

Annual Corporate Governance report

2018

Junta General de Accionistas

Annual Shareholders' Meeting

Note: This document is a translation of a duly approved Spanish language document, and is provided for information purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish language document which this translation is intended to reflect, the text of the original Spanish language document shall prevail.

APPENDIX I FORM

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER'S PARTICULARS

FINANCIAL YEAR END

2017

CORPORATE TAX ID

[C.I.F.] A64907306

Corporate Name

CELLNEX TELECOM. S.A.

Registered Office:

JUAN ESPLANDIÚ STREET 11-13, 28007 MADRID

**ANNUAL CORPORATE GOVERNANCE REPORT
FOR LISTED COMPANIES**

A OWNERSHIP STRUCTURE

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

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
21/11/2014	57.920.810,00	231.683.240	231.683.240

Indicate whether different types of shares exist with different associated rights:

Yes ☐

No ☒

A.2 List the direct and indirect holders of significant ownership interests in your organisation at year-end, excluding directors.

Name or corporate name of the shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
THREADNEEDLE ASSET MANAGEMENT LIMITED	0	11.357.440	4,90%
BLACKROCK INC.	0	14.046.969	6,06%
FIDELITY INTERNATIONAL LIMITED	0	4.582.537	1,98%
CANTILLON CAPITAL MANAGEMENT LLC	0	7.000.164	3,02%
CRITERIA CAIXA, S.A.U.	11.584.575	0	5,00%
FUNDACION BANCARIA CAIXA D'ESTALVIS I PENSIONS DE BARCELONA	0	11.584.575	0,00%
ABERTIS INFRAESTRUCTURAS, S.A.	78.772.302	0	34,00%
MFS INVESTMENT MANAGEMENT	0	11.838.997	5,11%

Name or company name of the indirect owner of the shareholding	Through: Name or company name of the direct holder of the shareholding	Number of voting rights
THREADNEEDLE ASSET MANAGEMENT LIMITED	VARIOUS FUNDS, NO OBLIGATION TO REPORT INDIVIDUALLY	11.357.440

BLACKROCK INC.	VARIOUS FUNDS, NO OBLIGATION TO REPORT INDIVIDUALLY	14.046.969
FIDELITY INTERNATIONAL LIMITED	VARIOUS FUNDS, NO OBLIGATION TO REPORT INDIVIDUALLY	4.582.537
CANTILLON CAPITAL MANAGEMENT LLC	VARIOUS FUNDS, NO OBLIGATION TO REPORT INDIVIDUALLY	7.000.164
FUNDACION BANCARIA CAIXA D ESTALVIS I PENSIONS DE BARCELONA	CRITERIA CAIXA, S.A.U.	11.584.575
MFS INVESTMENT MANAGEMENT	MASSACHUSETTS FINANCIAL SERVICES COMPANY	10.448.901
MFS INVESTMENT MANAGEMENT	MFS HERITAGE TRUST COMPANY	139.009
MFS INVESTMENT MANAGEMENT	MFS INSTITUTIONAL ADVISORS, INC.	231.683
MFS INVESTMENT MANAGEMENT	MFS INTERNATIONAL (U.K.) LTD	301.188
MFS INVESTMENT MANAGEMENT	MFS INVESTMENT MANAGEMENT K.K.	46.336
MFS INVESTMENT MANAGEMENT	MFS INTERNATIONAL SINGAPORE PTE. LTD.	347.524
MFS INVESTMENT MANAGEMENT	MFS INVESTMENT MANAGEMENT CANADA LTD.	324.356

Indicate the most significant movements in the shareholding structure during the year:

Name or corporate name of shareholder	Date of the transaction	Description of the transaction
THREADNEEDLE ASSET MANAGEMENT LIMITED	19/01/2017	Fell below 5% of share capital.
CITADEL MULTI- STRATEGY EQUITIES	23/02/2017	Exceeded 1% of share capital

MASTER FUND LTD		(only tax havens)
SHODERS PLC	02/03/2017	Exceeded 3% of share capital.
MFS INVESTMENT MANAGEMENT	07/03/2017	Exceeded 3% of share capital.
SHODERS PLC	07/03/2017	Fell below 3% of share capital.
MFS INVESTMENT MANAGEMENT	16/03/2017	Exceeded 5% of share capital.
SHODERS PLC	17/03/2017	Exceeded 3% of share capital.
SHODERS PLC	23/03/2017	Fell below 3% of share capital.
BLACKROCK ADVISORS, LLC	05/05/2017	Fell below 3% of share capital.
SHODERS PLC	09/05/2017	Exceeded 3% of share capital.
BLACKROCK ADVISORS, LLC	11/05/2017	Fell below 3% of share capital.
SHODERS PLC	19/05/2017	Fell below 3% of share capital.
THE GOLDMAN SACHS GROUP, INC.	22/05/2017	Exceeded 3% of share capital.
BLACKROCK ADVISORS, LLC	01/06/2017	Fell below 3% of share capital.
BLACKROCK INC.	02/06/2017	Fell below 3% of share capital.
THE GOLDMAN SACHS GROUP, INC.	06/06/2017	Fell below 3% of share capital.
FIDELITY INTERNATIONAL LIMITED	19/07/2017	Exceeded 2% of share capital (only tax havens)
CITADEL MULTI-STRATEGY EQUITIES MASTER FUND LTD	26/06/2017	Exceeded 1% of share capital (only tax havens)
CITADEL MULTI-STRATEGY EQUITIES MASTER FUND LTD	04/07/2017	Fell below 1% of share capital (only tax havens).
BLACKROCK INC.	07/07/2017	Fell below 5% of share capital.
FIDELITY INTERNATIONAL LIMITED	16/08/2017	Fell below 2% of share capital (only tax havens).
BLACKROCK INC.	11/12/2017	Exceeded 5% of share capital.
BLACKROCK INC.	14/12/2017	Fell below 5% of share capital.
THE GOLDMAN	14/12/2017	Exceeded 3% of share

SACHS GROUP, INC.		capital.
THE GOLDMAN SACHS GROUP, INC.	15/12/2017	Exceeded 3% of share capital.
THE GOLDMAN SACHS GROUP, INC.	22/12/2017	Fell below 3% of share capital.

A.3 Complete the following tables on company directors holding voting rights through company shares.

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
MR LUIS DEULOFEU FUGUET	3.571	0	0,00%
MR TOBIÁS MARTÍNEZ GIMENO	20.000	0	0,01%
MR FRANCISCO REYNÉS MASSANET	0	4.966	0,00%
MR BERTRAND BOUDEWIJN KAN	10.000	0	0,00%
MR PIERRE BLAYAU	0	12.000	0,01%

Name or company name of the indirect owner of the share	Through: Name or company name of the direct holder of the share	Number of voting rights
MR FRANCISCO REYNÉS MASSANET	FRINVYCO, S.L.	4.966
MR PIERRE BLAYAU	HARBOUR CONSEILS	12.000

% of total voting rights held by the Board of Directors	0,02%
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Complete the following tables on company directors holding voting rights through company shares.

A.4 Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities.

- A.5 Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities.

Related name or corporate name
CELLNEX TELECOM, S.A.
ABERTIS INFRAESTRUCTURAS, S.A.

Type of relationship: Commercial

Brief description: The existing relationships arise from ordinary trading. See Section D.2.

Related name or corporate name
CELLNEX TELECOM, S.A.
FUNDACION BANCARIA CAIXA D ESTALVIS I PENSIONS DE BARCELONA

Type of relationship: Commercial

Brief description: The existing relationships arise from ordinary trading. See Section D.2.

Related name or corporate name
CELLNEX TELECOM, S.A.
CRITERIA CAIXA, S.A.U.

Type of relationship: Commercial

Brief description: The existing relationships arise from ordinary trading. See Section D.2.

- A.6 Indicate whether the company has been notified of any shareholders' agreements pursuant to Articles 530 and 531 of the Spanish Limited Liability Companies Law. Provide a brief description and list the shareholders bound by the agreement, as applicable.

Yes ☐

No ☒

Indicate whether the company is aware of the existence of any concerted actions amongst its shareholders. Give a brief description as applicable.

Yes ☐

No ☒

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year.

Not applicable.

A.7 Indicate whether any individuals or bodies corporate currently exercise control or could exercise control over the company in accordance with Article 5 of the Spanish Securities' Market Act. If so, identify.

Yes ☐

No ☒

Remarks

A.8 Complete the following tables on the company's treasury shares.

At year-end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
86.758	0	0,04%

(*) **Through:**

Explain any significant changes there have been during the year, pursuant to Royal Decree 1362/2007.

Explain the significant changes

Liquidity contract in force and as provided in the circular 1/2017, of 26 April, of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), on the liquidity contracts, for the purpose of its acceptance as market practice.

A.9 Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting to issue, buy back and/or transfer treasury stock.

On 10 April 2015, the then company's Sole Shareholder took the decision to authorise its Board of Directors to proceed with the acquisition of treasury stock, both directly through the company itself or through group companies, in the terms set out:

- the acquisition may be carried out as purchase, swap or payment in kind, once or several times, provided that the stock acquired, in conjunction with that already held by the company, does not exceed 10% of the share capital;
- the price or exchange value shall fluctuate between a minimum equivalent to its face value and a maximum equivalent of the closing price of the company's stock in continuous trading at the time of acquisition;

- c) the validity period for the authorisation shall be five years from the day following the day on which this decision was taken. It is expressly noted that the stock acquired as a result of this authorisation may be used both for the disposal or amortisation thereof as well as for applying the remuneration systems set out in Section 146(1)(a) of the Spanish Limited Liability Companies Law.

A.9a Estimated floating capital.

	%
Estimated floating capital	39,93

A.10 Give details of any restriction on the transfer of securities or voting rights. Indicate, in particular, the existence of any restrictions on the takeover of the company by means of share purchases on the market.

Yes ☐

No **X**

A.11 Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

Yes ☐

No **X**

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted.

A.12 Indicate whether the company has issued securities not traded in a regulated market of the European Union.

Yes ☐

No **X**

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer.

B GENERAL SHAREHOLDERS' MEETING

B.1 Indicate the quorum required for constitution of the General Shareholders' Meeting established in the company's Bylaws. Describe how it differs from the system of minimum quorums established in the Spanish Limited Liability Companies Law.

Yes ☐

No **X**

B.2 Indicate and, as applicable, describe any differences between the Company's system of adopting corporate resolutions and the framework established in the Spanish Limited Liability Companies Law.

Yes ☐

No **X**

Describe how they differ from the rules established in the Spanish Limited Liability Companies Law.

B.3 Indicate the rules governing amendments to the company's Bylaws. In particular, indicate the majorities required to amend the Bylaws and, if applicable, the rules for protecting shareholders' rights when changing the Bylaws .

The rules included in the Spanish Limited Liability Companies Law shall be applied to the majorities required to amend the corporate bylaws.

B.4 Indicate the attendance figures for the General Shareholders' Meetings held during the year.

	Attendance data				
Date of general meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic means	Other	
30/06/2016	46,52%	31,18%	0,00%	0,00%	77,70%
27/04/2017	40,63%	36,69%	0,00%	0,00%	77,32%

B.5 Indicate whether the Bylaws impose any minimum requirement on the number of shares required to attend the General Shareholders' Meetings.

Yes ☒

No ☐

Number of shares required to attend the General Shareholders' Meeting	100
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B.6 Section abolished.

B.7 Indicate the address and mode of accessing corporate governance content on your company's website as well as other information on General Meetings that must be made available to shareholders on the website.

The "Shareholders and investors" section on the website www.cellnextelecom.com, provides the information required by Section 539(2) of the Spanish Law on Limited Liability Companies and by National Securities Market Commission Circular 3/2015.

C COMPANY MANAGEMENT STRUCTURE

C.1 Board of directors

C.1.1 List the maximum and minimum number of directors included in the Bylaws.

Maximum number of directors	13
Minimum number of directors	4

C.1.2 Complete the following table with Board members' details.

Name or corporate name of director	Representative	Director category	Position on the board	Date of first appointment	Date of last appointment	Election procedure
MR GIAMPAOLO ZAMBELETTI ROSSI		INDEPENDENT	DIRECTOR	16/04/2015	16/04/2015	OTHER
MR FRANCISCO JOSÉ ALJARO NAVARRO		PROPRIETARY	DIRECTOR	17/11/2014	30/06/2016	ORDINARY GENERAL MEETING
MR LUIS DEULOFEU FUGUET		PROPRIETARY	DIRECTOR	16/04/2015	16/04/2015	OTHER
MR TOBIÁS MARTÍNEZ GIMENO		EXECUTIVE	CEO	17/11/2014	30/06/2016	ORDINARY GENERAL MEETING
MR FRANCISCO REYNÉS MASSANET		PROPRIETARY	CHAIRMAN	17/11/2014	30/06/2016	ORDINARY GENERAL MEETING
MR JOSEP MARIA CORONAS GUINART		PROPRIETARY	DIRECTOR	17/11/2014	30/06/2016	ORDINARY GENERAL MEETING
MR PIERRE BLAYAU		INDEPENDENT	DIRECTOR	16/04/2015	16/04/2015	OTHER
MR LEONARD PETER SHORE		INDEPENDENT	DIRECTOR	16/04/2015	16/04/2015	OTHER
MR BERTRAND BOUDEWIJN KAN		INDEPENDENT	VICE CHAIRMAN	16/04/2015	16/04/2015	OTHER
MS MARIETA DEL RIVERO BERMEJO		INDEPENDENT	DIRECTOR	27/04/2017	27/04/2017	ORDINARY GENERAL MEETING

Total number of directors	10
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Indicate any board members who left during this period.

C.1.3 Complete the following tables on board members and their respective categories.

EXECUTIVE DIRECTORS

Name or corporate name of director	Post held in the company
MR TOBIÁS MARTÍNEZ GIMENO	CHIEF EXECUTIVE OFFICER

Total number of executive directors	1
% of the board	10,00%

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Name or corporate name of significant shareholder represented or proposing appointment
MR FRANCISCO JOSÉ ALJARO NAVARRO	ABERTIS INFRAESTRUCTURAS, S.A.
MR LUIS DEULOFEU FUGUET	ABERTIS INFRAESTRUCTURAS, S.A.
MR FRANCISCO REYNÉS MASSANET	ABERTIS INFRAESTRUCTURAS, S.A.
MR JOSEP MARIA CORONAS GUINART	ABERTIS INFRAESTRUCTURAS, S.A.

