monitoring the risk management system:

- *Board of Directors*: the highest body responsible for defining the risk control strategy and policy.
- *Audit and Control Committee*: designated as such by the Board of Directors, its role is to monitor the effectiveness of the risk management model and the information supplied to third parties regarding the system, making sure that the risk management system is able to identify, manage, prioritise, control, monitor and provide complete information on risks.
- *Risk Control*: is responsible for preparing and updating risk management policies, setting out mechanisms and methodologies to identify and assess risks, updating risk maps, implementing a system for monitoring and reporting to the most senior governing bodies, and reviewing the controls that mitigate the identified risks.
- *Management Committee*: is responsible for risk management involving implementation of the defined risk policies, approval of risk maps, assigning of responsibilities, implementation of control activities and action plans, and monitoring of existing risks within its jurisdiction.
- *Managers*: each area manager is responsible for identifying their risks and informing Risk Control in a timely fashion. Likewise, he or she is responsible for identifying and implementing control activities aimed at mitigating risks.

- E.3 Indicate the primary risks, including tax risks and, if significant, those deriving from corruption (the latter being those defined in Royal Decree-Law 18/2017) that may affect achieving the Company's business objectives.

The main risks that may prevent the Company from achieving its objectives are:

- Strategic: such as mergers between telecommunications operators, the emergence of new competitors, restrictions on growth in regulated markets.
- Compliance: following changes in tax, legal or environmental law or being subject to litigation or other judicial processes, etc.
- Financial: as a result of customers defaulting on payments, access to financing, fluctuations in share price.
- Operating: derived from the integration and optimisation of acquisitions, increase in exposure of information systems, emergence of alternative technologies, capacity to attract and retain qualified personnel.

- E.4 State whether the company has a risk tolerance threshold, including in the tax area.

Tolerance thresholds are defined in the risk assessment matrix.

For the identified risks, each person responsible evaluates the possible impact of such risks should these occur, and classifies them as low, medium, high or critical depending on their economic impact, implications for the organisation and impact on reputation. Following this, the probability of each risk actually occurring is evaluated. The degrees of probability used are: unlikely, possible, probable and almost certain. Risks are prioritised based on their impact and probability.

- E.5 State the risks, including those in the tax area, that have occurred during the year.

The most relevant risks occurring during the year are as follows:

- . Part of the Group's revenue comes from a small number of customers. The main customers in the segment providing infrastructure services for mobile telecommunications operations are telecommunications operators (primarily MNOs); the main customers in the broadcasting infrastructure segment are media organisations (TV channels and radio stations); and in the other network services segment, the main customers are: (i) a small number of local, regional and national public administrations, (ii) emergency and security organisations, (iii) companies operating in the public services sector, and (iv) certain telecommunications operators. The current process of consolidation in the telecommunications and broadcasting sectors could reduce the number of communications and broadcasting operators in the future, which could have a negative impact on the Group's core segments.
- . Access to finance to ensure sufficient funds are in place to fulfil future investment commitments and payment obligations.
- . Increase in competition to acquire assets and companies in relation to the Group's business expansion.

- E.6 Explain the response and supervision plans for the company's main risks, including tax risk, as well as the procedures followed by the company to ensure that the board of

directors responds to any new challenges that arise.

Response and supervision plans for the main risks are established in risk management model that is in place. The risks are assessed to determine their importance.

The risk maps and risks classed as a priority are reviewed by the Audit and Control Committee, which then reports to the Board of Directors. Any changes in non-priority risks are also reviewed in the same manner. All areas are also responsible for managing risks.

With a view to reducing exposure to risks such as: the risks of sharing infrastructure; regulatory changes; technological advances and the development of alternative, currently unused technologies; a heightening of competition, the Group implements a policy of selective growth, diversification and internationalisation, nurtures ties with public administrations to develop infrastructure, and forges ahead with an efficiency plan to streamline operational investments and expenses.

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICFRS)

Describe the mechanisms that make up the risk management and control systems in place in relation to the company's financial reporting system (ICFRS).

F.1 The company's control environment

Describe the following, providing details of their principal characteristics:

F.1.1 Which bodies and/or areas are responsible for: (i) the existence and maintenance of an adequate and effective ICFRS; (ii) its implementation and (iii) its supervision.

The Internal Control over Financial Reporting System (ICFRS) at Cellnex forms part of its general internal control system and consists of a set of processes which the Board of Directors, the Audit and Control Committee, management and staff implement to provide reasonable assurance as to the reliability of the financial information reported to the market.

Cellnex's ICFRS Organisation and Supervision Model (hereinafter, the "ICFRS Organisation Model") establishes that the Board of Directors is the highest authority responsible for supervising the internal reporting systems, as well as the Risk Management and Control Policy. In addition, the Company's Articles of Association and Board of Directors Regulations stipulate, inter alia, the following powers and responsibilities:

- Defining general company policies and strategies, as well as the Company's corporate governance policies.
 - Preparing and approving the annual accounts and any other report or information required by law.
 - Approving the financial information that, because of its status as a listed company, the Company must periodically publish.
- Drawing up the Risk Management and Control Policy, including tax risks, as well as supervising internal information and control systems.

- Supervising the correct functioning and actions of the delegated bodies, including the Audit and Control Committee and designated directors.

According to the Board of Directors Regulations (article 15), the Audit and Control Committee's basic responsibilities include:

- Supervising the preparation and filing of mandatory financial information, as well as the completeness thereof.
- Supervising the effectiveness and suitability of Cellnex's internal control and risk assessment procedures, and the monitoring and control measures required to avoid criminal offences and the risk management systems, including tax risks, and the systems in place to manage compliance with all applicable legislation.
- Discussing with the auditor any significant weaknesses of the internal control system detected during the auditing process.
- Overseeing internal auditing services, ensuring their independence and making sure that the recommendations and suggested corrective measures be considered by management.

Cellnex Internal Audit is in turn responsible for supervising the ICFRS under the powers bestowed on it by the Audit and Control Committee. The Corporate Development and Finance Division is responsible for its design, maintenance and implementation.

F.1.2 Do any of the following exist, especially with respect to the process of preparing financial information:

- Departments and/or mechanisms responsible for: (i) designing and revising the organisational structure; (ii) clearly defining lines of responsibility and authority, ensuring proper distribution of tasks and duties; and (iii) ensuring that there are sufficient procedures in place for the proper dissemination thereof within the company.

The Cellnex Board of Directors assigns responsibility for designing and reviewing the organisational structure related to the preparation of financial information to the General Services and Organisation Division and to the Corporate Development and Finance Division. These divisions draw up guidelines on the organisational structure and distribution of responsibilities and the procedure to design, review, update and disseminate these guidelines. This process is documented in the form of organisational charts and process models and associated regulations which form part of Cellnex's catalogue of policies.

Cellnex has an internal organisational chart which covers all areas and which is basically divided by division (including those divisions involved in preparing, analysing and overseeing financial information). This organisational chart indicates responsibilities up to a certain management level and is supplemented by other more detailed organisational charts at departmental level.

Regarding the preparation of financial information, in addition to the detailed organisational charts and with the aim of assigning responsibilities, an ICFRS

Organisational Model has been developed by the Consolidation Department in the Corporate Development and Finance Division, which is submitted to the Audit and Control Committee for approval.

- Code of conduct, authorising body, degree of publication and reporting, principles and values included (identifying whether there is any specific mention of the registration of transactions and drafting of financial information), body tasked with assessing non-compliance and proposing corrective actions and sanctions.

Cellnex has a Code of Conduct (Code of Ethics) approved by the Ethics and Compliance Committee that comprises representatives from Internal Audit and Risk Control, the Legal Division, the Resources Department, the General Secretary's Office, and the Regulation Department. This code has been communicated to the employees and is available on the corporate intranet. Specific staff training on the code is being planned.

The main values and principles set out in the Code of Ethics are: integrity, honesty, transparency and good faith. The fundamental principles of the Code of Ethics include the commitment to offer financial information that provides a true and fair view of the economic and financial position in compliance with applicable generally accepted accounting principles and international financial reporting standards, and the responsibility of staff and management to ensure this is so, both by correctly carrying out their functions and by notifying the governing bodies of any circumstance which might affect this commitment.

The Ethics and Compliance Committee is responsible for analysing any breaches and proposing corrective actions and sanctions.

- Whistle-blowing channel through which financial and accounting irregularities can be reported to the audit committee, as well as for reporting potential breaches of the code of conduct and other irregular activities within the organisation. Please indicate whether this channel is confidential.

Cellnex has and promotes the use of channels through which potential breaches of the Code of Ethics and other irregular activities in the organisation can be reported, especially from a financial and accounting point of view. Any such reports are referred to the Ethics and Compliance Committee in all cases.

As stated in Cellnex's Ethics Channel Policy regulating the procedure, scope and response to any alleged breaches, such breaches can be reported using a form submitted by post or email. Confidentiality is protected at all times.

Any reports will be received, analysed and followed up by the Ethics and Compliance Committee, and this committee will periodically inform the Appointments and Remuneration Committee and the Audit and Control Committee. From time to time, the Ethics and Compliance Committee will inform the Appointments and Remuneration Committee and the Audit and Control Committee about the functioning of the Ethics Channel.

If reports have been received during the year, the Ethics and Compliance Committee will produce an annual report on the cases received, to facilitate the analysis of the functioning of the whistle-blowing channel.

- Regular training and refresher programmes for staff involved in preparing and reviewing financial information, as well as on assessing the ICFRS, covering at least accounting, auditing, internal control, and risk management rules.

Regarding training and refresher courses on the preparation and publication of financial information, Cellnex believes the continuous development and training of its staff and management is crucial. Cellnex also considers that complete and up-to-date training on accounting regulations, the rules for preparing financial information, the regulations on capital markets, taxation and internal control is necessary to ensure that the information reported to the market is reliable and in accordance with regulations.

In 2019, Cellnex provided training on the preparation and review of financial information based on the needs identified by the Corporate Management Control and Consolidation departments in relation to:

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

Once the needs of these areas have been identified, appropriate training activities are designed and rolled out to cover annual training objectives on these matters.

In 2019, Cellnex provided training using external experts and internal training sessions for personnel involved in preparing and reviewing financial information. As in the previous year, in 2019 training primarily focused on those accounting, tax and financial matters which could have the greatest impact on the preparation of Cellnex's consolidated financial information, particularly changes to tax and accounting rules at both national and international levels and any developments during the year concerning EU-IFRS.

