

Report from Board on change to Statutes

Junta '19
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.

**REPORT PRESENTED BY THE BOARD OF DIRECTORS OF CELLNEX TELECOM, S.A. IN
RELATION TO THE PROPOSAL CONCERNING ITEM SIXTH ON THE AGENDA OF THE
GENERAL SHAREHOLDERS' MEETING OF THE COMPANY CONVENED FOR 8 MAY 2019,
AT THE FIRST SUMMONING, AND FOR 9 MAY 2019 AT THE SECOND SUMMONING**

1. SUBJECT MATTER OF THE REPORT

This report is issued in accordance with what is laid down in Article 286 of Royal Legislative Decree 1/2010, of 2 July, by means of which the recast text of the Spanish Corporate Enterprises Act (the “**Corporate Enterprises Act**”) is passed, to justify the proposed resolution being submitted for the approval of the Ordinary General Meeting of Shareholders of Cellnex Telecom, S.A. (“**Cellnex**” or the “**Company**”) under point six of its Agenda, concerning the modification of the Company By-laws of Cellnex.

2. JUSTIFICATION OF THE PROPOSAL

The modification of the Company By-laws whose approval is being proposed to the Company’s General Meeting of Shareholders in point six of the agenda is meant to clarify the wording of Article 26 concerning the directors’ remuneration, in such a way that the statutory provision sets the framework within which the General Meeting can adopt the resolutions it may deem fit at any time with regard to the remuneration of the members of the governing body. The proposed modification forms part of the process of reviewing the internal rules of corporate governance that is constantly performed by the Company and is in particular grounded on the latest interpretations of currently effective legislation.

For the above reasons, it is considered advisable to propose to the General Meeting of Shareholders the modification of Article 26 (“Directors’ Remuneration”) of the Company By-laws, which will, after being approved, read as follows:

Article 26. Remuneration of directors

a) General

The directors will be remunerated for exercising the duties which correspond to them by virtue of their membership to the Board of Directors, as the Company's collegiate decision-making body.

Remuneration for directors, in their capacity as such, shall take the form of a fixed annual allocation.

The maximum annual remuneration that the Company will pay to its directors as a whole for the item envisaged in the preceding paragraph will not exceed the quantity earmarked to this end by the remuneration policy approved by the General Shareholders’ Meeting.

The determination of the remuneration for each director, in his/her capacity as such, will be the responsibility of the Board of Directors, which for said purposes will take into account the duties and responsibilities attributed to each director, whether they are members of Board committees, and all other objective circumstances it deems relevant.

With regard to independent directors, the Board of Directors and the Appointments and Remuneration Committee will adopt all measures within their powers to ensure that the remuneration of these directors is in line with the commitment made and offer them incentives for their commitment, but which do not constitute an obstacle to their independence.

b) Remuneration of executive directors

Directors who have been conferred executive functions in the Company, irrespective of the nature of their legal relationship with the latter, will also be entitled to receive the remuneration for the fulfilment of said functions which is provided for in the contract entered into between the director and the Company for said purpose.

The Board of Directors will determine the remuneration of the directors for the performance of executive functions and the terms and conditions of their contracts with the Company in accordance with the provisions of the applicable legislation at any given moment and in accordance with the remuneration policy for directors approved by the General Meeting, which must state (i) the fixed annual remuneration and the variation thereof during the period covered by the policy, the different parameters for establishing the variable components and (ii) the main terms and conditions of their contracts, including, in particular, their duration, compensation for early termination or the termination of the contractual relationship and exclusivity agreements, post-contractual non-competition and continuity and loyalty clauses.

c) Remuneration in the form of shares

As well as the remuneration system stipulated in the previous subsections, directors shall be entitled to be remunerated by being given shares, or by being given option rights over these or by a remuneration referenced to the value of the shares, on condition that the application of any of these remuneration systems is agreed by the General Meeting of Shareholders. In this case, the shares may be those of the Company itself or those of other companies in the Company's own group of companies or of its parent company, subject to effective legislation on this matter.