Total number of proprietary directors	4
% of the board	40,00%

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director:

MR GIAMPAOLO ZAMBELETTI ROSSI

Profile:

He has spent much of his professional career in the chemicals/pharmaceuticals and telecoms sectors, and currently holds the position of President of RCS Investimenti and Vice-President of Unidad Editorial, S.A. He was previously Founder and Managing Director of Zambeletti Espana, President and CEO of Zambeletti Group, President of Italgas SpA, President and Managing Director of Ellem Industria Farmaceutica SpA. He served as Vice President of the pharma labs association, Farminindustria.

In 2001 he has been appointed Group Senior Vice President International Affairs of Telecom Italia. He has furthermore been a member of the Board of Directors of Telecom Italia International (Netherlands), Auna, S.A. (Spain), Avea (Turkey), Oger Telecom (Dubai), Ojer Telekomunikasyon

(Turkey) and Telekom Austria. Recently has been appointed Board Member of Banca Farmafactoring Group in Milan.

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.

Name or corporate name of director:

MR PIERRE BLAYAU

Profile:

He is currently holding the position of president of CCR (Caisse Centrale de Reassurance) and an independent member of the Boards of Directors of FIMALAC and the SECP (Canal+ Group). 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. 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.

Name or corporate name of director:

MR LEONARD PETER SHORE

Profile:

Has extensive experience in the telecommunications and tech sector. Held the position of Chairman of Arqiva in the UK for eight years from 2007. He has also been Chairman of Ucomm, Lonely Planet Publications, the Hostworks Group and Airwave. He was Group Managing Director at Telstra in Australia, CEO of Priceline (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. Leonard Peter Shore holds a degree in Applied Mathematics and Computing Science from the University of Adelaide.

Name or corporate name of director:

MR BERTRAND BOUDEWIJN KAN

Profile:

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 member of the Board of Síminn hf., the telecoms operator in Iceland, 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. degrees in Economics from the London School of Economics.

Name or corporate name of director:

MS MARIETA DEL RIVERO BERMEJO

Profile:

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 at Telefónica, Nokia (Iberia and Corporation), Xfera Móviles, Amena and Nefitel. She is currently Partner at Seeliger & Conde, member of the advisory boards of the “Made in Mobile” technology incubator and the “Roca Salvatella” digital transformation consultancy. She is President of the International Women’s Forum Spain and member the Women Corporate Directors Foundation in Spain.

Total number of independent directors	5
% of the board	50,00%

List any independent directors who receive from the company or group any amount or payment other than standard director remuneration or who maintain or have maintained during the period in question a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained the said relationship.

No

If applicable, include a statement from the board detailing the reasons why the said director may carry on their duties as an independent director.

OTHER EXTERNAL DIRECTORS

Identify the other external directors and list the reasons why these cannot be considered proprietary or independent directors and detail their relationships with the Company, its executives or shareholders.

List any changes in the category of each director that have occurred during the year.

C.1.4 Complete the following table on the number of female directors as at year-end of the past four financial years and their category.

	Number of female directors				% of total directors of each category			
	Financial year T	Financial year t-1	Financial year t-2	Financial year t-3	Financial year T	Financial year t-1	Financial year t-2	Financial year t-3
	2017	2016	2015	2014	2017	2016	2015	2014
Executive	0	0	0	N.A.	0,00%	0,00%	0,00%	N.A.
Proprietary	0	0	0	N.A.	0,00%	0,00%	0,00%	N.A.
Independent	1	0	0	N.A.	20,00%	0,00%	0,00%	N.A.
Other external	0	0	0	N.A.	0,00%	0,00%	0,00%	N.A.
Total:	1	0	0	N.A.	10,00%	0,00%	0,00%	N.A.

C.1.5 Explain the measures, if applicable, that have been adopted to ensure that there is a sufficient number of female directors on the board to guarantee an even balance between men and women.

Explanation of measures

Encouraging gender diversity is a principle set out in the Board Regulations. The Board of Directors approved in 2016 a Director Selection Policy that establishes that the candidate selection process will avoid any kind of implicit bias that may involve any discrimination; that it will promote the balanced presence of men and women on the Board of Directors; and that it must aim for the underrepresented gender to be at least 30% of the total members of the Board of Directors in the shortest time possible, and by the end of 2020 at the latest.

C.1.6 Explain the measures taken, if applicable, by the Nomination Committee to ensure that the selection processes are not subject to implicit bias that would make it difficult to select female directors, and that the company makes a conscious effort to search for female candidates who have the required profile.

Explanation of measures

Within the scope of its powers, the Nomination and Remuneration Committee defines the functions and aptitudes required of the candidates who should fill each vacancy on the Board of Directors. During the Director selection process, the Nomination and Remuneration Committee evaluates the skills and experience of each of the candidates under criteria of objectiveness, assessing the candidate's profile and evaluating the time and dedication needed for them to be able to effectively perform their task. Among these criteria, the Nomination and Remuneration Committee considers the need to promote equal opportunities between men and women, ensuring that no kind of gender-based discrimination takes place.

Explanation of reasons

The Directors' Selection Policy was approved in 2016, and in the 2017 General Meeting a female Director was appointed, following a report from the Board of Directors justifying the appointment, and as per a proposal of the Nominations & Remunerations Committee, establishing in 10 the number of Directors. There has not been vacancies in the Board since then.

C1.6 bis Explain the conclusions of the Nomination Committee regarding verifying compliance with the director selection policy. In particular, explain how this policy is promoting the aim that in 2020 the number of female directors will represent at least 30% of the total members of the board of directors.

Explanation of conclusions

Cellnex has managed the application of its Directors' Selection Policy, and due to its application the RNC proposed to the 2017 Ordinary General Meeting the appointment of an independent female Director. Moreover, it continues to ensure the fulfillment of the objectives contained in said Policy.

C.1.7 Explain how shareholders with significant holdings are represented on the board.

The significant shareholder Abertis Infraestructuras S.A. is represented in the Board of Directors with four proprietary directors.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 3% of the share capital.

Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been entertained.

Yes ☐

No ☒

C.1.9 Indicate whether any director has resigned from office before their term of office has expired, whether that director has given the board their reasons and through which channel. If this has been done in writing, list below the reasons given by that director.

C.1.10 Indicate what powers, if any, have been delegated to the Chief Executive Officer(s).

Name or corporate name of director

MR TOBIÁS MARTÍNEZ GIMENO

Brief description:

All powers of representation, management, and power to sell assets that can be legally delegated.

C.1.11 List the directors, if any, who hold office as directors or executives in other companies belonging to the listed company's group.

Name or corporate name of director	Corporate name of the group entity	Post	Do they have executive functions?
MR TOBIÁS MARTÍNEZ GIMENO	TRADIA TELECOM, S.A.U	SOLIDARITY ADMINISTRATOR	YES
MR TOBIÁS MARTÍNEZ GIMENO	RETEVISION I, S.A.U.	SOLIDARITY ADMINISTRATOR	YES
MR TOBIÁS MARTÍNEZ GIMENO	ON TOWER TELECOM INFRAESTRUCTURAS, S.A.U.	SOLIDARITY ADMINISTRATOR	YES
MR TOBIÁS MARTÍNEZ GIMENO	CELLNEX TELECOM ESPAÑA, S.L.U.	SOLIDARITY ADMINISTRATOR	YES

C.1.12 List any company board members who likewise sit on the boards of directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company.

Name or corporate name of director	Corporate name of the listed entity	Post
MR FRANCISCO REYNÉS MASSANET	ABERTIS INFRAESTRUCTURAS, S.A.	VICE CHAIRMAN/CEO
MR BERTRAND BOUDEWIJN KAN	SÍMINN HF	DIRECTOR

C.1.13 Indicate and, where appropriate, explain whether the company establishes rules about the maximum number of company boards on which its directors may sit.

Yes ☐

No ☒

C.1.14 Section abolished.

C.1.15 List the total remuneration paid to the board of directors in the year.

Board remuneration (thousands of euros)	2.235
Amount of rights accumulated by current directors concerning pensions (thousands of euros)	475
Amount of rights accumulated by former directors concerning pensions (thousands of euros)	0

C.1.16 List any members of senior management who are not executive directors and indicate total remuneration paid to them during the year.

Name or corporate name	Post(s)
MR JOSE MANUEL AISA MANCHO	CFO – Finance & Corporate Development Director
MR ANTONI BRUNET MAURI	Corporate and Public Affairs Director
MR JAVIER MARTÍ DE VESES ESTADES	General Secretary
MR ÁLEX MESTRE MOLINS	CCO – Business & Commercial Development Director
MR ROSA PIÑOL RAURICH	CRO – Resources & Transformation Director
MR DANIEL FERNÁNDEZ CAPO	COO – Global Business Operations Director
MR ALBERT CUATRECASAS FREIXAS	Managing Director Spain
MR GIANLUCA LANDOLINA	Managing Director Italy

Total remuneration received by senior management (thousands of euros)	2.369
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C.1.17 List, if applicable, the identity of those directors who are likewise members of the boards of directors of companies that own significant holdings and/or group companies.

Name or corporate name of director	Corporate name of significant shareholder	Post
MR FRANCISCO JOSÉ ALJARO NAVARRO	SANEF, S.A.	DIRECTOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	ABERTIS AUTOPISTAS ESPAÑA, S.A.U.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	AUTOPISTAS, CONCESIONARIA ESPAÑOLA, S.A.U. (ACESA)	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	AUTOPISTES DE CATALUNYA, S.A. CONCESSIONARIA DE LA GENERALITAT DE CATALUNYA, UNIPERSONAL (AUCAT)	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	INFRAESTRUCTURES VIARIES DE CATALUNYA, S.A.	SOLIDARITY ADMINISTRATOR

	CONCES. GENE. CATALUNYA, UNIP. (INVICAT)	
MR FRANCISCO JOSÉ ALJARO NAVARRO	AUTOPISTAS AUMAR, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	IBERPISTAS, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	CASTELLANA DE AUTOPISTAS, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	AUTOPISTAS DE LEON, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL (AULESA)	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	ABERTIS TELECOM SATELITES, S.A.U.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	ABERTIS INTERNACIONAL, S.A.U.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	PARTICIPES EN BRASIL II, S.A.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	PARTICIPES EN BRASIL, S.A.	DIRECTOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	ARTERIS, S.A.	DIRECTOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	AUTOPISTA CENTRAL, S.A.	DIRECTOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	CENTRAL KORBANA, S.A.R.L.	JOINT ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	CENTRAK KORBANA SWEDEN AB	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	CENTRAL KORBANA SWEDEN HOLDINGS AB	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	ABERTIS AUTOPISTAS CHILE, S.A.	DIRECTOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	ABERTIS INDIA, S.L.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	HISPASAT, S.A.	DIRECTOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	INFRAESTRUCTURAS AMERICANAS, S.L.U.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	SOCIETAT D AUTOPISTES	SOLIDARITY ADMINISTRATOR

	CATALANES, S.A.U.	
MR FRANCISCO JOSÉ ALJARO NAVARRO	AUTOPISTAS METROPOLITANAS DE PUERTO RICO LLC (METROPISTAS)	CHAIRMAN
MR FRANCISCO JOSÉ ALJARO NAVARRO	ABERTIS MOBILITY SERVICES, S.L.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	INVERSORA DE INFRAESTRUCTURAS, S.L. (INVINSL)	DIRECTOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	ABERTIS MOTORWAYS UK LIMITED	DIRECTOR
MR FRANCISCO JOSÉ ALJARO NAVARRO	ABERTIS FINANCE B V	DIRECTOR
MR JOSEP MARIA CORONAS GUINART	ABERTIS INDIA, S.L.	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	ABERTIS AUTOPISTAS ESPAÑA, S.A.U.	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	AUTOPISTAS, CONCESIONARIA ESPAÑOLA, S.A.U. (ACESA)	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	AUTOPISTES DE CATALUNYA, S.A. CONCESSIONARIA DE LA GENERALITAT DE CATALUNYA, UNIPERSONAL (AUCAT)	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	INFRAESTRUCTURES VIARIES DE CATALUNYA, S.A. CONCES. GENE. CATALUNYA, UNIP. (INVICAT)	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	AUTOPISTAS AUMAR, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	IBERPISTAS, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	CASTELLANA DE AUTOPISTAS, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA	AUTOPISTAS DE LEON,	SOLIDARITY

CORONAS GUINART	S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL (AULESA)	ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	ABERTIS TELECOM SATELITES, S.A.U.	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	ABERTIS INTERNACIONAL, S.A.U.	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	PARTICIPES EN BRASIL II, S.A.	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	HISPASAT, S.A.	DIRECTOR
MR JOSEP MARIA CORONAS GUINART	INFRAESTRUCTURAS AMERICANAS, S.L.U.	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	SOCIETAT D AUTOPISTES CATALANES, S.A.U.	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	ABERTIS MOBILITY SERVICES, S.L.	SOLIDARITY ADMINISTRATOR
MR JOSEP MARIA CORONAS GUINART	A4 HOLDING S.P.A.	DIRECTOR
MR LUIS DEULOFEU FUGUET	BIP GO	DIRECTOR
MR LUIS DEULOFEU FUGUET	SOCIETE DES AUTOROUTES PARIS NORMANDIE S A P N (S A)	CHAIRMAN
MR FRANCISCO REYNÉS MASSANET	ABERTIS INFRAESTRUCTURAS, S.A.	VICE CHAIRMAN/CEO
MR FRANCISCO REYNÉS MASSANET	HOLDING D INFRAESTRUCTURES DE TRANSPORT, S.A.S.	SOLE ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	HOLDING D INFRAESTRUCTURES DE TRANSPORT 2, S.A.S.	CHAIRMAN
MR FRANCISCO REYNÉS MASSANET	SANEF, S.A.	DIRECTOR
MR FRANCISCO REYNÉS MASSANET	ABERTIS AUTOPISTAS ESPAÑA, S.A.U.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	AUTOPISTAS, CONCESIONARIA ESPAÑOLA, S.A.U. (ACESA)	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	AUTOPISTES DE CATALUNYA, S.A. CONCESSIONARIA DE	SOLIDARITY ADMINISTRATOR