Cellnex has an e-learning platform where both technical training for specific work groups and more general training can be accessed on a voluntary and, in some cases, mandatory basis.

Moreover, specific training on systems was provided in 2019 regarding:

- SAP RE – IFRS 16 Module – Spain, Italy, France and Switzerland
- IFRS 16 posting process in SAP FI – Spain, Italy, France and Switzerland

In this regard, the Consolidation, Corporate Accounting Policy and Corporate Management Control departments have subscriptions to a number of publications and journals on accounting and financial matters and to the

website of the International Accounting Standards Board which regularly sends new developments and other communications of interest which are analysed and disseminated to ensure they are taken into consideration when preparing Cellnex's financial reporting.

F.2 Evaluation of financial reporting risk

Report on at least the following:

F.2.1 What are the main characteristics of the risk identification process, including the risk of error or fraud, with respect to:

- Whether or not the process exists and is documented.

See Section F.2.1.5

- Whether the process covers all financial reporting objectives (existence and occurrence, completeness, valuation, presentation, disclosure and comparability, and rights and obligations), and whether it is updated, and with what frequency.

See Section F.2.1.5

- Whether the company has a process for identifying the perimeter of consolidation, taking into account, inter alia, the potential existence of complex corporate structures, holding companies or special purpose vehicles.

See Section F.2.1.5

- Whether the process considers the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) where they affect the financial statements.

See Section F.2.1.5

- Which governing body at the company supervises the process?

Cellnex has a Risk Management and Control Policy setting out the basic principles and general framework for controlling and managing all types of risks to which it is exposed. Cellnex identifies and updates the principle risks, putting adequate reporting and internal control systems in place and carrying out regular monitoring of these risks.

The ICFRS Internal Control and Risk Management Manual (hereafter Risk Management Manual) describes and formalises Cellnex's internal control and risk management model for the ICFRS and establishes mechanisms used to determine the risks in this area, the key business processes, and the practical and operational documentation for this internal control model.

This manual sets out what financial information needs to be included when preparing and issuing financial reporting, as well as the methodology for defining materiality. Furthermore, guidelines are established to determine whether the process covers all financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), and whether it is updated and with what frequency.

Cellnex has identified the key business processes together with their inherent risks and has designed a Risk and Controls Matrix to identify the main risks. Control activities have then been designed to control such risks, which when adequately complied with, ensure complete and reliable financial information can be obtained.

The Consolidation Department is entrusted with identifying and documenting risks of error in the financial information; this process is supplemented by Internal Audit, which considers identified risks of error in relation to Cellnex's overall Risk Map (covering both financial and non-financial risks). The entire process is ultimately overseen by the Audit and Control Committee.

Cellnex's Audit and Control Committee is responsible for overseeing the risk control systems with the support of Internal Audit.

F.3 Control activities

Indicate whether or not the company has at least the following, describing the main characteristics where applicable:

F.3.1 Procedures for reviewing and authorising the financial information and description of the ICFRS to be disclosed to securities markets, stating who is responsible in each case as well as the documents and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.

Cellnex has a Regulated Information Reporting Manual, duly approved by the Audit and Control Committee, setting out the process for preparing and approving financial information and describing the ICFRS to be disclosed to securities markets and investors. This manual sets out the criteria to identify material public financial information, this being as follows:

- Regular reporting obligations (RRO) of issuers:
 - Quarterly financial report.
 - Half-year financial report.
 - Annual Financial Report and Annual Corporate Governance Report (ACGR).
- Annual Directors Remuneration Report (ADRR).
- Significant event disclosures.

Cellnex's Regulated Information Reporting Manual also details the departments involved in preparing, reviewing and authorising the financial information and their respective responsibilities from the accounting close to publication of material disclosures. In particular, there is a procedure for preparing and reviewing each set of regulated financial information to be published that requires completing questionnaires for the internal control of regulated information to provide reasonable assurance as to the reliability of the Company's financial statements.

Following the Regulated Information Reporting Manual and completing the specific internal control questionnaires is obligatory and subject to review by Cellnex's internal auditor.

Regarding documentation describing the activity flows and controls of the different transactions that can materially affect the financial statements, Cellnex has a ICFRS Organisational Model that structures the specific mechanisms set up to ensure there is an internal control environment in place to generate complete, reliable and appropriate financial information and to detect any irregularities and the manner through which these can be detected and remedied. Cellnex has the following procedures in place for those processes that are considered material and relevant given their potential impact on the financial information to be published:

- Accounts receivable and revenue recognition
- Fixed assets and investments
- Purchases and accounts payable
- Staff costs
- Judgements and estimates
- Accounting close, consolidation (definition of perimeter) and reporting
- Cash and borrowings
- Taxes

Individual and consolidated financial statements, six-monthly financial reports and the financial information in the quarterly interim statements of Cellnex are prepared and reviewed by the Corporate Development and Finance Division prior to submission to the Audit and Control Committee. This division follows the procedures defined in the Regulated Information Reporting Manual before submitting this information to Cellnex's Board of Directors for final approval.

Cellnex has descriptions of controls over activities and controls directly related to transactions that might have a material impact on the financial statements, to mitigate the risk of material error in the information reported to the markets. These descriptions are documented in the ICFRS Risk and Control Matrix and contain information on what the controls should consist of, the reason they are carried out, who should carry them out, how often, and other information on what information systems or what operations carried out by third parties are important for the effectiveness of the control operation in question. The controls cover areas such as revenue generation, investments and expenditure on concessions, acquisitions and subsequent valuation of other assets, analysis of the recoverability of investments, recording of taxation of profits or the correct presentation of financial instruments and of the financing operations of Cellnex.

Cellnex discloses in its consolidated financial statements any areas of uncertainty in relation to significant judgements and estimations that it deems to be relevant. Significant judgements, estimates, measurements and projections as well as the key assumptions used to calculate them, with a material impact on the consolidated financial statements, are specifically reviewed and approved by the Corporate Development and Finance Division and, where applicable, by the Managing Director. The most significant of these, such as the monitoring of asset values and hedging policies are reviewed by the Audit and Control Committee before being submitted for the Board's approval.

F.3.2 Internal control procedures and policies regarding information systems (including access security, change controls, their operation, operating continuity and segregation of duties) used to perform the company's relevant processes with respect to the preparation and publication of financial information.

Cellnex uses information systems to keep adequate records and monitor its operations and, therefore, their proper operation is a key element and a priority for Cellnex.

The Systems Department in the Organisation and Efficiency Division, which reports directly to the Resources Division, is responsible for establishing the internal control over information systems model regarding access security, segregation of duties (in coordination with the business areas and support areas) and change control, as well as monitoring risks and controls derived from any outsourcing of such systems.

F.3.3 Internal control procedures and policies to supervise subcontractors, as well as the evaluation, calculation or measurement activities tasked to independent experts that could have a material effect on the financial statements.

Cellnex regularly uses reports by independent experts to value its financial instruments and employee benefit commitments and to value the assets and liabilities acquired under business combinations. In addition, Cellnex has outsourced to an external provider certain activities associated with accounting, payroll and the administration and maintenance of its corporate information systems.

Cellnex has guidelines on outsourcing and the outcomes thereof. These guidelines are detailed in the internal purchasing procedures.

The Corporate Development and Finance Division monitors the work of these experts to check:

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

Certain risk management and control mechanisms have been established with the supplier to ensure that financial information derived from such activities is complete and correct, these include: a management and monitoring committee for each outsourcing arrangement, service-level agreements, risk indicators, performance reports, IT security measures, external audits as well as contingency and continuity plans.

F.4 Information and communications

Indicate whether or not the company has at least the following, describing the main characteristics where applicable:

F.4.1 A specific function responsible for defining and updating accounting policies (accounting policy department or area) and for resolving doubts or conflicts deriving from their interpretation, maintaining fluid communication with the persons responsible for the organization's operations, as well as an accounting policy manual that is up to date and issued to the units through which the company operates.

The responsibility for defining, maintaining and updating Cellnex accounting policies falls upon the Corporate Accounting Policy Department.

This department's duties also include responding to accounting queries submitted by the various business units or other corporate areas of Cellnex.

Cellnex has an accounting policies manual – the Group Reporting and Accounting Principles Handbook (GRAPH) – for preparing financial statements under EU-IFRS, which is drawn up by the Corporate Accounting Policy Department and regularly updated by it (at least once a year) to include the rules applicable in each year. The auditing instructions sent by the external auditor to the auditors of the various group companies for the limited review or audit in each six-monthly and annual close respectively indicate that the auditors must adopt the accounting principles contained in the Cellnex GRAPH.

The subsidiaries are notified by email of any subsequent changes to these. The most recent update was in 2019 and, in any event, checks are performed to verify whether any new significant modifications have been made in the preceding quarter that might affect the preparation of consolidated annual financial information



F.4.2 Mechanisms for capturing and preparing financial information using standard formats that are applicable to and used by all company or group units when drawing up the main financial statements and notes thereto, as well as the information provided regarding the ICFRS.

Cellnex has various integrated platforms for booking transactions and for preparing consolidated financial information (SAP BCP consolidation and reporting). The completeness and reliability of such information systems are validated using the general controls stated in section F.3.2.

The Corporate Development and Finance Division is centrally responsible for preparing the regulated financial information and individual financial statements of Cellnex's companies in Spain, thus ensuring it is prepared on a consistent basis.

Six-monthly forms/Annual forms are received every six and 12 months containing all the information needed to prepare the Group's consolidated financial information (condensed interim financial statements and annual accounts).

These six-monthly and annual forms ensure uniformity of information insofar as:

- It is standard and uniform for all countries and businesses.
- It is prepared in accordance with Cellnex's accounting manual which is applicable to all group companies.
- It complies with all applicable legal, tax, commercial and regulatory requirements.

The information in the monthly reports and FORMS 2019 is inputted directly by the controllers.

In 2019, the project to roll out and migrate data to the new tool, Oracle Financial Consolidation and Close Cloud Service, was launched. This tool will be used to produce the Cellnex Group's consolidated financial statements. The main aim of the new tool is to standardise and maximise the interconnection with the current corporate management control tool, Oracle Planning and Budgeting Cloud Service (implemented in every country) to obtain one standardised reporting output that meets both departments' needs. It is planned that this migration will maximise synergies between areas (Planning & Control and Consolidation) in an interconnected financial information environment. The new tool will also offer additional benefits to the current system as it is cutting edge and incorporates the latest technological advances in financial reporting (narrative reporting, etc.). It is envisaged that this tool will be fully deployed at corporate level and across all countries during the first half of 2020.