This resolution will determine, if applicable, the maximum number of shares that may be allocated to this remuneration system in each financial year, the price for exercising options over shares or the system for calculating the price for exercising these, the value of the shares that may, if applicable, be taken as a reference, and the term of duration of this plan.

d) Third-party liability insurance policy

The Company may take out a third-party liability insurance policy for its directors in the usual conditions and in proportion to the circumstances of the Company itself.

e) Remuneration for other services

The remuneration stipulated in the previous subsections, resulting from belonging to the Board of Directors or from assuming executive functions at the Company, will be independent from, and compatible with, the other income additionally pertaining to the directors for any other services that they may, where applicable, render to the Company other than the duties proper to their status as directors or executives.

These services will have to be governed by the proper service contracts and will have to be expressly approved case by case by the Board of Directors, after a report by the Nominations and Remuneration Committee has been issued."

In order to help shareholders understand the reasons leading to this proposal and, consequently, to enable visualising the scope of the modification and the comparison between the new wording

of the article intended to be modified and the one currently in force, a comparative version of both texts is included as an Appendix to this report, merely for information purposes.

3. PROPOSED RESOLUTION TO BE SUBMITTED TO THE GENERAL MEETING

The full text of the proposal being submitted to the Company's Ordinary General Meeting of Shareholders is as follows:

In accordance with the report and proposal drawn up by the Company's Board of Directors, it is resolved to modify Article 26 of the Company By-laws. The new wording of Article 26 will be as follows:

Article 26. Remuneration of directors

a) General

The directors will be remunerated for exercising the duties which correspond to them by virtue of their membership to the Board of Directors, as the Company's collegiate decision-making body.

Remuneration for directors, in their capacity as such, shall take the form of a fixed annual allocation.

The maximum annual remuneration that the Company will pay to its directors as a whole for the item envisaged in the preceding paragraph will not exceed the quantity earmarked to this end by the remuneration policy approved by the General Shareholders' Meeting.

The determination of the remuneration for each director, in his/her capacity as such, will be the responsibility of the Board of Directors, which for said purposes will take into account the duties and responsibilities attributed to each director, whether they are members of Board committees, and all other objective circumstances it deems relevant.

With regard to independent directors, the Board of Directors and the Appointments and Remuneration Committee will adopt all measures within their powers to ensure that the remuneration of these directors is in line with the commitment made and offer them incentives for their commitment, but which do not constitute an obstacle to their independence.

b) Remuneration of executive directors

Directors who have been conferred executive functions in the Company, irrespective of the nature of their legal relationship with the latter, will also be entitled to receive the remuneration for the fulfilment of said functions which is provided for in the contract entered into between the director and the Company for said purpose.

The Board of Directors will determine the remuneration of the directors for the performance of executive functions and the terms and conditions of their contracts with the Company in accordance with the provisions of the applicable legislation at any given moment and in accordance with the remuneration policy for directors approved by the General Meeting, which must state (i) the fixed annual remuneration and the variation thereof during the period covered by the policy, the different parameters for establishing the variable components and (ii) the main terms and conditions of their contracts, including, in particular, their duration, compensation for early termination or the termination of the contractual relationship and exclusivity agreements, post-contractual non-competition and continuity and loyalty clauses.

c) Remuneration in the form of shares

As well as the remuneration system stipulated in the previous subsections, directors shall be entitled to be remunerated by being given shares, or by being given option rights over these or by a remuneration referenced to the value of the shares, on condition that the application of any of these remuneration systems is agreed by the General Meeting of Shareholders. In this case, the shares may be those of the Company itself or those of other companies in the Company's own group of companies or of its parent company, subject to effective legislation on this matter.