	LA GENERALITAT DE CATALUNYA, UNIPERSONAL (AUCAT)	
MR FRANCISCO REYNÉS MASSANET	INFRAESTRUCTURES VIARIES DE CATALUNYA, S.A. CONCES. GENE. CATALUNYA, UNIP. (INVICAT)	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	AUTOPISTAS AUMAR, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	IBERPISTAS, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	CASTELLANA DE AUTOPISTAS, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	AUTOPISTAS DE LEON, S.A. CONCESIONARIA DEL ESTADO, UNIPERSONAL (AULESA)	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	ABERTIS TELECOM SATELITES, S.A.U.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	ABERTIS INTERNACIONAL, S.A.U.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	INVERSORA DE INFRAESTRUCTURAS, S.L. (INVINSL)	CHAIRMAN
MR FRANCISCO REYNÉS MASSANET	PARTICIPES EN BRASIL II, S.A.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	PARTICIPES EN BRASIL, S.A.	CHAIRMAN
MR FRANCISCO REYNÉS MASSANET	ARTERIS, S.A.	DIRECTOR
MR FRANCISCO REYNÉS MASSANET	ABERTIS AUTOPISTAS CHILE, S.A.	CHAIRMAN
MR FRANCISCO REYNÉS MASSANET	HISPASAT, S.A.	DIRECTOR
MR FRANCISCO REYNÉS MASSANET	INFRAESTRUCTURAS AMERICANAS, S.L.U.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	SOCIETAT D AUTOPISTES	SOLIDARITY ADMINISTRATOR

	CATALANES, S.A.U.	
MR FRANCISCO REYNÉS MASSANET	A4 HOLDING S.P.A.	DIRECTOR
MR FRANCISCO REYNÉS MASSANET	ABERTIS INDIA, S.L.	SOLIDARITY ADMINISTRATOR
MR FRANCISCO REYNÉS MASSANET	ABERTIS MOBILITY SERVICES, S.L.	SOLIDARITY ADMINISTRATOR

List, if appropriate, any relevant relationships, other than those included under the previous heading, that link members of the Board of Directors with significant shareholders and/or their group companies.

Name or corporate name of director

DON FRANCISCO JOSÉ ALJARO NAVARRO

Name or corporate name of significant shareholder

ABERTIS INFRAESTRUCTURAS, S.A.

Relationship:

CHIEF FINANCIAL OFFICER

Name or corporate name of director

MR LUIS DEULOFEU FUGUET

Name or corporate name of significant shareholder

ABERTIS INFRAESTRUCTURAS, S.A.

Relationship:

GENERAL MANAGER OF SANEF

Name or corporate name of director

MR FRANCISCO REYNÉS MASSANET

Name or corporate name of significant shareholder

FUNDACIÓN PRIVADA ABERTIS

Relationship:

TRUSTEE

Name or corporate name of director

MR JOSÉ MARÍA CORONAS GUINART

Name or corporate name of significant shareholder

ABERTIS INFRAESTRUCTURAS, S.A.

Relationship:

NON-DIRECTOR VICE SECRETARY, SECRETARY GENERAL AND CORPORATE GENERAL MANAGER

Name or corporate name of director

MR JOSÉ MARÍA CORONAS GUINART

Name or corporate name of significant shareholder

FUNDACIÓN BANCARIA CAIXA D'ESTALVIS I PENSIONS DE BARCELONA

Relationship:

SECRETARY (NON-MEMBER) OF THE PATRONAGE

Name or corporate name of director

MR FRANCISCO REYNÉS MASSANET

Name or corporate name of significant shareholder

ABERTIS INFRAESTRUCTURAS, S.A.

Relationship:

VICECHAIRMAN / CEO

C.1.18 Indicate whether any changes have been made to the board regulations during the year.

Yes ☐

No ☒

C.1.19 Indicate the procedures for selecting, appointing, re-electing, evaluating and removing directors. List the competent bodies and the processes and criteria to be followed for each of these procedures.

The procedures for the selection, appointment, re-election, assessment and removal of directors are detailed in Sections 18 to 21 of the Board of Directors' Regulations, which read as follows:

Section 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 Law 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 Nomination and Remuneration Committee when in relation to independent directors, and by a report in the case of all other directors.

Section 19. Appointment of affiliate directors.

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

Section 20. Term of office.

1. Directors shall hold office for the term provided for in the corporate Bylaws, and may be re-elected once or more times for this same term.

2. Directors appointed by co-optation 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-optation by the Board does not necessarily have to be a shareholder in the company. When, following a Nomination 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.

Section 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.

Furthermore, in addition, it was approved in 2016 a Director Selection Policy stating that, in accordance with the provisions of the Limited Liability Company Law, the Nomination 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. This proposal for nomination or re-election must be accompanied by an explanatory report from the Board that assesses the competence, experience and merits of the proposed candidate. Additionally, the proposal for nomination or re-election of any non-independent director must also be preceded by a report from the Nomination 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 Nomination 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 Nomination 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.

C.1.20 Explain to what extent the annual evaluation of the board has prompted significant changes in its internal organisation and regarding the procedures applicable to its activities.

Description of changes

The evaluation of the Board has not resulted in significant changes to the internal organisation or to procedures.

C.1.20 bis Describe the evaluation process carried out and the areas evaluated by the board of directors, assisted, if applicable, by an external consultant, with regard to the diversity in its composition and competences, of the functioning and composition of its committees, of the performance of the chairman of the board of directors and the chief executive of the company and of the performance and contribution of each director.

Following a proposal of the NRC, the Board of Directors decided that the evaluation of its operations during year 2017 would be done by an external consultant. For these purposes, possible candidates were selected, being agreed to hire a boutique specialized on these topics, “gobierno corporativo abogados” (corporate governance lawyers). The external consultant analyzed all the corporate documentation and held various work meetings with the Secretary of the Board and, likewise, also met separately with each of the Directors who, in addition, responded to a form prepared by the external consultant.

The conclusions of the analysis show that, in a short period of time, Cellnex has created a complete internal normative body which guarantees the respect to the legal obligations and to the principles and recommendations which integrate the Corporate Governance. From the external consultant perspective, the Board, the Directors and its committees have assumed and internalized the belief that this is not only compulsory or recommendable, but also convenient to be governed with transparency, respect to the shareholders, employees, suppliers and clients and be submitted to the principals that have been consolidated in this context of Corporate Governance. However, the external consultant formulated some recommendations which are duly reflected in its report.

C.1.20. ter Detail, if applicable, the business relationships that the consultant or any company from their group maintains with the company or any company from its group.

C.1.21 Indicate the cases in which directors must resign.

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.

C.1.22 Section abolished.

C.1.23 Are qualified majorities other than those prescribed by law required for any type of decision?

Yes ☐

No **X**

C.1.24 Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed chairman of the board.

Yes ☐

No **X**

C.1.25 Indicate whether the Chairman has the casting vote.

Yes ☐

No **X**

C.1.26 Indicate whether the Bylaws or the board regulations set any age limit for directors.

Yes **X**

No ☐

Age limit for chairman

Age limit for CEO: 70

Age limit for director

C.1.27 Indicate whether the Bylaws or the board regulations set a limited term of office for independent directors, other than that established in legislation.

Yes ☐

No **X**

C.1.28 Indicate whether the Bylaws or board regulations stipulate specific rules on appointing a proxy to the board, the procedures for doing so and, in particular, the maximum number of proxy appointments a director may hold. Also indicate whether any limitation has been established in terms of the categories in which it is possible to appoint a proxy, beyond the limitations imposed by legislation. If so, give brief details.

Section 23(a) of the Bylaws state that any director may confer representation to another director in writing, by fax, email or any other similar method. Nonexecutive directors may only confer representation to another non-executive director.

C.1.29 Indicate the number of board meetings held during the year, and how many times the board has met without the chairman's attendance. Attendance will also include proxies appointed with specific instructions.

Number of board meetings	12
Number of board meetings held without the chairman's attendance	0

If the chairman is an executive director, indicate the number of meetings held, without the attendance or representation of any executive director and chaired by the coordinating director.

Number of meetings	0
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Indicate the number of meetings of the various board committees held during the year.

Committee	Number of meetings
AUDIT AND CONTROL COMMITTEE	9
NOMINATION AND REMUNERATION COMMITTEE	8

C.1.30 Indicate the number of board meetings held during the year with all members in attendance. Attendance will also include proxies appointed with specific instructions.

Number of meetings with all directors in attendance	11
% of attendances of the total votes cast during the year	99,13%

C.1.31 Indicate whether the consolidated and individual financial statements submitted for authorization for issue by the board are certified previously.

Yes ☒

No ☐

Identify, where applicable, the person(s) who certified the company's individual and consolidated financial statements prior to their authorization for issue by the board.

Name	Post
MR JOSÉ MANUEL AISA MANCHO	Finance and Corporate Development Manager
MR TOBIÁS MARTÍNEZ GIMENO	Chief Executive Officer
MR JAVIER MARTÍ DE VESES ESTADES	General Secretary and Council

C.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being laid before the General Shareholders' Meeting with a qualified Audit Report.

In accordance with section 39.3 of the Board Regulations, the Board of Directors shall procure to definitively drawn up the annual accounts in a way that the auditor cannot oppose exceptions. However, when the Board considers that it shall maintain its approach, it shall explain publicly the content and scope of the discrepancy. The duties of the Audit and Control Committee (section 15(c) of the Board Regulations) include supervising the process of preparing and presenting the compulsory financial information as well as the integrity 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 financial statements.

C.1.33 Is the secretary of the board also a director?

Yes ☐

No ☒

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

Name or corporate name of secretary	Representative
MR JAVIER MARTÍ DE VESES ESTADES	

C.1.34 Section abolished.

C.1.35 Indicate and explain, where applicable, the specific mechanisms implemented by the company to preserve the independence of external auditors, financial analysts, investment banks and rating agencies.

One of the duties of the Audit and Control Committee (section 15(b) of the Board Regulations) is to propose to the Board of Directors, so that it may submit them to the General Shareholder's Meeting, the proposals for selection, appointment, re-election and replacement of the external accounts auditor or auditing firm, the contracting terms, the scope of their professional mandate and, as the case may be, the revocation or non-renewal thereof, all in accordance with the current legislation, as well as to regularly collect from them information about the audit plan and its implementation, and to preserve its independence in the exercise of its duties.

Another function (section 15(d) of the same Regulations), is to establish the appropriate relations with the external accounts auditors or auditing firms in order to receive information on issues that may jeopardize 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 the legislation and regulations concerning the auditing of accounts. In all cases, they must receive on an annual basis from the external accounts auditors or auditing firms written confirmation of their independence with regard to the company or any organisations directly or indirectly related to the same, in addition to information regarding any additional services of any kind provided to and the pertinent fees received from these organisations by said auditors or auditing firms, or by persons or organisations related to the same in accordance with the provisions established in the applicable legislation on account auditing.

Additionally, another function of the Audit and Control Committee (section 15 ap. e) of the Board Regulations) is to issue annually, prior to the issuance of the auditors' report on the annual accounts, a report which shall express an opinion on the independence of the auditors or audit companies. This report shall contain, in any event, a valuation of the additional services provided referred to in the previous section, individually considered and as a whole, which are different from the legal audit and details in relation with the independent regime or the audit governing regulations.

In accordance with legal requirements, the Company's annual financial statements detail the fees paid to the Company's external auditor for all audit and non-audit services rendered.

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

C.1.36 Indicate whether the company has changed its external auditor during the year. If so, identify the incoming auditor and the outgoing auditor.

Yes ☐

No ☒

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

C.1.37 Indicate whether the auditing firm performs non-audit work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of all fees invoiced to the company and/or its group.

Yes ☒

No ☐

	Company	Group	Total
Amount of non-audit work (thousands euros)	322	124	446
Amount of non-audit work as a % of the total amount billed by the auditing firm	36,43%	18,93%	28,98%

C.1.38 Indicate whether the audit report on the previous year's financial statements is qualified or includes reservations. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

Yes ☐

No ☒

C.1.39 Indicate the number of consecutive years during which the current auditing firm has been auditing the financial statements of the company and/or its group. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited.

	Company	Group
Number of consecutive years	5	5

Number of years audited by current auditing firm / Number of years the Company's financial statements have been audited (%)	100,00%	100,00%
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C.1.40 Indicate and give details of any procedures through which directors may receive external advice.

Yes X

No ☐

Describe the procedure

In accordance with the provisions of section 23 of the Board Regulations:

1. In order to receive assistance in the performance of their duties, non-executive Directors may, when there are special circumstances that make this necessary, request that legal, accounting, financial or other experts be hired at the Company's expense. The commissioned task must necessarily deal with specific problems of a certain importance and complexity which may arise during the performance of their office.

2. The Chief Executive Officer of the Company must be informed of any decision to engage external advisors, and may be vetoed by the Board of Directors, provided it proves that:

- a) it is not necessary for the proper performance of the duties entrusted to the nonexecutive Directors; or
- b) the cost is not reasonable in view of the importance of the problem and of the assets and income of the Company; or
- c) the technical assistance obtained may be properly provided by in-house experts and staff members.

C.1.41 Indicate and, where appropriate, give details of whether there are procedures for directors to receive the information they need in sufficient time to prepare for meetings of the governing bodies.

Yes X

No ☐

Describe the procedure

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 take adopt decision or a 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 forty-eight (48) hours in advance.

The advance information sent to directors during the financial year 2017 was generally sent to the directors one week in advance of the meetings.

C.1.42 Indicate and, where appropriate, give details of whether the company has established rules obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be.

Yes X

No ☐

Details of rules

Directors must tender their resignation to the Board and, if the Board of Directors considers it appropriate, formally resign (section 21 of the Board Regulations) in the following cases:

- 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 jeopardize 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.1.43 Indicate whether any director has notified the company that they have been indicted or tried for any of the offences stated in Article 213 of the Spanish Limited Liability Companies Law.

