

Report modification Regulations of the General Meeting

2016
Junta General d'Accionistes
Junta General de Accionistas
Annual Shareholders' Meeting

REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF CELLNEX TELECOM, S.A. WITH REGARD TO THE PROPOSAL REFERRED TO IN POINT FIVE OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING

The purpose of this report is to explain the proposal to modify the Regulations of the General Shareholders' Meeting of Cellnex Telecom, S.A. (the "Company") which is put to the approval of the General Shareholders' Meeting, under point Five of its agenda, and which has been prepared in fulfilment of the provisions of Article 1.3 of the Regulations of the Company's General Shareholders' Meeting.

EXPLANATION AND SYSTEM FOR THE PROPOSAL

Article 512 of the Law on Capital Companies establishes that the General Shareholders' Meeting of listed joint stock companies will approve specific regulations for the General Shareholders' Meeting and that these regulations may provide for all the matters that fall to the General Shareholders' Meeting pursuant to the provisions of the law or the bylaws.

Similarly, section 3 of Article 1 of the Regulations of the Company's General Shareholders' Meeting establishes that the regulations may be modified by the General Shareholders' Meeting at the proposal of the Board of Directors, which will attach a report explaining the modification.

The reforms of the Regulations of the General Shareholders' Meeting, the approval of which is submitted to the Company's General Shareholders' Meeting under point [five] of the agenda, are intended to: (i) afford due systematic consistency to the internal regulations that govern the organisation and operation of the Company; and (ii) make certain modifications to adapt the wording of the Regulations to the applicable legal provisions.

For the aforementioned reasons, it is deemed convenient to propose to the General Shareholders' Meeting the modification of the following articles of the Regulations of the Company's General Shareholders' Meeting: Article 2 ("General Shareholders' Meeting"), Article 10 ("Right of attendance") and Article 12 ("Constitution of the General Meeting").

For the purpose of helping the shareholders to understand the changes giving rise to this proposal and consequently in order to convey the scope of the modification, and the comparison between the new wording of the articles to be modified and the current wording, a comparative version of both texts is included as Annex I to this report, for purely information purposes.

Moreover, and with a view to communicating the new wording of the articles of the Board of Directors Regulations to be modified, if approved, the new text of the aforementioned articles of the Board of Directors Regulations that is put to the approval of the General Shareholders' Meeting with the proposed modification already entered is attached hereto as Annex II.

DETAILED EXPLANATION OF THE PROPOSAL

a) Proposal to modify article 2 of the Regulations of the General Shareholders' Meeting; Explanation

The purpose of the reform of letter (e) of section 29 of Article 2 of the Regulations of the General Shareholders' Meeting is to adapt its wording to the amendments made to Article 406 of the Law on Capital Companies by Article 45-four of Law 5/2015.

Modification proposal

It is proposed that letter (e) of section 29 of Article 2 of the Regulations of the General Shareholders' Meeting be modified and subsequently worded as follows:

"To agree to the issue of liabilities in the sphere of its competences, as well as to increase or reduce the share capital, the transformation, merger, demerger or overall transfer of the company's assets and liabilities and to relocate the registered office abroad, and generally speaking any modification of the bylaws."

b) Proposal to modify Article 10 of the Regulations of the General Shareholders' Meeting; Explanation

The reform of section 1 of Article 10 of the Regulations of the General Shareholders' Meeting is intended to facilitate attendance of the general meeting by the shareholders, modifying the requirement of holding 1,000 shares to be able to attend the general meeting in order to reduce it to at least 100 shares.

Modification proposal

The modification of section 1 of Article 10 of the Regulations of the General Shareholders' Meeting is proposed, with no variation in the other sections of this article, with section 1 of Article 10 subsequently being worded as follows:

"All shareholders who substantiate ownership of at least one hundred (100) shares registered in their name five (5) days before the date on which the Meeting is to be held may attend the Meeting with the right to be heard and to vote."

c) Proposal to modify Article 12 of the Regulations of the General Shareholders' Meeting; Explanation

The purpose of the reform of the first paragraph of section 2 of Article 12 of the Regulations of the General Shareholders' Meeting is to adapt its wording to the amendments made to Article 406 of the Law on Capital Companies by Article 45-four of Law 5/2015.