This resolution will determine, if applicable, the maximum number of shares that may be allocated to this remuneration system in each financial year, the price for exercising options over shares or the system for calculating the price for exercising these, the value of the shares that may, if applicable, be taken as a reference, and the term of duration of this plan.

d) Third-party liability insurance policy

The Company may take out a third-party liability insurance policy for its directors in the usual conditions and in proportion to the circumstances of the Company itself.

e) Remuneration for other services

The remuneration stipulated in the previous subsections, resulting from belonging to the Board of Directors or from assuming executive functions at the Company, will be independent from, and compatible with, the other income additionally pertaining to the directors for any other services that they may, where applicable, render to the Company other than the duties proper to their status as directors or executives.

These services will have to be governed by the proper service contracts and will have to be expressly approved case by case by the Board of Directors, after a report by the Nominations and Remuneration Committee has been issued."

Madrid, 4 April 2019

ANNEX

PROPOSAL FOR MODIFICATION OF ARTICLE 26 OF THE CORPORATE BYLAWS

Article 26. Remuneration of directors

a) General

The directors will be remunerated for exercising the duties which correspond to them by virtue of their membership to the Board of Directors, as the Company's collegiate decision-making body.

Remuneration for directors, in their capacity as such, shall take the form of a fixed annual allocation.

The maximum annual remuneration that the Company will pay to its directors as a whole for the item envisaged in the preceding paragraph will not exceed the quantity earmarked to this end by the remuneration policy approved by the General Shareholders' Meeting.

The determination of the remuneration for each director, in his/her capacity as such, will be the responsibility of the Board of Directors, which for said purposes will take into account the duties and responsibilities attributed to each director, whether they are members of Board committees, and all other objective circumstances it deems relevant.

With regard to independent directors, the Board of Directors and the Appointments and Remuneration Committee will adopt all measures within their powers to ensure that the remuneration of these directors is in line with the commitment made and offer them incentives for their commitment, but which do not constitute an obstacle to their independence.

b) Remuneration of executive directors

Directors who have been conferred executive functions in the Company, irrespective of the nature of their legal relationship with the latter, will also be entitled to receive the remuneration for the fulfilment of said functions which is provided for in the contract entered into between the director and the Company for said purpose.

The Board of Directors will determine the remuneration of the directors for the performance of executive functions and the terms and conditions of their contracts with the Company in accordance with the provisions of the applicable legislation at any given moment and in accordance with the remuneration policy for directors approved by the General Meeting, which must state (i) the fixed annual remuneration and the variation thereof during the period covered by the policy, the different parameters for establishing the variable components and (ii) the main terms and conditions of their contracts, including, in particular, their duration, compensation for early termination or the termination of the contractual relationship and exclusivity agreements, post-contractual non-competition and continuity and loyalty clauses.

c) Remuneration in the form of shares

As well as the remuneration system stipulated in the previous subsections, directors shall be entitled to be remunerated by being given shares, or by being given option rights over these or by a remuneration referenced to the value of the shares, on condition that the application of any of these remuneration systems is agreed by the General Meeting of Shareholders. In this case, the shares may be those of the Company itself or those of other companies in the Company's own group of companies or of its parent company, subject to effective legislation on this matter.

This resolution will determine, if applicable, the maximum number of shares that may be allocated to this remuneration system in each financial year, the price for exercising options over shares or the system for calculating the price for exercising these, the value of the shares that may, if applicable, be taken as a reference, and the term of duration of this plan.

d) Third-party liability insurance policy

The Company may take out a third-party liability insurance policy for its directors in the usual conditions and in proportion to the circumstances of the Company itself.

e) Remuneration for other services

The remuneration stipulated in the previous subsections, resulting from belonging to the Board of Directors or from assuming executive functions at the Company, will be independent from, and compatible with, the other income additionally pertaining to the directors for any other services that they may, where applicable, render to the Company other than the duties proper to their status as directors or executives.

These services will have to be governed by the proper service contracts and will have to be expressly approved case by case by the Board of Directors, after a report by the Nominations and Remuneration Committee has been issued.”