Yes ☐

No X

Indicate whether the Board of Directors has examined this matter. If so, provide a justified explanation of the decision taken as to whether or not the director should continue to hold office or, if applicable, detail the actions taken or to be taken by the board.

C.1.44 List the significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects.

-Syndicated bank financing agreements are subject to early repayment if there is a change in control, where change in control is defined as the acquisition of (i) more than 50% of the voting rights or (ii) the right to appoint or remove the majority of the board members.

-Bond issue agreement: holders will have the option to request the early amortization of their bonds, in the event of a change in control (in the same terms as in bank financing), but in addition, this change in control would have to bring about a reduction in the rating of these bonds, and provided that the rating agency stated that the reduction of the credit rating is caused by the change in control.

-Some of the purchase contracts entered into by the company for the acquisition of infrastructures include a purchase option for the sellers if there is a change in control at Cellnex or at any of its subsidiaries in favour of a competitor of the sellers.

C.1.45 Identify, in aggregate form and provide detailed information on agreements between the company and its officers, executives and employees that provide for compensation, guarantee or protection clauses the event of resignation, unfair dismissal or termination as a result of a takeover bid or other kinds of operation.

Number of beneficiaries: 2

Type of beneficiary: CEO and Senior Management

Description of the agreement:

The executives have signed agreements with the company that contain compensation clauses.

In general terms, the contracts' compensation clause provides for the payment of compensation to the executive in the event of unfair dismissal. The compensation is the greatest of the following amounts: 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 the provision of their services; or b) the compensation established by current employment legislation.

In the case of the Chief Executive Officer 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 manager due to serious breach by the company of the obligations set out in the contract, substantial modification of their duties without consent, change in control of the company in the sense provided for in Section 42 of the Commercial Code and similar circumstances.

For the Chief Executive Officer the compensation would consist of two years' fixed and variable remuneration.

Indicate whether these agreements must be reported to and/or authorized by the governing bodies of the company or its group.

	Board of Directors	General Shareholders' Meeting
Body authorizing clauses	Yes	No

	YES	NO
Is the General Shareholders' Meeting informed of such clauses?		X

C.2 Board committees

C.2.1 Give details of all the board committees, their members and the proportion of executive, proprietary and independent directors and other external directors forming them.

AUDIT AND CONTROL COMMITTEE

Name	Post	Category
MR BERTRAND BOUDEWIJN KAN	CHAIRMAN	INDEPENDENT
MR FRANCISCO JOSÉ ALJARO NAVARRO	MEMBER	PROPRIETARY
MR LEONARD PETER SHORE	MEMBER	INDEPENDENT

% of proprietary directors	33,33%
% of independent directors	66,67%
% of other external directors	0,00%

Explain the functions assigned to this committee, describe the procedures and rules of organisation and operation of the same and summarize its most important actions during the year.

As regards section C.2.1

Identify the director who is a member of the Audit Committee who has been appointed taking into account his or her knowledge and experience in the field of accounting, auditing or both, and provide information on the number of years that the Chairman of this Committee has held this post.

Name of director with experience	MR BERTRAND BOUDEWIJN KAN
Num. of years chairman has held post	1

NOMINATION AND REMUNERATION COMMITTEE

Name	Post	Category
DON GIAMPAOLO ZAMBELETTI ROSSI	CHAIRMAN	INDEPENDENT
DON PIERRE BLAYAU	MEMBER	INDEPENDENT
DON JOSEP MARIA CORONAS GUINART	MEMBER	PROPRIETARY
DOÑA MARIETA DEL RIVERO BERMEJO	MEMBER	INDEPENDENT

% of proprietary directors	25,00%
% of independent directors	75,00%
% of other external directors	0,00%

Explain the functions assigned to this committee, describe the procedures and rules of organisation and operation of the same and summarize its most important actions during the year.

As regards section C.2.1

C.2.2 Complete the following table with information on the number of female directors on the various board committees as at year-end of the past four financial years.

	Number of female directors							
	2017		2016		2015		2014	
	Financial year t		Financial year t-1		Financial year t-2		Financial year t-3	
	Number	%	Numb	%	Number	%	Number	%
Audit and Control Committee	0	0,00%	0	0,00%				
Nomination and Remuneration Committee	1	25,00%	0	0,00%				

C.2.3 Section abolished.

C.2.4 Section abolished.

C.2.5 Indicate, as appropriate, whether there are any regulations governing the board committees, the place in which they are available for consultation and any amendments that have been made during the year. Also indicate whether an annual report on the activities of each committee has been prepared 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 2017, which is available on the company's website.

C.2.6 Section abolished.

D OPERATIONS WITH RELATED PARTIES AND INTRAGROUP OPERATIONS

D.1 Explain, in your case, the procedure for the approval of operations with related parties and intragroup operations.

Procedure to inform on the approval of operations with related parties

Pursuant to Section 4 of the Board of Directors' Regulations, the board will have the authority to approve operations which the company conducts with 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 standardized and apply in masse to most 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, section 33 of the mentioned 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 authorization for the line of operations and their conditions of execution will suffice.

D.2 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's significant shareholders.

Name or corporate name of significant shareholder	Company name or group entity	Nature of relationship	Operation type	Amount (Thousands of Euros)
ABERTIS INFRAESTRUCTURA S, S.A.	CELLNEX TELECOM, S.A.	CONTRACT UAL	DIVIDENDS AND OTHER DISTRIBUTED PROFITS	6.800
BLACKROCK, INC.	CELLNEX TELECOM, S.A.	CONTRACT UAL	DIVIDENDS AND OTHER DISTRIBUTED PROFITS	1.017
CRITERIA CAIXA, S.A.U.	CELLNEX TELECOM, S.A.	CONTRACT UAL	DIVIDENDS AND OTHER DISTRIBUTED PROFITS	1.000
THREADNEEDLE ASSET MANAGEMENT LIMITED	CELLNEX TELECOM, S.A.	CONTRACT UAL	DIVIDENDS AND OTHER DISTRIBUTED PROFITS	980
CANTILLON CAPITAL MANAGEMENT LLC	CELLNEX TELECOM, S.A.	CONTRACT UAL	DIVIDENDS AND OTHER DISTRIBUTED PROFITS	604
MFS INVESTMENT MANAGEMENT	CELLNEX TELECOM, S.A.	CONTRACT UAL	DIVIDENDS AND OTHER DISTRIBUTED PROFITS	521
CRITERIA CAIXA, S.A.U.	CELLNEX TELECOM, S.A.	CONTRACT UAL	CONTRIBUTIONS TO PENSION PLANS AND LIFE INSURANCE	1.358

D.3 List relevant transactions, by virtue of their amount or importance, between your company or groups of companies and the company's managers or directors.

D.4. List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens.

D.5 Indicate the amount from related-party transactions.

14.379 (K€)

D.6 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, management or significant shareholders.

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 (section 27 c) of the Board 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.

Additionally, Directors (section 27 (e) of the same Regulations) must adopt the necessary measures to avoid situations in which their interests, whether for their own account or for others, may conflict with the company's interests and their duties towards the company. The foregoing excludes the cases in which the company has provided its consent, pursuant to the terms set forth in section 230 of the Spanish Limited Liability Companies Law.

Directors (section 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:

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 faithful image of the entity's assets, financial situation and results.

b) Using the company's name or their status of 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.

d) 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.

e) Carrying out activities, for 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.

f) Carrying out activities, for 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.

In July 2016 Cellnex's Board of Directors approved a new Internal Code of Conduct (ICC) adapted to the requirements of the European Regulation on market abuse. 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 more than one of the group's companies listed in Spain?

Yes ☐

No ☒

Identify the listed subsidiaries in Spain.

Listed subsidiaries

Indicate whether they have provided detailed disclosure on the type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

Define the business dealings between the parent company and listed subsidiary as well as the dealings between the subsidiary and other group companies

Indicate the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and other group companies.

Mechanisms to resolve possible conflicts of interest

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Describe the risk management system in place at the company, including those of a fiscal nature.

The ongoing risk management model has been approved and supervised by the Audit and Control Committee and is currently implemented in Spain, France, the Netherlands, Italy and the United Kingdom.

To identify the risks there are guidelines defined and approved by the Audit and Control Committee. Each area of the company is responsible to identify, assess and monitor the inherent and residual risks and also to supervise and implement 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 contrasted and implemented by the Executive Committee

E.2 Identify the company bodies responsible for preparing and implementing the risk management system, including the fiscal one.

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

- The Board of Directors: the highest body responsible for defining the risk control strategy and policy.
- The 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, prioritize, 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 mapping, implementing a system for monitoring and communications to the highest level of company governance and review the controls that mitigate the identified risks.

- Senior Management Committee: Is responsible for risk management included in the implementation of the defined risk policies, the approval of risk maps, the assigning of responsibilities, the implementation of control activities and action plans as well as the monitoring of existing risks in its area of responsibility.
- Managers: Each area manager is responsible for identifying their risks and informing the 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 main risks, including those of a fiscal nature, which may prevent the company from achieving its targets.

The main risks which may prevent the company from achieving its targets are:

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

E.4 Identify if the company has a risk tolerance level, including a fiscal one.

The levels of tolerance are defined in the risk assessment matrix.

For the identified risks each person responsible will evaluate the possible impact of such risks should these occur and classify them as low, medium, large or critical depending on their economic impact, implications for the organisation and impact on reputation. Following this the possibility of the risk actually occurring will be evaluated. This possibility is classified as unlikely, possible, probable and almost certain. The combination of impact and probability leads to risk prioritization.

E.5 Identify any risks, including fiscal ones, which have occurred during the year.

We highlight the most relevant risks materialized during the year:

- Litigation regarding the extension of DTT.
- Access to financing.
- Infrastructure sharing.
- Geopolitical situation.

E.6 Explain the response and monitoring plans for the main risks the company is exposed to, including fiscal risks.

Under the risk management model implemented the response and supervision plans for the main risks are established based on their assessment.

The risks considered as priorities are reviewed by the Audit and Control Committee as well as if there is any variation in the valuation of the risks not defined as priorities. Additionally, all the areas perform risk management and the Executive Committee monitors such risks.

F INTERNAL CONTROL AND MANAGEMENT OF RISK IN FINANCIAL REPORTING (ICFR)

Describe the mechanisms which comprise the internal control and management of risk in financial reporting (ICFR) at the company.

F.1 The entity's control environment

Specify at least the following components, with a description of their main characteristics:

F.1.1. What bodies and / or functions are responsible for: (i) the existence and regular updating of a suitable and effective ICFR; (ii) its implementation and (iii) its monitoring.

Internal Control over Financial Reporting (ICFR) 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 carry out to provide reasonable assurance of the reliability of the financial information reported to the market.

The 'Model for the Organisation and Monitoring of the ICFR' at Cellnex (hereinafter 'ICFR Organisation Model') establishes that the Board of Directors is the highest authority responsible for the supervision of the internal information systems, as well as the Risk Control and Management Policies. In addition, the Sections and the Board Regulations state, amongst other things, the following responsibilities:

- Defining general company policies and strategies, as well as the corporate governance policies of the organisation.
 - The preparation and approval of annual accounts and any other report or information required by law.
 - The financial information that, due to its status as a listed company, the company must periodically publish.
- Definition of the Risk Control and Management Policy, including taxation risks, as well as supervising internal information and control systems.
- The supervision of the correct functioning and actions of the delegated bodies, amongst which there is the Audit and Control Committee and designated directives.

According to the Board of Directors' Regulation (section 15), there are amongst the basic responsibilities of the Audit Control Committee (hereinafter the AAC):

- The supervision of the preparatory process and presentation of mandatory financial information, as well as its integrity.
- The supervision of the efficiency and suitability of internal control and risk evaluation in Cellnex as well as the best monitoring and control measures to avoid committing criminal offences and for risk management systems, including fiscal risk and the systems in place to manage compliance with all applicable legislation.

- Discussion with the account auditor of the significant weaknesses of the internal control system detected during the auditing process.
- The supervision of internal auditing services, ensuring their independence and making sure that the recommendations and suggested corrective measures be considered by the management.

Cellnex Internal Audit is in turn responsible for supervising ICFR in delegation from the Audit and Control Committee with the Finance and Corporate Development Department responsible for its design, maintenance and implementation.

F.1.2. The existence or otherwise, especially in connection with the financial reporting process, of the following elements:

- Departments and / or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying procedures so this structure is communicated effectively throughout the Company.

The Cellnex Board of Directors assigns the responsibility of the design and review of the organisational structure related to the preparation of the financial information to Organisation and General Services and to Finance and Corporate Development. From these guidelines the general structures and distribution of responsibilities and the procedure to design, review, update and inform on these are defined; this process being documented in the form of organisational structure charts and process models and its associated regulations which form part of the policy catalogue of Cellnex.

Cellnex has an internal organisational chart which covers all areas and which is basically divided according to department (including those departments involved in preparing, analyzing and supervising 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 to the preparation process of financial information, in addition to the detailed organisational charts and with the aim of assigning responsibilities, there is the ICFR Organisational Model, developed by the Department of Consolidation and Financial Reporting, part of the Finance and Corporate Development department, and which is submitted to the AAC for approval.

- Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.

Cellnex has a Code of Conduct (Code of Ethics) approved by Cellnex Telecom, S.A.'s Ethics and Compliance Committee that is made up from Internal Audit, the Legal department, Resources department, the Company Secretarial department, and the Regulation department, and this has been communicated to the employees and is available on the corporate intranet. Specific training for employees is being planned.

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

The body responsible for analyzing breaches and proposing corrective actions and sanctions is the Ethics and Compliance Committee.

- 'Whistle-blowing' channel, for the reporting to the Audit Committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential.

Cellnex has and promotes the use of communications channels concerning possible non-conformities with the Ethics Code and other irregular activities in the organisation, especially from a financial and accounting point of view, informing the Ethics and Compliance Committee in all cases.

As stated in the Ethics Channel Policy, which regulates the procedure, scope and application of the reports received, the latter can be communicated via a communications form, either by post or email, maintaining the confidentiality at all times.