Modification proposal

It is proposed that the first paragraph of section 2 of Article 12 of the Regulations of the General Shareholders' Meeting be modified and subsequently worded as follows: *"For the ordinary or extraordinary General Meeting to be able to validly agree to the issue of liabilities in the sphere of its competences, to suppress or limit the right of preferential purchase of new shares, to increase or reduce the share capital, the transformation, merger, demerger or overall transfer of the company's assets and liabilities, and to relocate the registered office abroad and, generally speaking, any modification of the bylaws, the attendance of shareholders, either personally or by proxy, holding at least fifty percent (50%) of the subscribed capital with the right to vote in the first call will be necessary."*

Barcelona, 26 May 2016

ANNEX I

MODIFICATION PROPOSAL OF THE REGULATIONS OF THE GENERAL SHAREHOLDERS' MEETING

a) Modification Proposal of letter (e) of section 2 of Article 2 of the Regulations of the General Shareholders' Meeting:

To ~~agree~~ arrange the issue of liabilities in the sphere of its competences, as well as ~~to bonds whether simple, convertible or exchangeable, and other securities like promissory notes, warrants, preferred stock, as required, etc.;~~ the increase or ~~reduced~~ decrease of the share capital, the transformation, merger, split, or overall ~~transference~~ cession of cCompany's assets and liabilities and to relocate or the transfer of the registered office abroad ~~address to a foreign country~~, and, ~~in~~ generally speaking, any modification of the ~~corporate~~ bylaws.

b) Modification Proposal of section 1 of Article 10 of the Regulations of the General Shareholders' Meeting:

~~Shareholders must own a minimum of one thousand (1,000) shares in order to attend the General Meeting. All shareholders who substantiate ownership of at least one hundred (100) shares registered in their name five (5) days before the date on which the Meeting is to be held may attend the Meeting with the right to be heard and to vote. The shares must be registered in their name in the detailed records of the entities participating in the hereinafter, "Iberclear") be assumed that ownership of shares is held by the person appearing as their owner in said records five days prior to the date of the Meeting.~~

c) Modification Proposal of the first paragraph of section 2 of Article 12 of the Regulations of the General Shareholders' Meeting:

For the ordinary or extraordinary General Meeting to be able to validly agree to the issue of liabilities in the sphere of its competences, to suppress or limit the right of preferential purchase of new shares, to increase or reduce the share capital, the transformation, merger, demerger or overall transfer of the company's assets and liabilities, and to relocate the registered office abroad and, generally speaking, any modification of the bylaws, the attendance of shareholders, either personally or by proxy, holding at least fifty percent (50%) of the subscribed capital with the right to vote in the first call will be necessary.

ANNEX II
PROPOSAL FOR THE NEW WORDING OF THE REGULATIONS OF THE BOARD OF DIRECTORS

a) Modification Proposal of Article 2 of the Regulations of the General Shareholders' Meeting:

Article 2. General Shareholders' Meeting

1. The General Shareholders' Meeting is the highest body for expressing the will of the Company, and its resolutions are obligatory for all shareholders, including those absent or in opposition, except for actions they may take under the Law.

2. The General Meeting has authority to make decisions regarding all issues that have been conferred upon it through law or the bylaws, specifically, but not limited to, the following:

- (a) To approve its own Regulations, as well as any subsequent modifications.
- (b) To appoint and remove members to or from the Board of Directors, as well as ratify or revoke temporary appointments of such members made by the Board itself by virtue of its powers of co-option; to appoint and dismiss liquidators and accounts auditors, as well as to agree on the revocation thereof in those cases permitted by law. To bring corporate action for liability against any of the foregoing.
- (c) To approve, where appropriate, the Company's individual and consolidated annual accounts, application of the results, and company management.
- (d) To authorise transactions falling outside of the corporate purpose.
- (e) To agree the issue of liabilities in the sphere of its competences, as well as to increase or reduce the share capital, the transformation, merger, split, or overall transfer of company's assets and liabilities and to relocate the registered office abroad, and generally speaking, any modification of the bylaws.
- (f) To withdraw or limit pre-emptive rights.
- (g) To transfer essential activities of the Company to subsidiaries, even if the Company retains full control over them.
- (h) To authorise the acquisition, disposal or transfer to another company of essential assets. An asset will be considered as essential when the transaction is worth more than twenty-five per cent (25%) of the value of the assets which appear on the latest approved balance sheet.
- (i) To authorise transactions which have an effect equivalent to the liquidation of the Company.
- (j) To authorise the Board of Directors to increase share capital or to execute a capital increase already agreed upon, in the manner provided for in the Law on Capital Companies, or any provision which may replace it in the future, and the corporate bylaws.
- (k) To approve the dissolution of the Company, as well as the final liquidation balance sheet.