F.5 Monitoring functioning of the system

Describe, indicating the main characteristics, at least the following:

F.5.1 The ICFRS supervision activities carried out by the audit committee, as well as

whether or not the company has an internal audit area that supports the committee with its duty to supervise the internal control system, including the ICFRS. Also provide details of the scope of the ICFRS evaluation carried out during the year and the procedure through which the person responsible for executing the evaluation reports the results, whether or not the company has an action plan that covers the future corrective measures, and whether or not the impact on the financial information has been taken into consideration.

As in the prior year, the Audit and Compliance has carried out the following ICFRS-related activities in 2019:

- Monitoring of implementation levels and possible changes to Cellnex ICFRS models.
- Review of the information related to the ICFRS included in the Annual Corporate Governance Report.
- Review of the financial information Cellnex has reported to the markets.
- Periodic supervision and analysis of implementing the ICFRS, determining the degree of implementation and effectiveness of the system.
- Follow-up of the work performed by the Company's external auditors with the aim of understanding the weaknesses in internal controls which they have detected during their work as well as other relevant aspects or incidents concerning these controls.

The Audit and Control Committee has already approved the Internal Audit Plan for 2020, which includes the necessary actions to guarantee adequate supervision and evaluation of the plan throughout the year by regularly reporting the incidents detected and the necessary actions for improvement once discussed with the audited areas.

Cellnex has an Internal Audit function that reports to the Audit and Control Committee and – as stipulated in the Cellnex Board of Directors Regulations and specifically in the section on the powers assigned to the Audit and Control Committee – is primarily responsible for monitoring the effectiveness of the Company's internal controls and the internal auditing services, by verifying their suitability and integrity, and reviewing the appointment and replacement of internal audit officers, and supervising the monitoring and control measures necessary for preventing criminal offences, the risk management systems, including tax-related ones, and the legal compliance management systems. It is also tasked with discussing with the auditors any significant weaknesses in the internal control system detected while carrying out the audit.

In 2019, Internal Audit carried out several reviews of key business processes, and did not detect any significant weaknesses that could have a material impact on Cellnex's 2019 financial information. These reviews were duly reported to the Audit and Control Committee on a timely basis. Furthermore, it put corrective actions in place to resolve other future possible weaknesses.

Likewise, as stated in section F.7.1, the external auditor has issued a report on the procedures agreed regarding the ICFRS description drawn up by Cellnex, which has not highlighted any material issues.

F.5.2 Whether or not there are lines of communication through which the auditor (in accordance with the provisions of the Technical Audit Standards), the internal audit area and other experts can inform senior management and the audit committee or company directors of any significant internal control weaknesses identified during the review of the annual accounts or any others that may have been brought to their attention. Report if there is an action plan in place to correct or mitigate any weaknesses detected.

In general, the procedure for communicating any significant internal control weaknesses identified consists of regular meetings of the various parties involved. In this regard, the Internal Audit function informs the Corporate Development and Finance Division, on a regular basis, of its conclusions on internal control drawn during the reviews of the ICFRS and the internal audit of processes carried out during the year, along with the degree of completion of mitigation action plans.

Relations with external auditors, as described in article 39 of the Cellnex Board of Directors Regulations, are channelled through the Audit and Control Committee. To this effect and to fulfil its duty of supervising the external auditor's actions and receive memoranda on any potential internal controls weaknesses identified during the auditor's work, should there be any, the Audit and Control Committee will periodically meet with the external auditor. These meetings are recorded in the Audit and Control Committee's minutes and are monitored by Internal Audit.

In addition, Cellnex's external auditors have direct contact with the Corporate Development and Finance Division and hold regular meetings both to obtain the information needed to carry out their work and to communicate any weaknesses detected.

F.6 Other significant information

No additional aspects requiring disclosure have been identified.

F.7 External audit report

Please report on:

F.7.1 If the ICFR information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment.

Cellnex has submitted to the external auditor for review the ICFRS information submitted to the markets for 2019. The scope of the auditor's review procedures is consistent with the Spanish Institute of Certified Auditors Circular E14/2013 of 19 July 2013, which sets out the guidelines and a template for preparing the audit report in relation to the internal control over the financial reporting (ICFR) of listed companies.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with the recommendations of the Good Governance Code of Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. **The articles of association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.**

Complies Explain

2. **When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:**
 - a) **The activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies.**
 - b) **The mechanisms in place to resolve possible conflicts of interest.**

Complies Partially complies Explain Not applicable

3. **During the annual general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:**
 - a) **Changes taking place since the previous annual general meeting.**
 - b) **The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.**

Complies Partially complies Explain

4. **The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.**

Complies Partially complies Explain

5. **The Board of Directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation. When a Board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.**

Complies Partially complies Explain

6. **Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:**
 - a) **Report on auditor independence.**
 - b) **Reviews of the operation of the audit committee and the nomination and remuneration committee.**
 - c) **Audit committee report on third-party transactions.**
 - d) **Report on corporate social responsibility policy.**

Complies Partially complies Explain

7. **The company should broadcast its general meetings live on the corporate website.**

Complies Explain

8. **The audit committee should strive to ensure that the Board of Directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the Chairman of the audit committee and the auditors should give a clear account to shareholders of their scope and content.**

Complies Partially complies Explain

9. **The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.**

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies Partially complies Explain

10. **When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:**

- a) **Immediately circulate the supplementary items and new proposals.**
- b) **Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.**
- c) **Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.**
- d) **After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.**

Complies Partially complies Explain Not applicable

11. **In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.**

Complies Partially complies Explain Not applicable

12. **The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.**

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies Partially complies Explain

13. **The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.**

Complies Explain

14. **The Board of Directors should approve a Director selection policy that:**

- a) **Is concrete and verifiable;**
- b) **Ensures that appointment or re-election proposals are based on a prior analysis of the board's needs; and**

c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of board needs should be written up in the nomination committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each Director.

The Director selection policy should pursue the goal of having at least 30% of total board places occupied by women Directors before the year 2020.

The nomination committee should run an annual check on compliance with the Director selection policy and set out its findings in the annual corporate governance report.

Complies Partially complies Explain

15. Proprietary and independent Directors should constitute an ample majority on the Board of Directors, while the number of executive Directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Complies Partially complies Explain

16. The percentage of proprietary Directors out of all non-executive Directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Complies Explain

This recommendation establishes that the ratio of proprietary directors to the total number of non-executive directors must be the same as the ratio of the share capital represented by the proprietary directors to total share capital. Currently, Cellnex's proprietary directors make up 36% of the non-executive directors while the shareholder they represent – Connect, S.p.A. – holds 29.9% of total share capital. Nevertheless, it should not be ignored that this recommendation establishes that this criterion may be relaxed in companies in which significant shareholdings are scarce. In Cellnex, apart from Connect S.p.A., there are only 6 significant shareholders (holding stakes of more than 3%) and, in addition, none of them has expressed an interest in serving on the Board.

17. Independent Directors should be at least half of all Board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent Directors should occupy, at least, a third of Board places.

Complies Explain

18. Companies should post the following Director particulars on their websites, and keep them permanently updated:

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the Director class to which they belong, in the case of proprietary Directors indicating the shareholder they represent or have links with.

d) Dates of their first appointment as a board member and subsequent re-elections.

e) Shares held in the company, and any options on the same.

Complies Partially complies Explain

19. Following verification by the nomination committee, the Annual Corporate Governance Report should disclose the reasons for the appointment of proprietary Directors at the request of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies Partially complies Explain Not applicable

20. Proprietary Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary Directors, the latter's number should be reduced accordingly.

Complies Partially complies Explain Not applicable

21. The Board of Directors should not propose the removal of independent Directors before the expiry of their tenure as mandated by the Articles of Association, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when Directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in Recommendation 16.

Complies Explain

22. Companies should establish rules obliging Directors to inform the board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a Director is indicted or tried for any of the offences stated in company legislation, the Board of Directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The Board should give a reasoned account of all such determinations in the annual corporate governance report.

Complies Partially complies Explain

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other Directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation also apply to the Secretary of the Board, even if he or she is not a Director.

Complies Partially complies Explain Not applicable

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

Complies Partially complies Explain Not applicable

25. The Nomination Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively.

The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.

Complies Partially complies Explain

26. **The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.**

Complies Partially complies Explain

27. **Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, Directors should delegate their powers of representation with the appropriate instructions.**

Complies Partially complies Explain

Article 26 of the Board of Directors Regulations states that directors must carry out and comply with obligations set out in the company articles of association and with due business diligence, keeping in mind the nature of the roles and the functions assigned to each of them. They also establish that directors must show due dedication and must adopt the necessary measures to ensure good management and control of the Company when carrying out their functions. Therefore absences are kept to the bare minimum and where they cannot be avoided, are reported in the Annual Corporate Governance Report. However, the Board of Directors Regulation does not impose an obligation on the Board of Directors to assign a proxy with instructions in the event of absence because this is not always possible as the proxy may not have been party to prior discussions and debates on the matters put before the Board.

28. **When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.**

Complies Partially complies Explain Not applicable

29. **The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.**

Complies Partially complies Explain

30. **Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.**

Complies Explain Not applicable

31. **The agendas of Board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.**

For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly drawn up in the minutes, of the majority of directors present.

Complies Partially complies Explain

32. **Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.**

Complies Partially complies Explain

33. **The Chairman, as the person responsible for the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's Articles of Association, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so dictate.**

Complies Partially complies Explain

34. **When a lead independent director has been appointed, the Articles of Association or Regulations of the Board of Directors should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Deputy Chairmen; give voice to the concerns of non-executive directors; maintain contact with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance; and coordinate the Chairman's succession plan.**

Complies Partially complies Explain Not applicable

35. **The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.**

Complies Explain

36. **The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:**

- a) **The quality and efficiency of the Board's operation.**
- b) **The performance and membership of its committees.**
- c) **The diversity of Board membership and competences.**
- d) **The performance of the Chairman of the Board of Directors and the company's Chief Executive.**
- e) **The performance and contribution of individual directors, with particular attention to the chairmen of Board committees.**

The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the Appointments Committee.

Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Appointments Committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report.

The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.