Any communications will be received, analysed and followed up by the Ethics and Compliance Committee, and this committee will periodically inform the Nomination and Remuneration Committee and the Audit and Control Committee. From time to time the Ethics and Compliance Committee will inform the Nomination 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 communications received, to facilitate the analysis of the functioning of the 'whistle-blowing' channel.

- Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management.

Regarding training programs and the periodic updating of elements which can affect the preparation and publication of financial information, Cellnex believes the continuous development and training of its staff and management to be key. In this regard, 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.

Regarding the preparation and review of the financial information, during 2017 Cellnex implemented training plans based on the needs identified by the department of Consolidation and Accounting Regulation in relation to:

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

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

Cellnex carried out training activities during 2017 using external experts and internal training sessions, covering personnel involved in preparing and reviewing financial information. The training areas on which most emphasis was placed during 2017 relate to accounting, tax and financial matters which could have the greatest impact on the preparation of Cellnex's consolidated financial information, particularly in changes to the fiscal and accounting changes at both national and international levels and with the year's updates concerning EU-IFRS.

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

Additionally, specific training was carried out during 2017 regarding:

- Training in respect of the consolidation tool for our subsidiaries in Italy, The Netherlands and France.
- IFRS 16 - Leases
- IFRS 15 - Revenue recognition
- IFRS 9 - Financial instruments

Additionally, the Consolidation and Financial Reporting department has 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 reported to ensure they are taken into consideration when preparing Cellnex's financial information.

F.2 Risk assessment in financial reporting

Report, as a minimum, on:

F.2.1. The main characteristics of the risk identification process, including risks of error or fraud, stating whether:

- The process exists and is documented.

See Section F.2.1.5

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

See Section F.2.1.5

- A specific process is in place to define the scope of consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies, etc.

See Section F.2.1.5

- The process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.

See Section F.2.1.5

- Finally, which of the company's governing bodies is responsible for overseeing the process.

Cellnex has a Risk Control and Management Policy that establishes the basic principles and the general framework for the control and management of all types of risks which are faced. In this manner Cellnex identifies and updates the principle risks organizing adequate information and internal control systems and performing monitoring functions.

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

During the process of the drawing up and issuing financial information this manual sets out what financial information it refers to as well as the methodology for defining it. 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), is updated and with what frequency.

Cellnex has identified the relevant business processes together with their inherent risks and has designed a Risk and Controls Matrix that aims to identify the main risks, based on which control activities have been designed, such that when adequately complied with, true and reliable financial information can be obtained.

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

The Cellnex Audit and Control Committee is responsible for supervising the risk control systems with the support from Internal Audit.

F.3 Control activities

Indicate the existence of at least the following components, and specify their main characteristics:

F.3.1. Procedures for reviewing and authorising the financial information and description of the ICFR to be disclosed to the markets, stating who is responsible in each case as well as 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 ACC, where the process for preparing and approving the financial information and the description of the ICFR to be published in the market and to investors is detailed. This manual sets out the criteria to identify relevant public financial information, this being as follows:

- Regular reporting obligations (RRO):
 - Quarterly financial report.
 - Half year financial report.
 - Annual financial report and Annual Corporate Governance Report (ACGR)
- Annual report on remuneration policy for directors (ARR)
- Significant Events

Cellnex's Manual for the Issue of Regulated Information also details the departments involved in preparing, review and authorisation of the financial information and their respective responsibilities from the year end accounting processes to the publication of the relevant facts. In particular, for each set of regulated financial information to be published for the market there is a procedure for its preparation and review that requires completing questionnaires for the internal control of regulated information to ensure a reasonable security in the reliability of the entities financial statements.

Following the Manual for the Issue of Regulated Information and completing specific questionnaires for internal control is obligatory and subject to review by the internal Cellnex auditor.

On the matter of descriptive documentation regarding flows in activities and controls of the different transactions that can materially affect the financial statements, Cellnex has a ICFR Organisational Model that structures the specific mechanisms set up to maintain an internal control environment that favours the generation of complete financial information that is reliable and timely and anticipates the existence of possible irregularities as well as ways in which to detect and remedy these. Cellnex has developed procedures for those processes that are considered material and relevant as concerns their potential impact on the financial information to be published, as detailed below:

- Revenue recognition and accounts receivable
- Fixed assets and investments
- Purchases and accounts payable
- Staff costs
- Judgements and estimates
- Month end accounting, consolidation and financial 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 Finance and Corporate Development prior to submission to the Audit and Control Committee. Here the procedures included in the Emission of Regulated Information Manual will be applied as a prior step to a submission of the information to Cellnex 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 'ICFR Risk and Control Matrix' and contain information on what the controls should consist of, the reason these 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 income generation, investment 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.

In relation to the relevant judgements and estimations made, Cellnex reports any areas of particular uncertainty that it considers especially pertinent in its consolidated financial statements. The specific review and approval of the relevant judgements, estimates, assessments and projections as well as the key assumptions used for calculating them, with a material impact on the consolidated financial statements, are made by Finance and Corporate Development and, where applicable, by the managing director. The most significant ones, such as the monitoring of asset values and hedging policies will be treated and reviewed by the ACC before submitting them for the Board's approval.

F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding 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 one that is particularly emphasized by Cellnex. Specifically, the Consolidation and Reporting SAP BPC system has been implemented in all the Group's companies in Spain. The process of segregation of systems with its parent company Abertis was also completed during 2016.

Regarding the companies outside of Spain the database is fed through loading files which are prepared in the relevant foreign subsidiaries and sent back to the corporate offices in Spain for loading into the system. During 2017, SAP BPC has been installed in such foreign subsidiaries so that the charging to the consolidation system may be executed from each country. This process is expected to be completed during the second half of 2018. In respect of Galata - the Italian subsidiary - in the beginning of the year it was concluded the process for system segregation with their former parent Wind Telecomunicazioni and they have also started to work fully under SAP.

The Systems department, which forms part of the Organisation and Efficiency department, which in turn forms part of the Resources department is responsible for establishing the model of internal control over the information systems in those aspects relating to access security, segregation of duties (in coordination with the business areas and support areas) change control, apart from

carrying out monitoring activities for risks and controls derived from the externalisation of the systems.

F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

Cellnex does however regularly use reports by independent experts to value its financial instruments and undertakings to employees. In addition, Cellnex maintains certain activities associated with accounting, payroll and the administration and maintenance of its corporate information systems subcontracted to an external supplier.

Cellnex has guidelines drawn up concerning the treatment of activities with third parties both in terms of hiring and the monitoring of results. These guidelines are detailed in the internal purchasing procedures.

The Finance and Corporate Development department carries out controls on 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 control and risk management 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 the contract, agreements in levels of service, risk indicators, service reports, measures for technology security, external audits as well as contingency and continuity plans, amongst others.

F.4 Information and communication

Indicate the existence of at least the following components, and specify their main characteristics:

F.4.1 A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the company's operating units.

The responsibility to define, maintain and update accounting policies within Cellnex falls upon the management of Consolidation and Financial Reporting. The duties of the Consolidation and Financial Reporting department also include responding to accounting queries made 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 the purposes of preparing financial statements under EU-IFRS which is drawn up by Corporate Management Control and regularly updated by it (at least once a year) to include the rules applicable to the 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 accounting principles on which they must carry out their work are those contained in the Cellnex GRAPH.

Any alterations that may take place are notified to the subsidiaries by e-mail and the complete updated manual is filed on the Accounting Regulations portal, as well as on the Corporate Management Control portal of the Cellnex Intranet. The most recent update was in November 2016 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 in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

Cellnex has various integrated platforms of financial information for recording transactions and preparing financial information for all of its subsidiaries (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 preparation of regulated financial information as well as the individual financial states Cellnex's national companies is centralised Finance and Corporate Development, so to guarantee homogeneous procedures in their preparation. Every half year and yearend the 'Half year forms / Annual forms' are received, these bring together all the information necessary for the preparation of the group's consolidated financial information (summarised intermediary financial statements and annual accounts).

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

- It is standard and uniform for all countries and businesses.
- It is prepared on the basis of Cellnex's accounting manual which is standard
- for all of the group companies.
- It includes applicable legal, tax, commercial and regulatory requirements.

The information in the monthly reports and FORMS 2017 is loaded directly by the controllers.

F.5 System monitoring

Indicate the existence of at least the following components, describing their main characteristics:

F.5.1 The ICFR monitoring activities undertaken by the Audit Committee and the entity have an internal auditing function included competencies supporting the committee in its role of monitoring the internal control system, including ICFR. Describe the scope of the ICFR

assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

Cellnex already had a model for internal control over financial reporting, which was supervised in part by Abertis' corporate functions, to see through its commitment to complete and reliable financial information, and to comply with the fact that its previous main shareholder was also a listed company.. The adaptation of this model to the specific needs of Cellnex as a listed entity have occupied the majority of the Audit and Control Committee's activities during this year. To this effect, the AAC has carried out the following ICFR-related activities in 2017:

- Monitoring of implementation levels and possible changes to Cellnex ICFR models.
- Approving Cellnex's ICFR Organisational Model, as well as the ICFR Internal Control and Risk Management Manual, in line with Cellnex's general risk policy.
- Review of the information related to ICFR included in the Annual Corporate Governance Report.
- Review of the financial information Cellnex has published in the market.
- Supervision and periodic analysis of the evolution of the implementation of the ICFR, understanding its level of implementation and efficiency.
- Follow up of the work performed by the company's external auditors with the aim of understanding the weaknesses in the internal controls which they have detected during their work as well as other relevant aspects or incidents in these.

The Audit and Control Committee has already approved the Internal Audit Plan for 2018, which includes the necessary actions to guarantee adequate supervision and evaluation of the plans throughout the year by regularly reporting the incidents detected and the necessary actions for improvement once checked with audited areas.

Cellnex has an Internal Audit function that reports to the CAC and, as indicated by the Cellnex Board of Directors Regulations and specifically the section that corresponds to the powers assigned to the Audit and Control Committee, has the main function of supervising 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 the managers, as well as supervising the monitoring and control measures necessary for preventing criminal offences, the risk management systems, including tax-related ones, and the compliance management systems for any applicable legislation, and to discuss with the auditors any significant weaknesses in the internal control system detected while carrying out the audit.

During 2017 Internal Auditing developed various activities in key business process reviews and, as reported timely to the ACC, no significant weaknesses that could have a material impact on Cellnex's 2017 financial information have been identified; furthermore, necessary corrective actions to solve other future possible weaknesses have been carried out.

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

F.5.2 This includes a discussion procedure whereby the auditor (pursuant to TAS), internal auditors and other experts can report any significant internal control weaknesses encountered during their review of the annual financial statements or other assignments to the company's senior management and its Audit Committee or Board of Directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

The discussion procedure for significant weaknesses identified in relation to internal control is based, in general terms, on regular meetings maintained by the various parties involved. In this regard, the Internal Audit function communicates, on a regular basis, its conclusions regarding internal control during the reviews of the SCIIF to the Finance and Corporate Development department and to the ACC. It also reports on its conclusions relating to the internal audit processes carried out during the year, along with the implementation state of the corrective action plans established.

In relation to the relationship with external auditors, as described in section 39 of the Cellnex Board of Directors Regulations, these are channelled through the Audit and Control Committee. To this effect and to comply with its responsibility in supervising the auditor's actions as well as receiving communications regarding potential weaknesses in internal controls identified during professional actions, should there be any, the Audit and Control Committee will periodically meet with the external auditor. These communications are recorded in the Audit and Control Committee's minutes and are monitored through Internal Audit functions.

In addition, Cellnex's external auditors have direct contact with the Chief Financial Officer and maintain periodic meetings both to obtain information necessary to carry out their work and to communicate any weaknesses detected.

F.6 Other relevant information

No additional aspects to describe have been identified.

F.7 External auditor report

Informs on:

F.7.1. Whether the ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

Cellnex has submitted to the external auditor for review the ICFR information submitted to the markets for 2017. The scope of the review procedures of the auditor are performed in accordance with Circular E14/2013 of 19 July 2013, of the Spanish Institute of Certified Auditors, which sets out the guidelines for the audit report model in relation to the Internal Control over the Financial Reporting (ICFR) of quoted companies.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

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

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons for this 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 statutes of listed companies should not place a limit on the votes that can be cast by a single shareholder or impose other obstacles to a takeover of the company by means of share purchasing on the market.**

Compliant ☒ Explain ☐

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

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

3. **During the AGM, in addition to the written Annual Corporate Governance Report, the president of the Board of Directors will verbally inform shareholders with suitable detail on the most relevant aspects of the company's corporate governance and in particular:**
 - a) **Of the changes which have taken place since the previous AGM.**
 - b) **Of the specific reasons for which the company may not be complying with any recommendations contained in the Code for Corporate Governance and, should there be any, the alternative rules which have been applied in the matter.**

Compliant ☒ Partially compliant ☐ Explain ☐

4. **The company defines and promotes a policy of communication and contact with shareholders, institutional investors and vote advisers that is completely respectful of the rules in place to avoid market abuses and a similar treatment of shareholders that are in equivalent positions.**

The company makes public this information through its website, including information regarding the way in which the company has put this into practice and identifying the representatives or the people responsible for carrying this out.

Compliant ☒ Partially compliant ☐ Explain ☐

5. **The Board of Directors will not put to the AGM a proposal that delegates the authority to emit shares or convertible values, excluding rights to subscription, for a value above 20% of capital at the moment of delegation.**

When the Board of Directors approves any emissions of shares or convertible values, excluding rights to subscription, the company will publish via their website the reports regarding such exclusion to which trading legislation refers to.

Compliant X Partially compliant ☐ Explain ☐

6. The listed companies that produce the reports listed below, be it for mandatory or voluntary purposes, should publish these on their website with sufficient time prior to the AGM, even when their distribution is not mandatory:

- a) Report on auditor independence.
- b) Report on the auditing, appointments and remunerations committees workings.
- c) Report by the auditing committee regarding operations with related parties.
- d) Report on corporate social responsibility policy.

Compliant X Partially compliant ☐ Explain ☐

7. The company should broadcast live through its website the Annual General Meeting.

Compliant X Explain ☐

8. The Board of Directors should seek to present the annual accounts to the Annual General Meeting without reservations or exceptions in the audit report and, should such exceptions exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of the scope and content and these limitations and exceptions.