- (l) To decide issues submitted by agreement of the Board of Directors.
- (m) To grant authority to the Board of Directors that for unforeseen situations is deemed opportune.
- (n) To approve the remuneration policy for directors in the terms established by law on Capital Companies.

b) Modification Proposal of Article 10 of the Regulations of the General Shareholders' Meeting:

Article 10. Right of attendance

1. All shareholders who substantiate ownership of at least one hundred (100) shares registered in their name five (5) days before the date on which the Meeting is to be held may attend the Meeting with the right to be heard and to vote
2. Those with fewer shares than indicated in the prior paragraph may group together in order to reach the minimum, entrusting one shareholder in the group as their representative. Another way is that any shareholder can grant their proxy rights for the Meeting to another shareholder with right to attendance and who can demonstrate it under the law, thus grouping their shares with those of the latter.
3. The shareholders must hold an attendance card issued by the Company or by entities with holdings in Iberclear in order to attend the meeting. The card must be in the format approved by the Company, prior to accrediting ownership by reference to the list of shareholders with the right of attendance, based on the foregoing. This list shall be definitively closed five (5) days before the date the General Meeting is to be held.
4. Members of the Board of Directors shall attend the General Meetings, without prejudice to the provisions in section 4 of the following article 12.

Directors and Technical Experts will also attend if so established by the Board Chair, who can also grant them the floor when s/he deems it advantageous for the progress of the General Meeting.

5. The Chair of the General Meeting may authorise the attendance of any person s/he deems appropriate, although the Meeting can revoke said authorisation. Specifically, in order to promote the widest possible dissemination of the progress of their meetings and the resolutions adopted, the Chair may authorise the media and financial analysts to attend.

Public relations staff who attend the General Meeting for this purpose must be accredited.

c) Modification Proposal of the first paragraph of section 2 of Article 12 of the Regulations of the General Shareholders' Meeting:

Article 12. Constitution of the General Meeting

1. The General Meeting shall be validly constituted after the first call when the shareholders present or represented own at least twenty-five per cent (25%) of the subscribed share capital with the right to vote.

After the second call, the Meeting shall be validly constituted regardless of the amount of capital represented.

2. For the ordinary or extraordinary General Meeting to be able to validly agree to the issue of liabilities in the sphere of its competences, to suppress or limit the right of preferential purchase of new shares, to increase or reduce the share capital, the transformation, merger, demerger or overall transfer of the company's assets and liabilities, and to relocate the registered office abroad and, generally speaking, any modification of the bylaws, the attendance of shareholders, either personally or by proxy, holding at least fifty percent (50%) of the subscribed capital with the right to vote in the first call will be necessary.

After the second call, it shall be enough that twenty-five per cent (25%) of the capital is represented.

3. Absences occurring once a session of the General Meeting has been constituted shall not affect its validity.

4. Attendance by members of the Board of Directors is not necessary for constituting a valid session of the Meeting.

5. If, in order to adopt a valid agreement concerning some or several of the General Meeting agenda items in accordance with the applicable legislation or the corporate bylaws, the attendance of a specific quorum is required, and said quorum is not reached, the agenda will be reduced to include only the items that do not require the attendance of said specific quorums in order for resolutions to be adopted.

6. Shareholders who cast their distance vote in the terms indicated in the corporate bylaws and in these Regulations will be deemed to be present for the purposes of the constitution of the Meeting in question.