Complies Partially complies Explain

37. **When an executive committee exists, its membership mix by Director class should resemble that of the Board. The Secretary of the Board should also act as Secretary to the Executive Committee.**

Complies Partially complies Explain Not applicable

38. **The Board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all Board members should receive a copy of the committee's minutes.**

Complies Partially complies Explain Not applicable

39. **All members of the audit committee, particularly its Chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent Directors.**

Complies Partially complies Explain

40. **Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's Non-Executive Chairman or the Chairman of the audit committee.**

Complies Partially complies Explain

41. **The head of the unit handling the internal audit function should present an annual work programme to the audit committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.**

Complies Partially complies Explain Not applicable

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

- a) **Monitoring the preparation and integrity of financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles.**
- b) **Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.**
- c) **Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.**

2. With respect to the external auditor:

- a) **Investigate the issues giving rise to the resignation of the external auditor, should this come about.**
- b) **Ensure that the remuneration of the external auditor does not compromise its quality or independence.**
- c) **The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.**
- d) **Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.**
- e) **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 requirements concerning auditor independence.**

Complies Partially complies Explain

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies Partially complies Explain

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies Partially complies Explain Not applicable

45. Control and risk management policy should specify at least:

- a) **The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off- balance-sheet risks;**
- b) **The determination of the risk level the company sees as acceptable;**
- c) **Measures in place to mitigate the impact of risk events should they occur;**
- d) **The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.**

Complies Partially complies Explain

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities:

- a) **Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.**

- b) **Participate actively in the preparation of risk strategies and in key decisions about their management.**
- c) **Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.**

Complies Partially complies Explain

- 47. Members of the Appointments and Remuneration Committee - or of the Appointment Committee and Remuneration Committee, if separately constituted - should have the right balance of knowledge, skills and experience for the functions they are called on to perform. The majority of their members should be independent Directors.**

Complies Partially complies Explain

- 48. Large cap companies should operate separately constituted appointment and remuneration committees.**

Complies Explain Not applicable

For now it is not considered necessary to have an Appointments Committee and a separate Remuneration Committee, as the current Appointments and Remuneration Committee is qualified to analyse both aspects in a unified way. The possibility of dividing the current committee will be analysed depending on how the company evolves.

- 49. The appointments committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.**

When there are vacancies on the Board, any Director may approach the nomination committee to propose candidates that it might consider suitable.

Complies Partially complies Explain

- 50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:**

- a) **Propose to the Board the standard conditions for senior officer contracts.**
- b) **Monitor compliance with the remuneration policy set by the company.**
- c) **Periodically review the remuneration policy for Directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and senior officers in the company.**
- d) **Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.**
- e) **Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Statement.**

Complies Partially complies Explain

- 51. The Remuneration Committee should consult with the Chairman and Chief Executive, especially on matters relating to executive Directors and senior officers.**

Complies Partially complies Explain

- 52. The terms of reference of supervision and control committees should be set out in the Regulations of the Board, and aligned with those applicable to legally mandatory Board committees as specified in the preceding sets of recommendations. They should include at least the following terms:**

- a) **Committees should be formed exclusively by non-executive Directors, with a majority of independents.**
- b) **That their chairmen are independent directors.**
- c) **The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's missions, discuss their proposal and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.**

- d) They may engage external advice, when they feel it necessary for the discharge of their functions.
- e) Meeting proceedings should be minuted and a copy made available to all Board members.

Complies Partially complies Explain Not applicable

53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one Board committee or split between several, which could be the Audit Committee, the Nomination Committee, the Corporate Social Responsibility Committee, where one exists, or a dedicated committee established ad hoc by the Board under its powers of self-organisation, with at the least the following functions:

- a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.
- b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.
- c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
- d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.
- e) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.
- f) Monitor and evaluate the company's interaction with its stakeholder groups.
- g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.
- h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

Complies Partially complies Explain

54. The corporate social responsibility policy should state the principles or commitments that the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:

- a) The goals of its corporate social responsibility policy and the support instruments to be deployed.
- b) The corporate strategy with regard to sustainability, the environment and social issues.
- c) Specific practices in matters related to the following: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.
- d) The methods or systems for monitoring the results of the practices referred to above, and identifying and managing related risks.
- e) The mechanisms for supervising non-financial risk, ethics and business conduct.
- f) Channels for stakeholder communication, participation and dialogue.
- g) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Complies Partially complies Explain

55. The company should report on corporate social responsibility developments in its Directors' report or in a separate document, using an internationally accepted methodology.

Complies Partially complies Explain

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive Directors.

Complies Explain

57. Variable remuneration linked to the company and the Director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive Directors.

The company may consider the share-based remuneration of non-executive Directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.

Complies Partially complies Explain

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

- a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.
- c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies Partially complies Explain Not applicable

59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

Complies Partially complies Explain Not applicable

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Complies Partially complies Explain Not applicable

61. A major part of executive Directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies Partially complies Explain Not applicable

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.

Complies Partially complies Explain Not applicable

The Company does not comply with this recommendation because it imposes certain restrictions, although these are not exactly the same as those stipulated in the recommendation. Specifically, the CEO is obliged to retain all the shares allocated to him under the long-term variable remuneration schemes (known as ILP 2017-2019 and the ILP 2018-2020) for at least two years from the date they are received. The Company believes two years is a sufficiently long period to garner the loyalty of key staff and also avoid merely speculative conduct involving the immediate sale of shares received. Further, during the latest approved rounds of the long-term variable remuneration scheme, the criterion was modified and instead of

imposing a lock-in period for shares received, the CEO is now required to always hold a certain amount of shares; specifically, an amount with a value equivalent to a year of his basic salary for ILP 2017-2019 and two years of his basic salary for ILP 2020-2022.

- 63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.**

Complies Partially complies Explain Not applicable

- 64. Termination payments should not exceed a fixed amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.**

Complies Partially complies Explain Not applicable

The Company does not fully comply with the recommendation because, although the indemnity payment the CEO is entitled to receive equates to two years of his annual remuneration, there is also a post-contractual non-compete agreement with the CEO providing him with monetary compensation for such a restriction equivalent to a year of his fixed remuneration. If the CEO breaches his non-compete obligation, he must return the sum received and pay an additional consideration equivalent to another year of his fixed remuneration.

H OTHER INFORMATION OF INTEREST

1. If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.
2. You may include in this section any other information, clarification or observation related to the above sections of this report that is relevant and not repeated.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable, identify the Code and date of adoption. In particular, indicate whether the company adheres to the Code of Best Tax Practices of 20 July 2010.

Cellnex's participation in Sustainability Indices and initiatives

CDP (formerly Carbon Disclosure Projects)

Once again Cellnex took part in the Carbon Disclosure Project (CDP), one of the most highly recognised organisations for its work on climate change, which seeks to assess the quality of – and systems for reporting – the information provided by private companies or by the public sector in the sustainability and environment area.

This year Cellnex was rated the “A” score, the highest score allocated by the CDP. Only 12% of the more than 8,400 companies and organisations analysed worldwide – 178 in total – are part of the “A List”. Seven of the 90 Spanish companies analysed obtain the highest score allocated by the CDP.

Cellnex's score has risen from 'B' to 'A' in recognition of its implementation of best practices in the fight against climate change in 2019, above all relating to Corporate Governance, the impact of its activity and financial planning, environmental risk management and the calculation and verification of emissions.

Furthermore, CDP has designated Cellnex Telecom as a global "Supplier Engagement Leader". Only 160 companies globally, barely 3% of a sample of more than 4,800, have this distinction. CDP recognises the company's strategy to reduce pollutant emissions and climate management throughout its supply chain.

United Nations Global Compact

In November 2015 Cellnex Telecom joined the United Nations Global Compact as an expression of its commitment to including the corporate social responsibility concept into its operational strategy and organisational culture. United Nations Global Compact is an international voluntary initiative that includes more than 8,000 companies and institutions across 135 countries. Under this agreement, Cellnex Telecom undertakes to promote and spread corporate sustainability policies and practices based on the 10 key principles promoted by the United Nations, focusing on the areas of human rights, labour standards, environment and combating corruption in business activities. Cellnex's commitment to the United Nations Global Compact is part of its Corporate Responsibility (CR) programme.

FTSE4Good

Cellnex was added to the FTSE4Good sustainability index, which recognises the good practices of listed companies in the environmental, social and corporate governance fields. This year, Cellnex total score is 50% higher compared to the sector average, up to 4,4 points out of 5. The company obtains the maximum score in the Governance Themes and in the Climate Change theme (5/5).

Standard Ethics

Cellnex has taken part in the Standard Ethics sustainability index since 2017, obtaining this year an "EE-", the same rate as last year, which is equivalent to an adequate level for good compliance in governance, sustainability and social responsibility.

Sustainalytics

For the third year running, Cellnex was evaluated by Sustainalytics, an environmental, social and corporate governance (ESG) research and rating company for investors worldwide. This year its average score was 70 points, up from 67 in 2018 and taking the company to 23th position (out of 96) from 29th the previous year. Cellnex scores average for the sector on social and environmental matters but holds a leading position when it comes to governance.

Dow Jones Sustainability Index

In 2017, Cellnex participated in the DJSI index for the first time and achieved good results, ranking above the industry average in the three dimensions evaluated: economic, environmental and social. This year Cellnex was again invited to participate in the Dow Jones Sustainability Index, as one of the few telecommunications operators worldwide. In 2019, the total score of Cellnex improved its total score by 5%, taking it to 60 points. More specifically, in the environmental dimension (+13) and social (+5) its score was improved. With slightly lower economic score (-1) than in 2018, Cellnex will strive to continue working on all areas.

MSCI Europe index

Cellnex have been added to the MSCI Europe index, following the May 2019 semi-annual index review. Cellnex was previously a constituent of MSCI Europe Small Cap Index. The announcement

follows the company's recent acquisition of 10,700 sites in France, Italy and Switzerland in line with its strategic expansion into Central and Western European markets. The company also recently delivered strong Q1 results and a successful share capital increase of €1.2billion in March 2019. MSCI is a leading provider of research-based indexes and analytics, and the MSCI index is of interest to several passive funds.

Social contribution

Cellnex works with non-governmental organisations through corporate volunteering actions, donations and joint development of projects. In 2019, Cellnex Spain launched the Programme of social projects and volunteerism, a platform that includes all projects aimed at contributing to the construction of a fairer society.