Compliant X Partially compliant ☐ Explain ☐

9. The company should make permanently public on its website the requirements and processes that it will accept to accredit the ownership of shares, the right to attend the Annual General Meeting and the exercise or proxy of the right to vote.

These requirements and procedures should favour attendance and exercising of shareholder rights and should be applied without discrimination.

Compliant X Partially compliant ☐ Explain ☐

10. When a legitimised shareholder has exercised prior to the AGM the right to complete the order of the day or present new proposals for agreement the company will:

- a) Immediately distribute these additional points and proposals for agreement.
- b) Make public the model for assistance cards or vote by proxy or remote vote forms with the modifications necessary to vote on the points on the order of the day and alternative proposals for agreement in the same terms as those set out by the Board of Directors.

c) Submit all these points or alternative proposals to a vote applying the same rules as those proposed by the Board of Directors, including the presumptions or deductions regarding the sense of the vote.

d) Communicate, following the AGM, a breakdown of the vote on the additional points or alternative proposals.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable X

11. Should the company plan to pay AGM attendance incentives it must previously set out a general policy regarding these incentives and ensure this policy is stable.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable X

12. The Board of Directors must perform its functions with a united objective and independent criteria, treat all shareholders in similar positions equally and act in the company's best interest, this being to attain a profitable and sustainable business in the long term, as well as promoting the continuity and maximisation of the company's economic value.

In the search for company interest, other than respecting laws and regulations and behaviours of good faith, ethics and respect to commonly accepted good actions, the Board of Directors should attempt to reconcile company interests with those of their employees, suppliers, clients and other stakeholders as well as the environment

Compliant X Partially compliant ☐ Explain ☐

13. The Board of Directors should have the correct dimensions to ensure an efficient and participative functioning, making between five and fifteen directors an advisable figure.

Compliant X Explain ☐

14. The Board of Directors should approve a policy for appointing directors that:

a) Be specific and possible to verify.

b) Ensures that the proposed appointments or reappointments be based on a previous analysis on the needs of the Board of Directors.

c) Favours diversity in knowledge, experience and gender.

The result of the analysis of the needs of the Board of Directors should be included in the Appointments Committee justifications, published when announcing AGM and where the appointments or reappointments of each director must be ratified.

The policy to select directors should work towards the objective of having women in at least 30% of the Board of Director's by 2020.

The Appointments Committee will verify annually the compliance with the director selection policy and this will be reported on in the Annual Corporate Governance Report.

Compliant ☒ Partially compliant ☐ Explain ☐

- 15. Independent and proprietary directors should occupy an ample majority on the Board of Directors while the number of executive directors should be the minimum necessary, bearing in mind the complexity of the corporate group and the capital share held by the executive directors.**

Compliant ☒ Partially compliant ☐ Explain ☐

- 16. The percentage of proprietary directors in the total of non-executive directors must not be greater than the proportion of company capital held by these directors versus the remainder of the company's capital.**

This criterion may be lessened in the following cases:

- a) In companies with high capitalisation where there are few share based participations of legal significance.**
- b) In companies with a plurality of shareholders represented on the Board of Directors and where these are not otherwise related.**

Compliant ☐ Explain ☒

This recommendation establishes that there must be a proportion between the share capital represented by the proprietary directors and the percentage of these directors over the total of non-executive directors. Currently, proprietary directors of Cellnex represent 44.4% of the non-executive directors while the shareholder that they represent, Abertis Infraestructuras, S.A., holds 34% of the share capital. Notwithstanding, it should not be ignored that this recommendation establishes that this criteria may be mitigated in companies in which significant shareholdings are scarce. In Cellnex, apart from Abertis Infraestructuras, S.A, there are only 5 significant shareholders (percentage higher than 3%) and, in addition, none of them has expressed interest in being able to participate in the Board.

- 17. The number of independent directors should be at least half of all board members.**

However, in cases of companies that do not have a high capitalisation or, when having a high capitalisation, have one or several shareholders acting harmoniously controlling over 30% of capital then the number of independent directors should be at least a third of all board members.

Compliant ☐ Explain ☒

- 18. Companies should post the following director particulars on their websites, keeping them permanently updated:**

- a) Professional and biographical profile.**
- b) Other boards sat on, be these listed or not, as well as other paid activities no matter their nature.**
- c) Indication of the category of directorship held and in the case of propriety directors that represent shareholders which of these they are linked to.**

- d) Date of first appointment as company director as well as later re-elections.**
- e) Company shares and options in his or her name.**

Compliant ☐ Partially compliant ☒ Explain ☐

The Company partially complies with this recommendation since on its website is published up-to-date information on the professional and biographical profile of the directors; other company boards to which they belong; the category of director and in the case of proprietary directors, the shareholder they represent; the date of first appointment as board member of Cellnex and subsequent re-elections; as well as the Company shares and options in their name (i.e. the information required under a), c), d), e) and first paragraph of b) of the aforementioned recommendation). However, it does not include information on all paid activities carried out by the directors irrespective of its nature (as indicated under the second subparagraph of b)) because the website already provides sufficient information to know the professional profile of each director and to comply with recommendation 18 from the Code of Good Governance for listed companies regarding the composition of the board of directors.

- 19. The corporate governance annual report should also disclose, following verification with the Appointments Committee, the reasons for the appointment of any proprietary directors at the urging of shareholders controlling less than 3% of capital; the report should explain, should the case be give, the reasons for rejecting of formal requests for board representation by shareholders with an equal or greater stake to those who have successfully applied for a propriety director.**

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

- 20. Proprietary directors should resign when the shareholder they represent transfers its ownership interests in the company. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.**

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

- 21. The Board of Directors should not propose the removal of any independent directors prior to the expiry of their tenure, except where just cause is found by the Board of Directors following a report by the Appointments Committee. Specifically, it will be considered just cause when the director takes on new responsibilities or obligations that does not allow him or her to dedicate the time necessary to complete the functions of the directorship, does not comply with the obligations inherent to the role or becomes involved in circumstances that compromise his or her independence, all according to the applicable legislation.**

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 16.

Compliant ☒ Explain ☐

- 22. Companies should establish rules obliging directors to inform the board of 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 crimes stated in the company's internal rules, the Board of Directors should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

Compliant ☒ Partially compliant ☐ Explain ☐

23. All directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against 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 should also apply to the Secretary of the Board of Directors, whether he or she be a director or not.

Compliant ☐ Partially compliant ☐ 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.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

25. The Appointments Committee should ensure that non-executive directors have sufficient time to carry out their role's functions.

The board's regulations should set out the maximum amount of board meetings that members can take part in.

Compliant ☐ Partially compliant ☒ Explain ☐

Cellnex partially complies with this recommendation because the Board Regulation does not establish a maximum number of company boards in which the directors may participate, as indicated in the second paragraph of this recommendation. However the Nomination and Remuneration Committee ensures that the directors have sufficient time available for the proper performance of their duties as foreseen in the first paragraph of the recommendation. Thus, article 26 of the Board Regulation establishes that the directors in order to perform their duties must devote adequately and shall adopt the necessary measures to accurately manage and control the company. On the other hand, pursuant the self-assessment processes carried out by the

Nomination and Remuneration Committee it has not been detected any lack of availability nor any lack of dedication from the directors.

- 26. The board should meet with the necessary frequency, and at least eight times a year, to properly perform its functions in accordance with a calendar and agenda set at the beginning of the year, to which each director may propose additional items not originally set out.**

Compliant ☒ Partially compliant ☐ Explain ☐

- 27. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When absences do occur representation with instructions should be given.**

Compliant ☐ Partially compliant ☒ Explain ☐

Section 26 of the Board of Directors' Regulations states that directors must carry out and comply with obligations set out in the company statutes and with due business diligence, keeping in mind the nature of the roles and the functions assigned to each of these. It is also established that directors must have an adequate dedication and must adopt the necessary measures to ensure good management and control of the company when carrying out their role functions. Therefore absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. However, the Board of Directors' Regulation does not set out a Board of Directors' obligation to assign representation with instructions as such requirement cannot always be possible due to no previous participation in the debates and deliberations of the matters put forward to the Board of Directors.

- 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.**

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

- 29. The company must set out the appropriate channels for directors to obtain precise advice on comply with their role functions including, should circumstances require this, external consultations at the cost of the company.**

Compliant ☒ Partially compliant ☐ Explain ☐

- 30. Independently to the know how expected from directors when exercising their functions, companies should also offer their directors programs to update these when the circumstances be favourable to doing so.**

Compliant ☒ Explain ☐ Not applicable ☐

- 31. The session's order of the day should clearly indicate the points to be decided or agreed upon by the Board of Directors so they can previously study or collect the information necessary for their acceptance.**

When exceptionally and in light of urgent circumstances the president wishes to submit to approval by the Board of Directors decisions or agreements that are

not listed in the order of the day the prior and explicit consent of a majority of board members will be necessary and this should be recorded in the minutes.

Compliant ☐ Partially compliant X Explain ☐

The agenda for the meetings of the Board of Directors does not indicate the points regarding which a decision has to be adopted.

Notwithstanding, in the support documentation for each of the items on the agenda (which is sent to the directors prior to the Board meetings) the points regarding which a decision has to be adopted are identified (including a concrete proposal of decision to adopt). The purpose of this procedure is to allow the Directors to study and obtain prior information relevant for the decision to adopt.

32. The directors should be periodically informed of stakeholder movements and of the opinions of significant shareholders, investors and rating agencies regarding the company and group.

Compliant X Partially compliant ☐ Explain ☐

33. The president, as the person responsible for the correct functioning of the Board of Directors, other than exercising functions attributed by the law and company statutes should prepare and submit to the Board of Directors a program of dates and matters to be dealt with and organise and coordinate the periodic evaluation of the board and its functioning. The president will also ensure enough time is dedicated to discussions regarding strategy and will also negotiate and revise each director's know how updating program, when circumstances be favourable to doing so.

Compliant X Partially compliant ☐ Explain ☐

34. When there is a coordinating director, other than the faculties set out in the law the company statutes or board of directors regulations should attribute this role with the following functions: preside the Board of Directors in the absence of the president and vice-presidents, should these exist; voice the concerns of non - executive directors, maintain contact with investors and shareholders to know their points of view and understand their concerns especially in regard to the company's corporate governance; coordinate the president succession plan.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable X

35. The Secretary of the Board of Directors ensures that the actions and decisions of the Board of Directors keep in mind the recommendations for good governance contained in this Code of Good Governance when applicable to the company.

Compliant X Explain ☐

36. The complete Board of Directors must evaluate once a year and adopt, where necessary, an action plan to correct identified shortfalls in:

- a) **The quality and efficiency of the Board of Directors' functioning.**
- b) **The functioning and composition of its committees.**
- c) **The diversity in the Board of Directors composition and responsibilities.**

d) The performance of the Board of Directors' president and the company's top executives.

e) The performance of the contribution of each director, with special attention to those responsible for the different director's committees.

The evaluation of the different committees will be based on the reports presented by these to the Board of Directors who in turn will be evaluated by the Appointments Committee.

Every three years the Board of Directors will be assisted in its evaluations by an external consultant whose independence will be verified by the Appointments Committee.

The business relationships that the consultant or any company in its group has with the company or any group subsidiary must be listed in the Annual Corporate Governance Report.

The processes and the areas evaluated will be described in the Annual Corporate Governance Report.

Compliant X Partially compliant ☐ Explain ☐

37. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself and also share the same Secretary.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable X

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.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable X

39. Audit Committee members, particularly the Chairman, are appointed in light of their knowledge and experience in accounting, audit or risk management and that most of these members be independent directors.

Compliant X Partially compliant ☐ Explain ☐

40. Under the supervision of the Audit Committee there be a unit responsible for internal audit that ensures the correct functioning of internal information and control systems and whose functions depend on the non-executive president to the board or the Audit Committee.

Compliant ☐ Partially compliant X Explain ☐

The Company partially complies with this recommendation to the extent that it has an internal audit unit that carries out its work under the supervision of the Audit and Control Committee, and depends functionally on it, although it is hierarchically dependent on the General Secretariat. The reason for this decision is merely practical or operative given that the Audit and Control Committee meets approximately six times a year and the internal audit unit, due to its activity, needs to implement procedures regularly and responsively. These procedures at first are monitored by the General Secretariat without prejudice to their subsequent review by the Audit and Control Committee.

41. The head of internal audit should present an annual work programme to the Audit Committee, report directly on any incidents arising during its implementation and submit an activities report at the end of each year.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

42. That, other than those set out by law, the following responsibilities are held by the Audit Committee:

1. Regarding information and internal control systems:

a) Monitoring the preparation and integrity of the company's financial information and, where appropriate, the group by checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles.

b) Monitoring the independence of the unit that undertakes the internal audit; proposing the selection, appointment, reappointment and removal of the head of the internal audit service; propose the service budget; approve the work direction and plans ensuring that activities are focused towards the company's most relevant risks; receive regular information on activities and verifying that senior management are acting on the findings and recommendations of such reports.

c) Establishing and supervising a mechanism that allows personnel to communicate in a confidential manner, and where possible and appropriate anonymously, potentially significant irregularities, especially those which are financial or in accounting, taking place within the company.

2. Regarding the external auditor:

a) In cases of external auditor resignation an investigation into the circumstances of this.

b) Monitoring that the remuneration of the external auditor does not jeopardise the works quality of the auditor's independence.

c) Supervising to ensure the company notifies as a significant event any change of auditor to the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for these.

d) Ensuring that the external auditor takes part in an annual meeting with the full Board of Directors to inform on the work carried out and the evolution of the accounting situation and the company's risks.

e) Ensuring that the company and the external auditor respect current legislation regarding the various auditing services, the limits in the auditor's business concentration and, in general terms, the other rules regarding auditor independence.

