

Proposal modification of the Regulations of the Board of Directors

MANAGERS' REPORT EXPLAINING THE PROPOSAL FOR THE MODIFICATION OF THE REGULATIONS OF THE BOARD OF DIRECTORS OF CELLNEX TELECOM, S.A.

OBJECT OF THE REPORT

The Board of Directors of Cellnex Telecom, S.A. (the **"Company"**) issues this report to explain the proposed modification of the Board of Directors Regulations.

In fulfilment of the provisions of Article 528 of Royal Legislative Decree 1/2010, of 2 July, which approved the Redrafted Text of the Law on Capital Companies (the **"Law on Capital Companies"**), the modification of the Board of Directors Regulations will be notified to the Company's General Shareholders' Meeting, scheduled to be held at first summons on 29 June 2016, at 11.30 a.m., and on 30 June, at the same time of day, at second summons. The shareholders will also be provided with this report during the convocation of the General Shareholders' Meeting.

EXPLANATION OF THE PROPOSAL

The objective of modifying the Board of Directors Regulations is to add the amendments to the Law on Capital Companies enacted by Law 22/2015, of 20 July, on Accounts Auditing (the **"Audit Law"**).

For this reason, it has been deemed convenient to modify Article 15 ("The Audit and Control Commission") of the Board of Directors Regulations with a view to adapting its wording to the amendments made to Article 529 of the Law on Capital Companies by the fourth final disposition of the Audit Law.

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

Moreover, and with a view to communicating the new wording of Article 15 of the Board of Directors Regulations that is to be modified, if it is approved, the new text of the aforementioned Article 15 of the Board of Directors Regulations which is put to the approval of the General Shareholders' Meeting with the proposed modification already entered is attached hereto as Annex II.

Barcelona, 26 May 2016.

ANNEX I
PROPOSAL FOR THE MODIFICATION OF THE REGULATIONS OF THE BOARD OF DIRECTORS

Article 15. The Audit and Review Committee

1. The Board of Directors will appoint from its members an Audit and Review Committee that will comprise the number of directors determined in each case, within the minimum of three (3) members and maximum of five (5) members. envisaged in the bylaws, The Audit and Review Committee will be comprised exclusively by all of whom must have the status of non-executive directors, the majority of whom. At least two (2) of the members of the Audit and Review Committee will have the status of independent directors, and one of them will be appointed for his/her knowledge and experience in the area of accounts, auditing, or both. All the members of the Audit and Review Committee will have the appropriate technical knowledge related to the activity of the Company.
2. Without prejudice to the other tasks assigned to it by the applicable legislation or the Board, the Audit and Review 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 accounts auditor 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 accounts 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 accounts 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 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 accounts 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 in these 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 these Regulations.
- 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 accounts 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 Board of Directors or which may be attributed thereto by the regulations governing the auditing of accounts.

- 3. The Audit and Review Committee will meet as many times as necessary for the execution of its functions and will be convened by its Chair, either on his/her own initiative or at the request of the Chair of the Board of Directors, or of two (2) members of the Committee itself.
- 4. The Audit and Review 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.
- 5. The Board will likewise determine who will hold the position of Chair from among the independent directors, who will be replaced every four (4) years, being able to be re-elected once a period of one (1) 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.
- 6. Any member of the management team or company personnel will be obliged to attend the

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 auditors attend its sessions.

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

Article 15. The Audit and Review Committee

1. The Board of Directors will appoint from its members an Audit and Review Committee that will comprise the number of directors determined in each case, within the minimum of three (3) members and maximum of five (5) members. The Audit and Review Committee will be comprised exclusively by non-executive directors, the majority of whom will have the status of independent directors, and one of them will be appointed for his/her knowledge and experience in the area of accounts, auditing, or both. All the members of the Audit and Review Committee will have the appropriate technical knowledge related to the activity of the Company.
2. Without prejudice to the other tasks assigned to it by the applicable legislation or the Board, the Audit and Review 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 accounts auditor 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 accounts 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 accounts 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 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 accounts 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 in these 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 these Regulations.
- 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 accounts 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 Board of Directors or which may be attributed thereto by the regulations governing the auditing of accounts.

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4. The Audit and Review 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.
5. The Board will likewise determine who will hold the position of Chair from among the independent directors, who will be replaced every four (4) years, being able to be re-elected once a period of one (1) 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.
6. Any member of the management team or company personnel will be obliged to attend the

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