Likewise, other countries such as Netherlands or Italy have developed social contribution projects. Cellnex Netherlands implemented an initiative "Media parks of broadcasting", project in which tickets were offered for 5 euros for students to go to visit the towers in a student day. Cellnex Italy collaborated with different foundations which help children affected by diseases and health institutions in addition to participating in humanitarian actions. Also, in Ireland Signal was the main sponsor of the Cancer Fund for Children Charity ball at The Shelbourne Hotel in aid of Daisy Lodge. Programme of social projects and volunteerism

In Cellnex we have an important group of volunteers who contribute their ideas, skills, knowledge and time for the development of solidarity projects. This year, we wanted to go one step further, creating a platform in which, in addition to recognizing the work of these volunteers, a greater corporate volunteer activity is promoted and Cellnex is positioned as a socially responsible company, increasing our social contribution.

Through the program, the purpose of Cellnex's social action has been defined and the company's social action and volunteer projects have been strategically planned for 3years. It will also serve as a platform for the future creation of the Cellnex Foundation.

The Cellnex program of social projects and volunteering was born with the purpose of improving our social environment by promoting the development of young people in vulnerable situations through education and their incorporation into the world of work, promoting innovation and technology.

The first project we have launched called "Cellnex Youth Challenge" is an educational and on-the-job training project in which Cellnex and its employees are closely linked to the Institut La Mercè, offering support to FP telecommunications students through motivation, mentoring, transmission of knowledge, experience and employability.

The initiative is aimed at several courses of the centre. The program covers all students of the line of professional training in telecommunications, being a total of 67 young people beneficiaries of this initiative, in this first course.

The main objective of the project is to reduce the school drop-out rate and promote youth employment, but it also has several secondary objectives that are worked on transversally. These include the empowerment of students, the use of their skills to undertake projects and the involvement of company volunteers and teachers to motivate students on their way to training and employment. This year 64 volunteers participated in the initiative.

On the other hand, during the month of December we launched a solidarity campaign in which we collected food, toys, books and economic contributions at national level for children and teenagers who need them. As in previous years, in Barcelona there will be collaboration with the Juvanteny Foundation and in Madrid with the Madrina Foundation. Thanks to the contributions of the employees, we have obtained a total of 755 kg of food, 847 Euros in economic contributions and two whole vans of toys.

Donations

Once again, this year Cellnex continued to collaborate with non-governmental organisations through its specific budget allocation for Christmas gifts. The Group's 2019 corporate donation was given to Unicef. The collaboration with Unicef in the project "For me and for all my companions" in favour of equality and against discrimination and gender violence is framed in the Group's Diversity and Inclusion Plan. Specifically, the project focuses on those girls and women who suffer exclusion in areas such as education, health, political participation and economic opportunities.

Also, in Cellnex Ireland sponsored a Masquerade Ball event. This year it will provide 70 families from Ireland with a therapeutic short break in Daisy Lodge. The need for therapeutic short breaks is overwhelming. Therefore, the aim of the organization is to build Daisy Lodge, a new therapeutic short break facility for children diagnosed with cancer and their families.

Contribution to initiatives

For years Cellnex has shown its commitment to society by joining and organising numerous Corporate Responsibility initiatives. Below are the most important initiatives of 2019.

Seres Foundation

The company worked with the Seres Foundation, whose aim is to "Build a healthier, stronger society with competitive businesses that can stand the test of time". The foundation aims to foster and promote strategic business actions that contribute to an overall improvement of social reality. Cellnex has signed an agreement pledging to work with the Seres Foundation, disseminate their joint work, share knowledge on good practices in social matters, and attend meetings with partners and other social entities. In 2019, Cellnex donated € 6,000.

AMPANS

Cellnex contributes to the AMPANS foundation by buying the company's Christmas gift hampers from them. The AMPANS Foundation promotes education, quality of life and employment for people with an intellectual disability, mental illness and other groups at risk of exclusion, by creating and managing centres, services, programmes, support and business activities that pursue excellence.

WWF Earth Hour 2019

For the third year running, Cellnex joined the WWF 2019 Earth Hour campaign and turned the lights off in the offices of Cellnex in Barcelona, Rome, Milan, Paris, Zurich, Reeuwijk and Zmolle (Netherlands) and Woking (UK) from 8.30pm to 9.30pm on 30 March. In doing so Cellnex hopes to show its concern about the effects that climate change is having on the planet's people, nature and

economy, in addition to its public commitment to reduce CO2 emissions. In 2019, Cellnex donated € 500.

Installation of forest water connections

Since 2008, Cellnex has been investing in forest water connections at its centres for firefighters to use in the event of an emergency. To date Cellnex has installed water connections in 23 of its centres in Spain, with a total investment of € 153,425 (€ 6,973.86 per connection).

Barcelona Climate Plan

Participation in co-producing the Barcelona Climate Plan with Barcelona City Council, which sets down all ongoing and planned actions related to climate change in the city. Cellnex draws up proposals within the company and takes part in the debate on the proposals submitted by all participants.

TV3 Telethon

Cellnex has been taking part in the TV3 Telethon for more than 10 years. The Telethon Foundation aims to foster and promote biomedical research into and social awareness of diseases for which no cure has been found. In 2019, Cellnex donated € 9,000. The money raised is used to research new methods of prevention, diagnosis and treatment for minority diseases.

Collaboration with the BEST Foundation

Cellnex made a commitment to the Barcelona Engineering and Economic Studies project this year as a sponsor company of the BEST Foundation. This new inter-university degree offered by the Polytechnic University of Catalonia (UPC), Pompeu Fabra University (UPF), Barcelona Global, and FemCat aims to train highly skilled engineers to address the challenges of a continuously changing society and equip professionals who are interested in business leadership. Cellnex will sponsor two students in a four-year commitment with an annual contribution of € 10,000 each.

IESE

Cellnex has been an IESE sponsor company since 2017 and is involved in various projects run by the Public Sector-Private Sector Centre of the Business School. In 2019, Cellnex will sponsor with a contribution of € 35,000.

Fundació Portolà

In 2019 Cellnex collaborated with Portolà Foundation, an organisation with a history of almost 30 years supporting the social and labour integration of people with intellectual disabilities. Through this collaboration, Cellnex takes on the foundation's commitment to responsible consumption and the development of social logistics by importing fair trade and social economy products.

Social projects

Third Social Sector Board

As part of the m4Social Project, Cellnex Telecom signed a collaboration agreement in December 2017 with the Third Social Sector Board to carry out a social housing project involving the use of sensorisation and connectivity technologies linked to the Internet of Things (IoT). In 2019, the number of social housing units equipped with various sensors making it possible to collect and monitor data related to energy efficiency, temperature, humidity and CO2 levels, among other indicators, will rise to 50, thereby helping these social entities to better monitor and protect these “connected” homes. This data is stored on an IoT platform that Cellnex provides which allows the housing authorities to anticipate abnormal situations or risks, optimise resource use, and make decisions on possible actions according to the parameters obtained. It also enables them to learn a new management methodology, which in addition optimises and renders their operations more efficient.

Casa Bloc Project

This year Cellnex started the steps to collaborate in the execution of the Llar Casa Bloc Project promoted by HÀBITAT3. This organization is a social housing manager promoted by the Third Social Sector of Catalonia with the aim of ensuring that all of society, especially the most vulnerable groups, have decent housing.

Llar Casa Bloc Project aims to remodel the former residence of the Casa Bloc to create 17 homes that will host people in vulnerable situations in the city of Barcelona. Cellnex's collaboration is focused on the installation of the necessary elements for an integral management of the houses' consumption and to provide them with the WIFI communication infrastructure.

EXPLANATORY NOTE ON SECTION C.1.16:

Art. 18. Appointment of Directors.

1. Directors will be appointed by the General Shareholders' Meeting or by the Board of Directors, in accordance with the provisions set out in Royal Decree 1/2010 of 2 July approving the recast text of the Spanish Limited Liability Companies Act or legal text replacing it.
2. The nominations for Directors submitted to the Board of Directors for deliberation at the General Meeting and the appointment decisions that the Board adopts in virtue of the powers of co-optation legally vested in it, must be preceded by the corresponding proposal by the Appointments and Remuneration Committee when in relation to independent directors, and by a report in the case of all other directors.

Art. 19. Appointment of external directors.

The Board of Directors and the Appointments and Remuneration Committee, within the scope of their remits, will ensure that the candidates selected are persons of recognised standing, competence and experience, and shall be particularly rigorous with respect to those called on to be independent directors provided for in article 5 of these Regulations and under the terms of the applicable good governance standards.

Art. 20. Term of office.

1. Directors shall hold office for the term provided for in the corporate articles of association, and may be re-elected once or more times for this same term.
2. Directors appointed by co-option shall hold their positions until the date of the first General Meeting. If a vacancy occurs once the General Meeting has been convened and before it is held, the Board of Directors may appoint a director until the next General Meeting is held. Moreover, the director appointed by co-option by the Board does not necessarily have to be a shareholder in the company.

When, following an Appointments and Remuneration Committee report, the Board of Directors considers that the interests of the Company are in jeopardy, the director whose term of office has ended or who for any other reason ceases to hold office, may not work in any other company that has a similar corporate purpose to the Company and which is considered by the Board to be a competitor, for the period determined by the Board, which in no case will be greater than two (2) years.

Art. 21. Removal of directors.

1. Directors shall resign from their positions when they have completed the period for which they were appointed and when decided on by the General Meeting under the powers legally or statutorily vested therein.
2. Directors must tender their resignation to the Board and, if the Board of Directors considers it appropriate, formally resign in the following cases:
 - a) When they cease to hold the executive positions with which their appointment as Director was associated. Independent directors: when they complete twelve (12) years in the position;
 - b) When they find themselves in a situation of conflict of interests or a prohibited situation as provided for by law;
 - c) When they are prosecuted for an alleged criminal act or are subject to disciplinary proceedings for serious or very serious misconduct instituted by the supervisory authorities;
 - d) When their continued presence on the Board may jeopardise the Company's interests or when the reasons for which they were appointed cease to exist. The above circumstance shall be deemed to occur in the case of proprietary directors when the total shareholding they own or whose interests they represent is disposed of or when the reduction of such shareholding requires a reduction in the number of relevant proprietary directors.
3. Executive directors must tender their resignation to the Board once they have reached the age of 70, and the Board must decide whether they may continue to perform their executive or delegated functions or remain simply as a director.
4. Whenever, due to resignation or any other reason, Directors leave their position before the completion of their mandate, an explanation must be given of the reasons for this decision in a letter addressed to all members of the Board of Directors. Without prejudice to the timely communication of the cessation as a material event, the Board will give account of the cessation in the Annual Corporate Governance Report.
5. The Board of Directors may only propose the cessation of an independent director before the end of the statutory period when there is just cause, as appreciated by the Board following a report by the Appointments and Remuneration Committee.