Compliant ☐ Partially compliant ☒ Explain ☐

The Audit and Control Committee executes the duties foreseen in the recommendation, including that of ensuring the independence of the internal audit unit. However, the selection, appointment, re-election and dismissal of the person responsible for the internal audit service as well as the budget and the work plans from that unit, are initially managed by the General Secretariat and subsequently supervised and validated by the Audit and Control Committee. This is foreseen in the Board Regulations, when it refers in article 15 that the Audit and Control Committee supervises the effectiveness of the internal control mechanisms of the Company, the internal audit services, by verifying the adequacy and integrity of the same, and by reviewing the appointment and replacement of its representatives and by ensuring their independence. For these reasons the IAGC indicates a level of partial compliance.

- 43. The Audit Committee should be empowered to meet with any company employee or manager and even have the possibility to summon staff without the presence of another senior officer.**

Compliant ☒ Partially compliant ☐ Explain ☐

- 44. The Audit Committee should be informed of corporate or structural modification operations planned by the company for their prior analysis and reporting to the Board of Directors regarding their economic condition and accounting impact and, should it be necessary, the exchange ratio.**

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

- 45. The control and risk management policy should specify at least:**

- a) **The different types of risk, financial and non-financial (including operational, technological, legal, social, environmental, political and reputational, ...) that the company is exposed to, including amongst the financial or economic risks the contingent liabilities and other off-balance sheet risks.**
- b) **The setting out of the level of risk that the company considers acceptable.**
- c) **The measures in place to mitigate the impact of the identified risks, should these occur.**
- d) **The internal reporting and control systems used to control and manage the mentioned risks, including contingent liabilities and off-balance sheet risks.**

Compliant ☒ Partially compliant ☐ Explain ☐

- 46. Under the direct supervision of the Audit Committee, or alternatively a specialised Board of Directors committee, there must be an internal responsibility for risk control and management exercised by a unit or internal company department that has the following functions clearly attributed to it:**

- a) **Ensuring the correct functioning of the risk control and management systems and, more specifically, identifies, manages and quantifies in an adequate manner all the major risks that affect the company.**
- b) **Actively participating in the preparation of the risks strategy and in important decisions regarding its management.**
- c) **Ensuring the risk control and management systems adequately mitigate the risks within the parameters set out by the Board of Directors policies.**

Compliant X Partially compliant ☐ Explain ☐

- 47. The selected members of the Appointments and Remuneration Committee (or the Appointments Committee and the Remuneration Committee should these be separate) must have the suitable knowledge, aptitudes and experience for the tasks that they must fulfil and most of these members must be independent advisers.**

Compliant X Partially compliant ☐ Explain ☐

- 48. Companies with a high capitalisation must have separate committees for appointments and remuneration.**

Compliant ☐ Explain X Not applicable ☐

With Cellnex's entry into the Ibex 35 in June 2016, it can now be considered as being in the large-cap company category. Nevertheless, for now it is not considered necessary to have a Nomination Committee and a separate Remuneration Committee, as the current Nomination 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.**

Any board member may suggest candidates to the Appointments Committee for its consideration.

Compliant X Partially compliant ☐ Explain ☐

- 50. The Remuneration Committee must carry out its functions independently and, other than the responsibilities assigned by law, be assigned the following functions:**

- a) Proposal to the Board of Directors the basic contractual conditions for senior managers.**
- b) Checking to ensure that the company's remuneration policy is being observed.**
- c) Periodically revise the remuneration policy applied to directors and senior managers, including remuneration systems that include shares, and guarantee that individual pay packages be proportional to those received by other advisers and managers in the company.**
- d) Monitoring of any possible conflicts of interests to ensure these do not jeopardise the independence of the external advice offered by the committee.**
- e) Verifying the information regarding director and senior manager remuneration contained in the different corporate documents, including the annual report on director remuneration.**

Compliant X Partially compliant ☐ Explain ☐

51. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Compliant ☒ Partially compliant ☐ Explain ☐

52. The rules regarding the composition and functions of the supervisory committees must be set out in the Board of Directors' Regulations and these should be consistent with those applicable to legally mandatory committees, as per the previous recommendations, including:

a) That these be exclusively formed non-executive directors, with a majority of independent advisers.

c) That the committees be chaired by independent directors.

a) That the Board of Directors appoint the members of such committees keeping in mind the knowledge, aptitudes and experience of the directors and the terms of reference of each committee, consider their proposals and reports and that they report to the next Board of Directors meeting matters regarding activities of responses to findings following meetings between directors and committees.

d) That committees may engage external advisers, when they feel this is necessary for them to execute their duties.

e) That the meetings be minuted and that the minutes be made available to all directors.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

53. The supervision of the compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policies must be attributed to a single or distributed amongst several Board of Directors' committees; these possibly being the Audit Committee, Appointments Committee, Corporate Social Responsibility Committee, should this exist, or a specialised committee that the Board of Directors, exercising their powers in self-organisation, create to that effect and with the following minimal specific functions attributed:

a) The supervision of compliance with internal codes of conduct and the company's rules in corporate governance.

b) The supervision of the shareholder and investor communications and relations strategy, including small and medium sized shareholders.

c) The periodic evaluation of the adequacy of the corporate governance system with the aim of it meeting its objective of promoting the company's interests and take into account, where applicable, the legitimate interests stakeholders.

d) The review of the company's corporate responsibility policy, ensuring that this be focused on generating value.

e) The monitoring of strategies and practices in corporate social responsibility and the evaluation of the degree of its compliance.

f) The supervision and evaluation of the relation processes with other

stakeholders.

g) The evaluation of all elements regarding the company's non-financial risks, including those of an operative, technological, legal, social, environmental, political and reputational nature.

h) The coordination of the reporting process of the non-financial information and regarding diversity, in compliance with the applicable legislation and international standards of reference.

Compliant X Partially compliant ☐ Explain ☐

54. Corporate social responsibility must include the principles and commitments that the company takes on voluntarily in its relationship with different stakeholders, identifying at least:

a) The objectives of the corporate social responsibility policy and the development of the support tools .

b) The corporate strategy regarding sustainability, environment and social matters.

c) The precise practices in matters regarding: shareholders, personnel, clients, suppliers, social matters, environment, diversity, fiscal responsibility, respect for human rights and prevention of illegal actions.

d) The result, associated risk and management of monitoring methods or systems in the application of the specific practices noted in the previous point.

e) The supervisory mechanisms of non-financial risks, ethics and business conduct.

f) The main channels of communication, participation and dialogue with stakeholders.

g) The responsible communication practices that avoid the manipulation of information and protect integrity and honour.

Compliant X Partially compliant ☐ Explain ☐

55. The company must inform in a separate document or in the management report on the matters relating to corporate social responsibility, using for this one of the internationally accepted methodologies.

Compliant X Partially compliant ☐ Explain ☐

56. The remuneration of the directors should be that necessary to attract and retain directors with a desirable profile and to remunerate the dedication, qualification and responsibility that the role requires though it should not be high to a point where it can jeopardise the independent criteria of non-executive directors.

Compliant X Explain ☐

57. Remuneration to executive directors based on variables that relate to company or personnel performance should be limited, as well as remuneration through shares, share options or rights over shares or instruments that refer to the value of the shares and long term saving systems such as pensions, retirement systems and other social provision systems .

The possibility of shares as remuneration can be considered when non-executive directors are conditioned to keeping these until they cease their directorship. The latter will not be applicable to shares that the director requires to be transferred to satisfy the costs regarding his or her acquisition.

Compliant ☒ Partially compliant ☐ Explain ☐

58. In the case of variables, remuneration policies should include 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 other similar circumstances.

In particular, that the components of variable remuneration:

- a) **Be linked to predetermined performance criteria that are measurable and that said criteria consider the assumed risk when obtaining a result.**
- b) **Promote company sustainability and include non-financial criteria adequate for long term growth in value, such as compliance with internal company rules and procedures and risk control and management policies.**
- c) **Be configured based on a balance between short, medium and long term objectives and that these allow for rewarding continued performance during a period of time that is sufficiently long to appreciate a contribution in sustainable value growth; therefore ensuring that the elements used to measure performance are not influenced by exceptional, occasional or extraordinary events.**

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

59. The payment of a considerable part of the variable components of the remuneration should be deferred for the minimum amount of time necessary to confirm that the performance conditions previously set out have been met.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

60. In the case of remuneration linked to company earnings, deductions should be computed following provisions stated in the external auditor's report that may lower said results.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

61. A considerable percentage of executive director's variable remuneration be linked to the transfer of shares or financial instruments that refer to share value.

Compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

62. Once the shares or the options or rights over shares have been set out in the remuneration systems, the directors are not permitted to transfer the

ownership of such shares to a value equivalent to two times their fixed annual remuneration, neither can they exercise their options or rights until at least three years have elapsed since these were agreed upon.

The latter will not be applicable to shares that the director requires to be transferred to satisfy the costs regarding his or her acquisition.

Compliant ☐ Partially compliant X Explain ☐ Not applicable ☐

Exists an obligation of maintenance of the actions attributed to the CEO during a term of at least 2 years from their attribution.

63. Contracted agreements must include a clause that allows the company to claim the return of variable components in remuneration when the payment of these is not adjusted to the performance conditions or when payment has taken place according to data which is latter identified as incorrect.

Compliant X Partially compliant ☐ Explain ☐ Not applicable ☐

64. Payments for contract termination must not be greater than the amount equivalent to two years of total annual remuneration and that must not be paid until the company has been able to verify that the director has complied with the performance criteria previously set out.

Compliant X Partially compliant ☐ Explain ☐ Not applicable ☐

H OTHER INFORMATION OF INTEREST

1. If it is considered that there is any material aspect or principle relating to the Corporate Governance practices followed by the 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 these briefly.
2. In this section any other information, clarification or observation related to the above sections of this report can be included.

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 to that required by this report.

3. Also state whether the company voluntarily subscribes to other international, sectorial or ethical principles or standard practices. If applicable identify the Code and its date of adoption. In particular, refer to whether the Code of Good Taxation Practice of 20th of June 2010 has been adhered to.

"In 2017 Cellnex joined and maintained initiatives in the area of Corporate Social Responsibility, which are highlighted as follows:

- Collaboration agreement with the Seres Foundation that seeks "the creation of a healthier and stronger society with more competitive companies that can last for a longer period of time". The

purpose of the Foundation is to help and to promote business strategic actions that contribute to the overall improvement of social reality.

- Cellnex has actively participated in the conferences promoted by the International Academy for Social Economic Development (AISES) aiming for the promotion of sustainable development.
- Collaboration agreement with IESE to establish Cellnex as a Mentor company from IESE, and define the collaboration under different projects promoted by IESE's Center for Public Sector-Private Sector.
- Participation in the Carbon Disclosure Project (CDP), one of the most recognized organisations in the field for climate change aimed at assessing the quality of information -and reporting systems-, enabled by private companies or by the public sector in the field of sustainability and environment.
- Cellnex joined the FTSE4Good sustainability index, which recognizes the good practices from listed companies regarding environmental, social and corporate governance areas.
- Cellnex joined the "Standard Ethics" sustainability index, being valued with EE rating which is equivalent to an adequate level for its good behaviour in terms of government, sustainability and social responsibility.

In addition, Cellnex Telecom continues to be part of the United Nations Global Compact and is registered under the Registry of Interest Groups or 'lobbies' created by the National Commission on Markets and Competition (CNMC) as well as registered as an Interest Group under the Catalonia's Government Transparency Registry".

NOTE OF CLARIFICATION ap. C1.17

Mr. José Aljaro Navarro is the representative of the Director of Abertis Telecom Satélites, S.A.U. in Hispasat

Mr. Luis Deulofeu Fuguet is the representative of the Chairman of Sanef, S.A. in Bil&Go

NOTE OF CLARIFICATION ap. C.2.1. AUDIT AND CONTROL COMMITTEE

The duties, procedures, organisation, operation and activities of the AUDIT AND CONTROL COMMITTEE are as follows:

a) Responsibilities

The rules of organization and operation of the Audit and Control Committee are described in the bylaws and in the Board of Directors' Regulation and, without prejudice to the other tasks assigned to it by the applicable legislation or the Board, the Audit and Control 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

auditors or auditing company, the contract conditions, the scope of the professional mandate and, where appropriate, 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 exercising 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 auditors or external auditing companies 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, they 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;
- e) 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 auditors or auditing 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;
- f) To inform the Board of Directors in advance on all matters provided for by the Law, the corporate bylaws and its Regulations and, in particular, regarding 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;
- g) To supervise compliance with the internal protocol for relationships between the majority shareholder and the Company and the companies of its respective groups, as well as to conduct any other actions established in the protocol itself for optimal compliance with the aforesaid duty of supervision;
- h) 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 Board of Director's Regulation;
- i) 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;
- j) 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 auditors any significant weaknesses detected in the internal control system while conducting the audit;

- k) 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 Board of Directors' Regulation shall define the skills of the Committee and its scheme of organization and operation.

The Board shall likewise determine who will hold the position of Chairman from among the independent directors, 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 Audit and Control 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 Audit and Control 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 management team or company personnel will be obliged to attend the Audit and Control Committee's sessions and to provide them with his/her assistance and access to the information s/he has available, if so requested. The Committee can also request that the Company's external auditors attend its sessions.

1. Activities

During 2017, the Audit and Control Committee met on nine occasions and carried out the following key activities:

a) Review of financial information

- 2016 financial statements:
 - In February, the Audit and Control Committee reviewed the 2016 Annual Accounts, including the Management Report and the Annual Corporate Governance 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 the 2016 Annual Accounts, including Management Report and Annual Corporate Governance Report.
- 2017 financial statements:
 - In April, the Audit and Control Committee reviewed the financial results for the first quarter of the year with the finance team who presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the first quarter financial statements.
 - In May, the Audit and Control Committee reviewed the first quarter audited accounts. 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 the first quarter audited financial statements.

- In July, the Audit and Control Committee reviewed the half-yearly financial statements and the 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.
- In 9 November, the Audit and Control Committee reviewed the financial results for the third quarter of the year together with the third quarter audited accounts. 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 the third quarter financial statements and the third quarter audited financial statements.

b) External Auditors

- In February, the external auditors attended the Audit and Control Committee to review the 2016 Annual Accounts, including the Management Report and the Annual Corporate Governance Report, and presented the main aspects and their conclusions.
- In May, the external auditors attended the Audit and Control Committee to review the first quarter audited financial statements and presented the main aspects and their conclusions.
- In July, the external auditors attended the Audit and Control Committee to present the report of the half-yearly financial statements.
- In November, the Audit and Control Committee met the external auditors to review the scope and audit planning, the status of its review and the preliminary conclusions of the 2017 financial statements.

c) Capital structure

- In March, the Audit and Control Committee reviewed discussed a new bond issuance and the renewal of the existing EMTN programme. 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 issuance of one or several bonds, including private placements, following the EMTN programme, in Euros or Swiss Francs with a maturity of between 6 and 10 years and an amount of up to €400 million; and (ii) the execution of all documents necessary to renew the EMTN programme.
- In April, it was noted that in April 2017 Cellnex closed two private placements for a total amount of c. €140 million under the EMTN programme.
- In different meetings, the finance team presented to the Audit and Control Committee an update on the M&A pipeline and the company's financial firepower to execute said pipeline.
- In April and May, Morgan Stanley presented to the Audit and Control Committee an equity markets update and an equity injection assessment. Also, in December, Morgan Stanley provided the Audit and Control Committee with a capital structure assessment.
- In July, it was proposed to the Audit and Control Committee the issuance of a private placement (of c. €50 million), within the existing Board authorisation.

- Following discussions in November, in December, the Audit and Control Committee reviewed the possibility to issue a convertible bond. The finance team presented the main aspects, characteristics and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the issuance of a convertible bond in January 2018.

d) Other information

- Efficiency Plan update: In February and September, those responsible for its preparation presented to the Audit and Control Committee an update on the Efficiency Plan 2016-19 noting the key items and their conclusions.
- Liquidity contract: In April, the Audit and Control Committee reviewed the status of the liquidity contract. The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to extend the liquidity contract for one year.
- Treasury shares:
 - In April, the Audit and Control Committee reviewed the status of the treasury shares. It was agreed to maintain the current policy.
 - In July, in the context of the senior management long term incentive plan, it was proposed to the Audit and Control Committee the acquisition of treasury shares for a total amount of €10 million. The Audit and Control Committee agreed to approve the proposal for the above purpose and for the specified amount. In September, it was reminded the approval of the previous meeting and the Committee provided a favourable recommendation to the Board of Directors to approve the acquisition of treasury shares on these terms.
- Dividends:
 - In February, the Audit and Control Committee reviewed the dividend policy. The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the Cellnex dividend payment.
 - In 9 November, the finance team explained to the Audit and Control Committee the proposal to distribute an interim dividend to be paid before the year end. The Committee provided a favourable recommendation to the Board of Directors to distribute an interim dividend of €10 million to be paid before the end of year 2017 (the remainder to be paid as final dividend in 2018 and to be approved by Cellnex AGM).
- IFRS 16: In February, the finance team presented to the Audit and Control Committee an update on the work being carried out to ensure the compliance with the new accounting rules. Additional updates were provided to the Audit and Control Committee in July and 9 November, those times together with PwC.
- Reappointment of auditors: In March, it was proposed to the Audit and Control Committee the reappointment of Deloitte as auditors of Cellnex for a further term of 3 years. The Committee noted the key considerations and rationale for this reappointment. The Committee provided a favourable recommendation to the Board of Directors to approve the reappointment of Deloitte as auditors of the company.
- Appointment of Chairman: In March, the Audit and Control Committee agreed unanimously to appoint Mr. Bertrand Kan as its Chairman.
- Appointment of Vice Secretary: In July, the Audit and Control Committee agreed unanimously to appoint Ms. Núria Taberner as its Vice Secretary.

- Information Security: In May, at the request of the Audit and Control Committee, the head of IT attended the Committee to provide a report on the company's IT security systems.
- RAN Sharing: In July, at the request of the Audit and Control Committee, a member of the commercial team provided a presentation on RAN sharing.
- CNMV Technical Guide: In September, the Secretary of the Committee provided a summary on the new CNMV Technical Guide on Audit Committees to the Audit and Control Committee and explained the performance of Cellnex with regard thereto.
- Registration document: In September, the Audit and Control Committee was updated on the new European prospectus regulation and the opportunity that this gives to companies to file a registration document with the CNMV in order to facilitate the issuance of debt in Spain (and also equity injections). It was agreed to provide an update to the Board and recommend the approval of the filing of the document.
- 2018 Budget: In December, a first look of the 2018 budget was provided to the Audit and Control Committee.
- Capital Markets Day: In December, the Audit and Control Committee received the presentation on the company's first Capital Markets Day held on 14 November. The key investor feedback was noted.

e) Corporate Governance

- In February, the Audit and Control Committee reviewed the three reports for the year 2017 to be approved by the Committee in connection with the Annual Accounts and the Annual Corporate Governance Report, namely: (i) the Report on the Functions and Activities of the Committee; (ii) the Report on Related Party Transactions; and (iii) the Report on the Independence of the Auditor. The Committee provided a favourable recommendation to the Board of Directors to approve these reports.

f) Tax

- In February, the tax team, together with PwC, provided the Audit and Control Committee with an update on the work carried out on the implementation of the Tax Strategy (approved by the Committee and the Board of Directors) and the development of the Tax Control Framework. The Committee approved the Tax Control Framework.
- Also in February, the tax team, together with external advisors (PwC, IplusF and Deloitte), provided the Audit and Control Committee with an overview of all the tax initiatives implemented by the company, namely: (i) Notional Interest Deduction; (ii) R&D; (iii) Patent Box; and (iv) the deductibility of Tradia Goodwill. It was confirmed that these initiatives are compliant with current tax legislation.
- In July, the tax team, together with external advisors (Garrigues), explained to the Audit and Control Committee the work undertaken with regards to financial structure defence file, concluding that the current financial structure of Cellnex has a strong economic and business rationale.
- In September, the tax team, together with PwC, presented to the Audit and Control Committee (i) an update on the tax governance, by explaining the Tax Control Framework, which are the milestones to be achieved and the implementation plan, and (ii) the tax dossier (item included following the recommendation of the good tax governance policy).

g) Monitoring 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 Audit Committee and Control and / or by the Senior Management.
 - An adequate coordination with the external auditors to be maintained for the exchange of information regarding the audits carried out with the aim of minimizing duplication and to track the audits performed, as well as any weaknesses in the internal control identified.
 - Report to the Audit and Control Committee and Senior Management of Cellnex Group regarding the key recommendations in each company, as well as the action plan to be performed by the Company.
- Activities. The main activities carried out by Internal Audit and supervised by the Audit and Control Committee:
 - Audits:
 - Those audits included in the 2017 Audit Plan and those audits not originally included in the Audit Plan but there were requested by Audit Committee and Control and / or by the Senior Management.
 - Monitoring recommendations and action plans proposed in the different audits.
 - 2018 Audit Plan. In November, the Audit and Control Committee approved the 2018 Annual Audit Plan 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 Senior Management.
 - Defining the activities to be reviewed: basic processes (revenues, procurements, etc.), other processes (expense sheets, investment projects, etc.) or compliance (ICFR, others).

h) Risk control

This function is carried out by Internal Audit.

- Activities. The activities carried out by Internal Audit and supervised by the Committee in May, July, September and in the last meeting of the year were:
 - A revision of the risk map (including likelihood and impact) in Spain, Italy, UK, Netherlands and France.

The review of the action plans associated to the risks in Spain, Italy, UK and Netherlands.

NOTE OF CLARIFICATION ap. C.2.1 NOMINATION AND REMUNERATION COMMITTEE

Operation

In accordance with the Board of Directors' Regulations, the Board of Directors will appoint a Chair among the independent directors. The Chair must be replaced every four years and may be re-elected once a period of one year from his departure has transpired. The Appointments and Remuneration Committee will appoint a Secretary and may appoint a Vice-Secretary that will not be necessarily members of the Committee itself.

The Appointments and Remuneration Committee will meet every time the Board of Directors or its Chair request a report be issued or proposals adopted and, in any case, whenever it is deemed advisable for the proper execution of its duties. It will be convened by the Chair of the Committee, either on his/her own initiative or on the request of the Chair of the Board of Directors or of two members of the Committee itself.

The Appointments and Remuneration 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.

Responsibilities

Without prejudice to the other tasks assigned to it by the Board of Directors, the Appointments and Remuneration Committee will have at least the following basic responsibilities:

- a) To evaluate the competencies, knowledge and experience required in the Board of Directors. To this end, it will define the duties and skills required of the candidates to fill each vacancy, and it will evaluate the time and dedication needed for them to effectively perform their duties.
- b) To establish a target for the representation of the under-represented gender on the Board of Directors, and prepare guidance on how to obtain said target.
- c) To submit to the Board of Directors proposals for the appointment of independent directors for the co-optation thereof or for the submission thereof to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.
- d) To inform on proposals for the appointment of the other directors for the co-optation thereof or for the submission thereof to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.
- e) To inform on proposals for the appointment and dismissal of members of the Senior Management and the basic conditions of their contracts.
- f) To inform, in advance, on the appointment by the Board of Directors of the Chair and, where applicable, of one or more Vice-Chairs, as well as the appointments of the Secretary and, where applicable, of one or more Vice-Secretaries. The same procedure shall be followed to agree on the dismissal of the Secretary and, where applicable, of each Vice-Secretary.
- g) To examine and organise the succession of the Chair of the Board of Directors and of the Company's CEO and, if appropriate, to make proposals to the Board of Directors for such succession to occur in an orderly and well planned manner.
- h) To propose to the Board of Directors the remuneration policy for the directors and

general managers, or for those individuals who perform their senior management duties reporting directly to the Board of Directors, to executive committees or to CEOs, as well as the individual remuneration and all other contractual conditions for executive directors, ensuring compliance therewith.

- i) To suggest to the Board of Directors which members should form part of each of the Committees.
- j) To periodically review the remuneration programmes, considering their suitability and returns.
- k) To propose to the Board of Directors, for submission to the General Shareholders' Meeting for an advisory vote, the drafting of an annual report on the remuneration of its directors, under the terms of article 541 of the Law on Capital Companies, already other provision which may replace the same in the future.
- l) To consider the suggestions made to it by the Chair, Board members, company executives or shareholders.
- m) To provide information regarding the appointment and dismissal of managers who have direct dependence to the Board of Directors or some of its members, as well as establishing the basic conditions of their contracts, including remuneration, and also inform decisions on remuneration of directors, within the statutory framework and, where appropriate, of the remuneration policy adopted by the General Meeting of Shareholders
- n) To monitor compliance with the corporate governance rules and internal codes of conduct.
- o) To monitor the corporate social responsibility strategy and practices, and to assess the degree of compliance therewith.

Activities.

Eight meetings have been held involving the following actions, amongst others:

(A) Corporate Governance:

The relevant report was issued assessing the competence, experience and merits of independent Director, Ms Marieta del Rivero, in view of her appointment as Board member and her joining the ARC.

The restructuring of the composition of the Appointments and Remuneration Committee (ARC) and of the Audit and Control Committee (ACC) was put forward.

The Board was informed favourably as to the appointment of Bertand Kan as vice-chairman of the Board of Directors.

An external evaluation was carried out of the functioning of the Board and Committees, for submission to the Board.

Reports were given on the ACGR (annual corporate governance report) and the ARR (annual report on remunerations).

(B) Actions in relation to remuneration:

The degree of compliance by the CEO with the targets for 2016 was analysed and his performance assessed. Also evaluated were the CEO's targets for 2017, the relevant proposals being put to the Board.

Based on a comparative study by an external company, the CEO's remuneration for 2017 was proposed and, consequently, the amendment to the remunerations policy for Directors was prepared and approved for submission to the Board and approval by the Annual General Meeting.

The directors' remuneration was reviewed in order to adjust it to the market also taking into account the directors' degree of involvement and commitment.

Based on market studies, the remuneration of the top executives (reporting directly to the CEO) for implementation as of 2018 was analysed, and the corresponding proposal was put to the Board for approval. Also put to the Board were various addenda to the contracts of these directors to include certain clauses that were not duly regulated.

The approval of a Long-term Incentives Plan (ILP 2017-2019) applicable to the CEO and certain key personnel of the company together with the corresponding contracts was prepared and put to the Board.

(C) Corporate Social Responsibility actions:

The CSR Master Plan for 2016-2020 was followed up. This instrument integrates all the company's ethical, environmental and social initiatives whose yearly progress is included in the Integrated Annual Report.

(D) Actions in relation to the Code of Ethics:

A Criminal Offences Prevention Model was adopted and implemented via the Ethics and Compliance Committee.

A training plan was supervised on the Code of Ethics and supplementary Regulations for all employees of the Group in Spain, with a view to applying it to the rest of countries in which the Company operates.

(E) Talent management:

The ARC analysed the actions carried out to date by Management, basically the Succession Plan and High Potential Programme.

NOTE OF CLARIFICATION ap. D2

Transactions with Criteria Caixa, S.A.U. corresponding to contributions to pension plans and life insurance for the amount of 1,358 have been made with the companies of the Caixa Group.

-VidaCaixa, S.A. - Cellnex Telecom, S.A. and its subsidiaries - Contractual - Contribution of pension plans and life insurance - 1.316

-Segur Caixa Adeslas, S.A. - Cellnex Telecom, S.A. and its subsidiaries - Contractual - Contribution of pension plans and life insurance - 42

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on 15 February 2018.

State whether any Directors voted against or abstained in connection with the approval of this Report.

Yes ☐ No ☒

Cellnex Telecom, S.A. and Subsidiaries

Auditor's report on the system
of Internal Control over Financial
Reporting (ICFR) of the
Cellnex Group for 2017

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 2017

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 22 November 2017, we have applied certain procedures to the information relating to the ICFR system included in section F of the accompanying Annual Corporate Governance Report ("ACGR") of the Cellnex Group for 2017, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

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

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

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

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Cellnex Group's annual financial reporting for 2017 described in the information relating to the ICFR system included in section F of the accompanying ACGR. Therefore, had we applied procedures additional to those described below or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the current 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. 7/2015, of 22 December 2015.
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 Legislative Royal Decree 4/2015, of 23 October, approving the Consolidated Spanish Securities Market Law, and by CNMV Circular no. 7/2015, of 22 December, for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Ana Torrens Borrás

15 February 2018