In particular, just cause will be deemed to exist when the director goes on to hold new offices or

undertakes new duties that prevent him or her from devoting the necessary time to the tasks inherent in the role of director, fails to perform the duties inherent to his or her office or is involved in any of the circumstances that might cause him or her to lose his or her status of independent director, in accordance with the provisions of the applicable legislation. Said removal from a post may also be proposed as a result of a public tender offer, merger, or other similar operation implying a change in the share structure of the Company, provided that such changes in the structure of the Board of Directors are required by virtue of the proportionate representation criteria.

Furthermore, a Director Selection Policy was approved in 2016 stating that, in accordance with the provisions of the Limited Liability Companies Act, the Appointments and Remuneration Committee is responsible for proposing the nomination or re-election of members of the Board of Directors in the case of independent directors, with the Board itself being responsible for proposing nomination or re-election in all other cases. Proposals for appointment or reappointment must be presented together with a report from the Board justifying the choice by means of an assessment of the proposed candidate's competence, experience and merits. Furthermore, proposals for the appointment or reappointment of non-independent board members should be preceded by a report from the Appointments and Remuneration Committee.

Selection of the candidates for director shall be based on a preliminary analysis of the necessities of the company, which must be carried out by the Board of Directors with advice and a report from the Appointments and Remuneration Committee. The objective is to incorporate different professional and management experiences and competences, as well as to promote the diversity of knowledge, experiences and gender, considering the weight of the various activities carried out by Cellnex and taking into account any areas or sectors that should be specifically promoted.

Any board member may request that the Appointments and Remuneration Committee takes into consideration a potential candidates to cover directorship vacancies, in the event that the Committee finds them suitable in its opinion.

Additionally, the Selection Policy regulates the process and conditions that candidates must meet.

EXPLANATORY NOTE ON SECTION C.2.1 – AUDIT AND CONTROL 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' Regulation 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 arising in relation to those matters which fall within the competence of the Committee.
- 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 external auditor or external auditing company, their contract conditions, the scope of their professional mandate and, where appropriate, their revocation or non-renovation, all pursuant to the current regulations, as well as to regularly gather from the same information on the audit plan and the implementation thereof, and to safeguard their independence in the exercise of their duties.

- c) To monitor the process of preparing and presenting the mandatory financial information as well as the integrity thereof.
- d) To establish the appropriate relations with the external auditor or external auditing company in order to receive information on issues which may prejudice their independence, to be studied by the Committee, and any other information related to the auditing of the accounts, as well as any other notifications envisaged in the legislation and regulations concerning the auditing of accounts. In all cases, the Committee must receive on an annual basis from the external auditor or external auditing company written confirmation of their independence from the Company or any organisations directly or indirectly related thereto, in addition to information regarding any additional services of any kind provided to said organisations and the corresponding fees received therefrom by the external auditor or external auditing company, or by persons or organisations related thereto in accordance with the provisions established in the legislation applicable to the auditing of accounts.
- e) In the event of resignation of the external auditor or external auditing company, to examine the circumstances that gave rise to such resignation.
- f) To ensure that the remuneration of the external auditor or external auditing company for its work does not compromise the quality or independence thereof.
- g) To oversee that the Company communicates the change of auditor as a relevant event and accompany such, where appropriate, with a declaration on the possible existence of disagreements with the outgoing auditor and of the contents thereof.
- h) To ensure that the external auditor or external auditing meets annually with the Board of Directors at a plenary session to inform as to the work carried out and the evolution of the Company's accounting situation and risks.
- i) To ensure that the Company and the external auditor or external auditing company comply with the standards in force on the provision of services other than auditing, the limits to the concentration of the auditor's business and the other standards governing auditor independence.
- j) To issue, on an annual basis, prior to the issue of the Audit Report, a report expressing an opinion on the independence of the external auditor or external auditing company. This report must contain, in all cases, an evaluation of the provision of the additional services other than the ones related to the legal audit referred to in the previous paragraph, considered individually and as a whole, and in connection with their independent status or with the governing regulations of the audit.
- k) To inform the Board of Directors in advance on all matters provided for by the Law, the Company's by-laws and the Company's Board of Directors' Regulation and, in particular, on the financial information that the Company must publish periodically, on the creation or acquisition of holdings in entities with a special purpose or domiciled in countries or territories considered as being tax havens and on operations with associated parties.
- l) To supervise compliance with the internal protocol for relationships between the majority shareholder and the Company and the companies of their respective groups, as well as to conduct

any other actions established in the protocol itself for optimal compliance with the aforesaid duty of supervision.

- m) To provide information in relation to the transactions that involve or could involve conflicts of interest, and in general, on the matters considered in Chapter IX of the Company's Board of Directors' Regulation.
- n) To inform on operations of structural and corporate modifications which the Company plans to conduct, the economic conditions and the accounting impact thereof and, in particular, on the exchange ratio, where applicable.
- o) To monitor the effectiveness of the Company's internal control, the internal audit services, verifying the suitability and integrity thereof and to review the appointment and replacement of those persons responsible for the same, to supervise the suitable security and control measures for preventing the commission of criminal offences, the risk management systems, including fiscal risks, the systems for managing compliance with all applicable regulations, as well as to discuss with the external auditor or external auditing company any significant weaknesses detected in the internal control system while conducting the audit.
- p) To supervise a mechanism which allows employees to confidentially report potentially relevant irregularities detected inside the Company, especially those regarding finance and accounting, as well as those which may constitute a criminal responsibility for the Company.

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' Regulation shall define the skills of the Committee and its scheme of organization and operation.

The Board of Directors shall determine who will hold the position of Chairman of the Committee from among the independent directors of the Committee, who will be replaced every four years, being able to be re-elected once a period of one year has elapsed since his/her resignation. 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 Chairman, either on his/her own initiative or at the request of the Chairman of the Board of Directors or of two members of the Committee itself.

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 vote among those in attendance, present or represented.

Any member of the Company's management team or of the Company's personnel may be obliged to attend the Committee's sessions and to provide assistance to the Committee members and access to the information s/he has available, if so requested. The Committee can also request that the Company's external auditor or external auditing company attend its sessions.

1. Activities

During 2019, the Committee held ten 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

• 2018 financial statements:

- On 20 February, the Committee reviewed the December 2018 results, the 2018 Consolidated Financial Statements and the 2018 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 2018 Integrated Annual Report and the 2018 Financial Statements (including the Management Report and the Annual Corporate Governance Report) and (ii) the application of the 2018 results.

• 2019 financial statements and 2020 budget:

- On 2 May, the Committee reviewed the financial results for the first 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.
- On 24 July, 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 provided a favourable recommendation to the Board of Directors to approve these interim financial statements that have been audited.
- On 25 September, the Committee reviewed the August 2019 results and a first draft of the 2020 budget with the finance team who presented the main aspects and its conclusions.
- On 29 October, 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.
- On 29 October, the Committee reviewed the 2019 forecast and the 2020 budget with the finance team who presented the main aspects and its conclusions. The Committee approved unanimously the 2020 budget.

b) External auditors

- On 20 February, the external auditors attended the Committee to review the 2018 Consolidated Financial Statements (including the Management Report and the Annual Corporate Governance Report) and the 2018 Integrated Annual Report, including the external Auditors' Report, and presented the main aspects and their conclusions.
- On 24 July, the external auditors attended the Committee to present the report of the 2019 half-yearly financial statements.

c) Corporate Governance

- On 20 February, the Committee reviewed the three reports for year 2018 to be approved by the Committee in connection with the Annual Accounts, the Management Report and the Annual Corporate Governance Report, namely: (i) the Report on the Functions and Activities of the Committee in 2018; (ii) the Report on Related Party Transactions; and (iii) the Report on the Independence of the Auditor. The Committee approved unanimously these reports.

d) Capital markets

- On 7 January (meeting held by call), and following the discussions of the previous Committee meeting held in December 2018, the finance team presented to the Committee the proposed terms for the execution of a tap issue of the Company's convertible bond given market conditions. The Committee provided a favourable recommendation to the Board of Directors to approve the tap issue of the existing convertible bond on the terms agreed and for an amount of up to €200 million.
- On 20 February, the Secretary of the Committee together with the finance team provided the Committee with an overview of the work undertaken internally in order to understand the key areas of risk and the potential impacts of a hard Brexit within the Company's group. They briefly summarized the main risks for each of such areas and the Company's assessment for each of them. It was noted that the Company has worked on this assessment with external advisors who are experts on this topic.
- On 20 February, 8 May, 20 June, 24 July, 25 September, 29 October and 19 December, 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 8 May, 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 authorize:
 - (i) the increase of the limit of the EMTN programme to €5,000 million; and (ii) the execution of all the documents necessary to: (a) give effect to the renewal of the EMTN programme until 2020; and (b) implement the increase of its limit; and
 - (i) drawdowns under the ECP programme for an amount up to the equivalent of €150 million in pounds (GBP) and Swiss Francs (CHF); and (ii) the execution of all the documents necessary to: (a) give effect to the renewal of the ECP programme in Euros, GBP and CHF until 2020; and (b) carry out the relevant drawdowns under the same.
- On 8 May, the Committee reviewed with the Corporate Finance Director and the CFO the treasury shares position and the authorizations in place for the acquisition of treasury shares and analysed the future needs in this regard. The Committee provided a favourable recommendation to the Board of Directors to authorize the acquisition of treasury shares in order to, among other reasons, meet the commitments of delivery of shares assumed by the Company under the MBO and the LTIP provided that such acquisitions: (i) are made under the best possible market conditions; and (ii) comply with the General Shareholders' Meeting and Board authorizations.

- On 20 June, the Committee discussed the issuance of a new 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 on the terms agreed and for an amount of at least €600 million and up to €850 million. The finance team kept the Committee fully updated on the best execution strategy and the progress of this issuance.
- On 29 October, the finance team presented to the Committee an update after the execution of the Company's October capital increase focusing mainly on investors and market feedback and on relevant financial aspects.
- On 19 December, the Corporate Finance Director, together with the CFO, proposed to the meeting the implementation of a liquidity management plan. They explained its main aspects and key considerations and presented their conclusions. The Committee approved unanimously the implementation of a liquidity management plan on the terms agreed.
- On 19 December, the Corporate Finance Director, together with the CFO, presented to the Committee two proposals of straight bond issuances in order to optimize the Company's financial structure and free bank capacity. They explained the main aspects and key considerations and noted their conclusions on each of the proposals. The Committee provided a favourable recommendation to the Board of Directors to:
 - Approve, under the EMTN programme, (i) the issuance of simple bonds of the Company in Swiss Francs (CHF) for an amount of up to CHF 500 million on the terms agreed and (ii) the issuance of simple bonds of the Company in pounds (GBP) for an amount of up to GBP 400 million or the issuance of simple bonds of the Company in Euros (EUR) for an amount of up to the equivalent of GBP 400 million together with the execution of the derivative instruments necessary on the terms agreed; and
 - Authorize the execution of all necessary transaction documents in relation to these issuances.

e) Capital structure

- On 20 February, 2 May, 8 May, 20 June, 24 July, 25 September and 29 October, the Head of Corporate Business & Finance Planning and the Corporate Finance 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 March and October Company's capital increases.

- On 20 February and 24 July, external financial advisors attended the Committee to present their views and strategic and key considerations on the debt and equity markets and the Company's capital structure (including the Company's March capital increase). They confirmed their agreement with the Company's proposed strategy and provided a favourable recommendation to go ahead with the Company's March capital increase.
- On 2 May, external financial advisors attended the Committee to present their views on some of the M&A projects in the Company's pipeline. They confirmed that their internal committees have approved the transactions and provided a favourable recommendation to execute them.
- On 25 September, a Spanish law firm and external financial advisors attended the Committee to present their views and strategic and key considerations on the Company's October 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.

f) Tax

- On 20 February, 25 September and 19 December, the Head of Corporate Tax, together with PwC, presented to the Committee an update of the tax audit process. PwC explained that the Company is well prepared for the audit and that the process is following the normal path. PwC also noted that the relationship with the tax authorities is positive.
- On 20 February, the Head of Corporate Tax provided an update to the Committee on the potential up-stream merger of Galata into Cellnex Italia. The reasons for the delay of this transaction were noted.
- On 25 September, the Head of Corporate Tax, together with PwC, provided the Committee with an update on (i) the development and implementation of the Tax Control Framework and (ii) the Company's position on the Code of Good Tax Practices. It was noted by PwC that the Company is diligent and applies fair tax criteria and the law with business judgment. It was also noted that the Company is working closely with expert advisers and in accordance with law and best practice.

g) Other information

- IFRS 16: The finance team has kept the Committee updated on the main aspects of this topic during all the year.
- Cybersecurity: On 20 February, the Global Operations Director presented this topic to the Committee explaining the milestones achieved in the Company and the next steps envisaged for the Company and its group to be fully protected, among others, the development of a New Strategic Global Security Plan.
- Internal Audit Manager assessment: On 20 February, the Committee discussed this topic. The Secretary of the Committee explained the performance aspects to be assessed and the procedure and metrics to do so. The Committee agreed unanimously to provide him a positive assessment.
- Non-audit services:

- On 26 February (by correspondence), the Committee approved unanimously Deloitte's fees in relation to the Company's March 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.
- On 25 September, the Committee approved unanimously Deloitte's fees in relation to the Company's October 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 4 April, the Head of Corporate Accounting Policy, together with the CFO, proposed to the Committee the re-appointment of the Company's group external auditors for one financial year. 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 one financial year.
- Corporate matters:
 - Cellnex Portugal:
 - 1) On 4 April, the Secretary of the Committee explained to its members that due to the execution of a new project in Portugal and, for the purposes of providing the services under the relevant contracts in said country, the Company will need to set up a Portuguese subsidiary (Cellnex Portugal). The Committee approved unanimously the incorporation of this subsidiary.
 - 2) On 8 May, the CFO in Spain updated the Committee on the status of this project in Portugal and noted its main terms and figures, structure considerations and strategic rationale.
 - Capital increases: On 24 July, the Secretary of the Committee informed its members about the main corporate transactions to be carried out, that is, (i) a capital increase in Cellnex España; and (ii) a capital increase in Cellnex France Groupe in the context of a whole restructuring process to rationalize the corporate structure. The Committee approved unanimously both transactions.
- Investor relations update: On 24 July, 25 September and 29 October, 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.
- Put option: On 25 September and 29 October, the CFO and the Corporate Finance Director provided to the Committee an update on the Deutsche Telekom Capital Partners put option.
- Hedging strategy: On 25 September, the Corporate Finance Director explained to the Committee the hedging strategies available to hedge the FX risk for UK projects and presented his conclusions in this regard.
- Appointment of Secretary: On 29 October, the Committee agreed unanimously to appoint Ms. Virginia Navarro as its Secretary.

- Goodwill accounting: On 29 October, the Head of Corporate Accounting Policy presented the topic to the Committee, summarizing the current situation under IFRS 3 and explaining the International Accounting Standards Board review of IFRS 3. He noted the management views on this topic.
- Audit tender: On 19 December, the Head of Corporate Accounting Policy presented to the Committee the audit tender for the next financial years and explained the main aspects and key considerations of the process and presented his conclusions. The two final candidates joined the meeting to present their respective proposals and introduce their teams that would work for the Company.

h) Internal audit

- Functions: The main internal audit functions are:
 - Perform the auditing activities as defined in the annual audit plan, 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.
- Activities: The main activities carried out by internal audit and supervised by the Committee are:
 - Audits:
 - The performance of those audits included in the 2019 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 to the relevant area responsible with the aim of strengthening the existing control or implementing a new control and establishing the implementation date.
 - 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. In 29 October, the Committee reviewed and approved unanimously the audit plan for 2020 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 (human resources, sales, treasury, etc.), other processes (warehouse, outsourcing, etc.) or compliance (ICFR, others).

- o Strategic Plan: Prepare the internal audit and risk management strategic plan. On 24 July, the Committee reviewed and approved unanimously the internal audit and risk management strategic plan for 2019-2021 which is focused on three main pillars: the positioning of and the resources needed by internal audit and the progress of the audits.

i) Risk control

This function is carried out by internal audit.

The activities carried out in this regard by internal audit and supervised by the Committee in 2019 were:

- The review of the risk maps (including likelihood and impact) at corporate level and by country, including Spain, Italy, UK, the Netherlands, France and Switzerland.
- The review of the action plans associated to the risks in these countries.
- The analysis and approval of the proposal to create in 2020 a risk committee in the Company with the purpose to reinforce the risk control and risk management within the Company and its group.

EXPLANATORY NOTE ON SECTION C.2.1 – - APPOINTMENTS AND REMUNERATION COMMITTEE

(A) OPERATION

In accordance with the provisions of the Regulations of the Board of Directors, the Board shall appoint a Chairman of the Nominations and Remunerations Committee from among the independent directors. The Nominations and Remunerations Committee will appoint a Secretary and may also appoint a Deputy Secretary, who may not be members of the Committee.

The Nominations and Remunerations Committee shall meet whenever the Board of Directors of the Company 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. It shall be convened by its Chairman, either on his own initiative or at the request of the Chairman of the Board of Directors or two members of the Committee itself.

It shall be validly constituted when the majority of its members are present or represented. Resolutions shall be adopted by a majority of the members present or represented..

(B) RESPONSIBILITIES

Without prejudice to any powers that may be entrusted to it by the Board of Directors or that may be legally attributed to it, the Nominations and Remunerations Committee shall have at least the following basic responsibilities:

- (a) To assess the skills, knowledge and experience required in the Board of Directors. To this end, it shall define the duties and skills required of the candidates to fill each vacancy and shall assess the time and dedication required for them to perform their duties effectively.
- (b) Establish a representation target for the under-represented gender on the Board of Directors and develop guidelines on how to achieve this target.
- (c) Submit 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 removal of such directors by the General Shareholders' Meeting.
- (d) To report on proposals for the appointment of the remaining directors for their appointment by co-option or for their submission to the decision of the General Meeting of Shareholders, as well as proposals for their re-election or removal by the General Meeting of Shareholders.
- (e) To report on proposals for the appointment and removal of senior management and the basic conditions of their contracts.
- (f) To report in advance on the appointments by the Board of Directors of the Chairman and, where appropriate, one or more Vice-Chairmen, as well as the appointments of the Secretary and, where appropriate, one or more Vice-Secretaries. The same procedure shall be followed to agree on the separation of the Secretary and, where appropriate, of each Vice-Secretary.
- (g) To examine and organize the succession of the Chairman of the Board of Directors and of the Chief Executive Officer of the Company and, if appropriate, to make proposals to the Board of Directors so that such succession takes place in an orderly and planned manner.
- (h) To propose to the Board of Directors the remuneration policy for the directors and general managers or those who perform their senior management duties reporting directly to the Board of Directors, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of the executive directors, ensuring that they are observed.
- (i) To propose to the Board of Directors the members that should form part of each of the Committees.
- (j) To periodically review the remuneration programmes, weighing their suitability and performance.
- (k) To propose to the Board of Directors, for submission to a consultative vote at the General Shareholders' Meeting, the preparation of an annual report on the remuneration of its directors under the terms of article 541 of the Law on Corporations or any other provision that may replace it in the future.
- (l) To consider the suggestions made by the Chairman, the members of the Board of Directors, the managers or the shareholders of the Company.
- (m) To report on the appointment and dismissal of directors who report directly to the Board of Directors or to some of its members, as well as the establishment of the basic conditions of their contracts, including remuneration, and also to report on decisions regarding the remuneration of directors, within the statutory framework and, where appropriate, the remuneration policy approved by the General Shareholders' Meeting.
- (n) To supervise compliance with the rules of corporate governance and internal codes of conduct.
- (o) To follow the corporate social responsibility strategy and practices and evaluate the degree of compliance.

2.- Activities

During the 2019 financial year, eight meetings of the Nominations and Remunerations Committee were held, and the following actions, among others, were carried out:

Corporate Governance

The corresponding report was issued assessing the competence, experience and merits of the proprietary directors Marco Patuano, Elisabetta De Bernardi di Valserra, Carlo Bertazzo and John McCarthy for ratification and re-election by the General Meeting.

The corresponding report was issued proposing the re-election, by the General Meeting of Shareholders, of the executive director Tobías Martínez.

The corresponding report was issued assessing the competence, experience and merits of the proprietary director Franco Bernabè for the purpose of his appointment by co-option and proposing his appointment as Chairman of the Board of Directors (in replacement of Marco Patuano).

The corresponding report was issued assessing the competence, experience and merits of the dominical director Mamoun Jamaï, in order to appoint him by co-optation and to incorporate him to the Nominations and Remunerations Committee.

The corresponding report was issued proposing the appointment of the Secretary and the Deputy Secretary of the Board of Directors.

A self-evaluation of the operation of the Board and Committees for the 2019 financial year was carried out, proposing improvements to the Board through an Action Plan.

The Annual Corporate Governance Report and the Annual Report on Remuneration were reported.

Activities related to Remuneration

The degree of compliance with the 2018 CEO's objectives and the performance assessment were analysed. The CEO's objectives for 2019 were also defined and the corresponding proposals made to the Board.

The modification of the Directors' Remuneration Policy was prepared and approved in order to submit it to the Board and to be approved by the General Shareholders' Meeting.

The remuneration of the Chairman of the Board was reviewed to adapt it to the market.

The remuneration of the CEO and the main executives (who report directly to the CEO) was reviewed for 2020, making the corresponding proposal for approval by the Board.

The final assessment of the achievement of the objectives set for the ILP 2017-2019 (phase II, corresponding to the period 2018-2019) was carried out and the approval of the Multi-annual Incentive Plan 2020-2022, applicable to the CEO and certain key personnel of the company, was prepared and proposed to the Board.

An extraordinary bonus was proposed for a group of approximately twenty people (including the CEO and Deputy CEO) for their involvement and participation in the significant growth operations carried out during 2019.

It was proposed that all employees (except directors) be given shares in the company in recognition of their outstanding performance in 2019.

Activities related to Corporate Social Responsibility

The Corporate Responsibility Master Plan for the period 2016-2020 was monitored. This is the instrument that integrates all of the company's ethical, environmental and social initiatives, and information on annual progress is included in the Integrated Annual Report.

The report on Corporate Social Responsibility Policy was prepared.

After the corresponding work and analysis, the approval of the Human Rights Policy was proposed to the Board.

After the corresponding work and analysis, it was proposed that the Board approve the Equity,

Diversity and Inclusion Policy, and an action plan was analysed to comply with it.

Activities related to the Code of Ethics / Internal Code of Conduct

The restructuring of the Ethics and Compliance Committee was reported.

A complementary training plan on the Code of Ethics and Regulations was supervised for all the Group's employees.

Potential conflicts of interest were analysed and appropriate measures were taken.

Talent Management

The Nominations and Remunerations Committee reviewed the methodology and actions taken to date in relation to the Succession Plan and the "High Potential" Program.

In this context, 11 key positions in the company (Senior Management and Country Managing Directors) and their proposals for succession (with special emphasis on CEO succession) were reviewed individually, with the help of a renowned external advisor.

EQUITY, DIVERSITY AND INCLUSION POLICY

A Background

The Board of Directors of Cellnex Telecom, S.A. (hereinafter, "Cellnex Telecom", "the Company" or "the Organization"), has the responsibility of approving the Equity, Diversity and Inclusion Policy for all the companies of the Cellnex Group.

In the exercise of these functions, the Board of Directors approves this policy and sets out the strategy for Equity, Diversity and Inclusion and its commitment to the application of best practices in the countries in which the Company operates and based on international reference standards.

B Purpose and Scope

Purpose: This policy establishes the guidelines and lines of action in the areas of Equity, Diversity and Inclusion that allow the materialization and consolidation of the concept of *Diversity* within the framework of Cellnex Telecom, as well as its communication to stakeholders and implementation in all the companies.

Scope of Application: this policy applies to all the companies in the Cellnex Telecom group, and it is the responsibility of its entire human team. Stakeholders are engaged with the mutual goal of creating a work environment that fosters Equity, Diversity and Inclusion.

This policy is aligned with and complemented with Cellnex Telecom's corporate policies and internal regulations.

C Basic Principles

People are the most important asset of Cellnex Telecom, for this reason the difference and plurality of people, equality of opportunities, non-discrimination and inclusion in the workplace are priority and strategic factors in the Organization. Cellnex Telecom maintains a strong will to promote equity, diversity and inclusion, through inclusive leadership as a lever change and business sustainability.

Cellnex Telecom understands these concepts within the framework of its business strategy, culture and business values, defining them in a broad sense as:

- Connection and commitment between different human beings.
- Respect, equality of rights and opportunities and justice.

- Accessibility, ease of use and absence of barriers and prejudices.

This policy focuses on creating a climate which allows diversity in all of the following areas: *gender, age, sexual orientation, culture, race, religion, thought, education, talent, social condition, individual quality, work style, disability, special needs or any other circumstance of employees*; and, at the same time, rejecting any type of discrimination for said reasons which may prevent the growth of the Company or that affects selection, retention, development and well-being of its employees.

The Company is committed to Equity, Diversity and Inclusion through the socially responsible, integrating, inclusive and transversal management of its human team, based on:

- the variety of different cultures, backgrounds, knowledge, skills and experiences to develop the full potential of the Organization;
- equal opportunities to promote equity in the workplace,
- non-discrimination, direct or indirect, on the basis of sex, age, race, religion, sexual orientation, thought, education, social condition, culture, work style, talent, individual quality or special needs such as illness, disability, accident or family situation, and
- inclusion to provide fair opportunities of work for people with disabilities, older people or people from vulnerable situations.

D Axes, Commitments and Strategic Lines

Based on the above basic principles, Cellnex Telecom defines the following lines of action, within which are framed the strategic lines developed by the Company to achieve its objectives in terms of Equity, Diversity and Inclusion:

1. Gender diversity
2. Generational diversity
3. Affective-sexual diversity
4. Cultural diversity
5. Functional diversity

Likewise, a transversal axis to the above is defined in terms of communication and awareness-raising, with the aim of extending and making known the Equity, Diversity and Inclusion Policy of Cellnex Telecom within the Company and its stakeholders.

Based on the defined axes, and through the development of the strategic lines, Cellnex Telecom acquires the following commitments which, in turn, contribute to the achievement of various goals of United Nations Sustainable Development Goals (SDGs) 5, 8 and 10¹:

1. Gender diversity: Promote equal opportunities and foster gender equity at all levels.
 - (i) Encourage the presence of women at all levels, especially in leadership positions (SDG 5, target 5.5)
 - (ii) Promote a respectful and non-discriminatory environment which favours equal opportunities (SDG 5, target 5.2 and SDG 10, target 10.3)
 - (iii) Reduce the wage gap between women and men in similar jobs (SDG 5, target 5.5 and SDG 8, target 8.5).
 - (iv) Promote work-life balance for all employees (SDG 5, target 5.5).
2. Generational diversity: Contribute to the labour integration and coexistence of the different generations.
 - i. Promote labour integration among different generations (SDG 8, goals 8.5 and 8.6,

- and SDG 10, goals 10.2 and 10.3).
 - ii. Ensure the management and use of multigenerational talent in the organization (SDG 8, goals 8.5 and 8.6; and SDG 10, goals 10.2 and 10.3).
 - iii. Establish measures aimed at avoiding bias in recruitment, hiring and promotion processes based exclusively on age (SDG 8, goals 8.5 and 8.6; and SDG 10, goals 10.2 and 10.3).
 - iv. Work actively in the management of the challenges associated with a multigenerational society (SDG 8, goals 8.5 and 8.6; and SDG 10, goals 10.2 and 10.3).
3. Affective-sexual diversity: Ensure an inclusive environment for all employees, regardless of their sexual orientation or identity.
- i. Make visible the commitment to non-discrimination of the LGTBIQ collective and equal opportunities in this area (SDG 10, goals 10.2 and 10.3).
 - ii. Promote an inclusive environment and the integration of the LGTBIQ collective in the organization (SDG 10, goals 10.2 and 10.3).
 - iii. Make employees aware of affective-sexual diversity (SDG 10, goals 10.2 and 10.3).
 - iv. Eliminate any practice of harassment and discrimination against LGTBIQ employees (SDG 10, goals 10.2 and 10.3).
4. Cultural diversity: Value, respect and exploit cultural differences as a source of added value.
- i. Foster respect for and value of cultural diversity in the company (SDG 10, goals 10.2 and 10.3).
 - ii. Take advantage of cultural diversity as a source of knowledge and talent, creating added value in the company (SDG 10, goals 10.2 and 10.3).
 - iii. Promote employee integration through intercultural awareness and understanding (SDG 10, goals 10.2 and 10.3).
5. Functional diversity: Value the unique potential of people with different abilities and taking advantage of their talent.
- i. Ensure the labour integration of workers with different abilities (SDG 8, target 8.5; and SDG 10, targets 10.2 and 10.3).
 - ii. Improve the integration of the group of people with different abilities at the time of incorporation into the workplace (SDG 8, target 8.5; and SDG 10, targets 10.2 and 10.3).
 - iii. Support the retention of talent of people with different abilities in the labour market (SDG 8, target 8.5; and ODS 10, targets 10.2 and 10.3).

E Approval, Monitoring and Control

One of the responsibilities of the Cellnex Telecom Board of Directors is the approval of the Equity, Diversity and Inclusion Policy, as well as any substantial modifications made to it.

To this end, the Management Team of Cellnex Telecom undertakes to review the Equity, Diversity and Inclusion Policy periodically, adapting it to new organizational, environmental or market requirements which may arise, as well as to communicate it to the Organization and to make it available to interested parties at all times.

Likewise, the Management Team of Cellnex Telecom undertakes to carry out periodic monitoring of the degree of progress of all the strategic lines of action derived from the implementation of this

Policy.

The objectives in terms of Equity, Diversity and Inclusion defined by the Company are consistent with this policy, aligned with Cellnex Telecom's process model, reviewed annually by the Management Team and updated according to their evolution and environment.

This annual corporate governance report was approved by the Company's Board of Directors on 25 February 2020.

Indicate whether any directors abstained from or voted against approving this report.

Yes

No

Name of the member of the board of directors who did not vote to approve this report	Reasons (opposition, abstention, failure to attend the meeting)	Explain the reasons

Remarks

Cellnex Telecom, S.A. and Subsidiaries

Auditor's report on the system
of Internal Control over
Financial Reporting (ICFR) of the
Cellnex Group for 2019

*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 2019

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 November 8, 2019, 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 2019, 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.

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 2019 described in the information relating to the ICFR system. 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, modified by the CNMV Circular no. 7/2015, of 22 December 2015 and CNMV Circular no. 2/2018, of 12 June.
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.

Ana Torrens

February 25, 2020