

**NRC Report concerning
composition and number of
members**

2020 **Junta General
de Accionistas**
Annual Shareholders' Meeting

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**REPORT PREPARED BY THE NOMINATIONS AND REMUNERATIONS COMMITTEE OF CELLNEX TELECOM.
S.A. ON THE BOARD OF DIRECTORS' COMPOSITION AND NEEDS RELATED TO THE NUMBER OF
MEMBERS OF THE BOARD**

1. Purpose of this report

This report is prepared in accordance with Recommendation 14 of the Good Governance Code of Listed Companies (hereinafter "the GGC") approved by the Spanish National Securities Market Commission (CNMV). The report analyses the Board of Directors' needs prior to preparing the pertinent proposals and reports on the appointment, ratification and/or re-election of directors Ms. Marieta del Rivero Bermejo, Mr. Franco Bernabè, Mr. Mamoun Jamaï and Mr. Christian Coco as members of the Board of Directors of Cellnex Telecom, S.A. (hereinafter "Cellnex" or "the Company").

The purpose of the report is to justify the proposal to maintain the number of members of the Board of Directors that will be submitted, under item eight on the agenda, for approval by the Company's General Shareholders' Meeting, scheduled for 21 July 2020 at 11:30 a.m. on second call.

2. Reasons for preparing this report

There are currently four members of the Board of Directors whose appointment must be renewed or ratified soon and, consequently, it must be proposed to the Board of Directors prior to being submitted to the General Shareholders' Meeting for approval.

Likewise, on 22 May 2020, Sintonia S.p.A. ("Sintonia") sent an "other relevant information" notice to the Spanish National Securities Market Commission (CNMV) informing that, on the same day, Sintonia, Infinity Investments S.A. ("Infinity") and Raffles Infra Holdings Limited ("Raffles", and together with Sintonia and Infinity, "the Shareholders") had signed an agreement ("the Framework Agreement") for the non-proportional total Demerger of Connect and its subsequent winding-up and liquidation ("the Notice" and "the Demerger", respectively). Following the Demerger, each of the Shareholders will individually hold the Company's shares to which they are entitled based on their ownership stakes in Connect. Consequently, Sintonia will own 16.45% of Cellnex's share capital, while Infinity and Raffles will each own 6.73% of Cellnex (through a newly incorporated company).

According to the Notice, the Framework Agreement regulates the steps to be taken to execute the Demerger and certain commitments aimed at ensuring there is proportional representation on Cellnex's Board of Directors following the Demerger in accordance with Recommendation 20 of the GGC. Consequently, Ms. Elisabetta De Bernardi Di Valserra, proprietary director, has sent to a letter the Company in which she submits her resignation as director.

3. Analysis of the Board of Directors' needs

Recommendation 14 of the GGC requires assurance that "the appointment or re-election proposals are based on a prior analysis of the Board's needs" and that "the results of the prior analysis of Board needs

should be written up in the nomination committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each director".

Pursuant to this, in order to analyse the needs of the Company's Board of Directors regarding the number of members of the Board and the process of re-electing directors, the Nominations and Remunerations Committee has conducted an analysis of the size, composition, competencies and effectiveness of the Board of Directors, taking into account the forthcoming expiration of the terms of office of four members of the Board of Directors and the resignation presented by a proprietary director. Based on this analysis, the Nominations and Remunerations Committee has concluded as follows:

- The number of members on the Board of Directors is 12, which is within the limit established in the articles of association and the range of between five and fifteen members stipulated in Recommendation 13 of the GGC.
- As a consequence of the Demerger, Sintonia will have two proprietary directors and Infinity one. In this sense, Sintonia has sent a letter to the Company stating that Mr. Franco Bernabè and Mr. Christian Coco will continue to be proprietary directors of the Company, but in representation of Sintonia. Likewise, Infinity has also sent a letter to the Company stating that Mr. Mamoun Jamaï will continue to be a proprietary director of the Company but representing Infinity.
- As per Recommendation 17 of the GGC, currently independent directors should comprise over 50% of all Board members, which is the percentage applicable to large cap companies.
- After the resignation of Ms. Elisabetta De Bernardi Di Valserra, the 27.27% of the total members of the Board of Directors are women (three directors of the eleven members appointed). In accordance with Recommendation number 14 of the GGC and the Policy for the Selection and Appointment of Board Members of the Company, the Company actively promotes the balanced presence of women and men in the Board of Directors. Therefore, it will be appreciated that the new director could be a woman.

As a result of this, and for the purposes of replacing Ms. Elisabetta De Bernardi, the Nominations and Remunerations Committee considers it appropriate to maintain the number of members of the Board of Directors at 12, allowing the Board of Directors to cover by co-optation the vacancy, preferably with a woman. For this reason, and in accordance with the resolution of 8 February 2017 of the General Directorate of Registries and Notaries, it is considered appropriate to include as an item on the agenda of the General Meeting the express agreement to maintain the number of directors at 12, so that the Company's Board of Directors can cover by co-option the vacancy existing after the General Shareholders' Meeting, and all without prejudice to the need for further ratification of the eventual director appointed by co-option by the next General Shareholders' Meeting.

This Committee also considers to be fully valid the proposals to re-elect Ms. Marieta del Rivero Bermejo, independent director, and the reports issued in favour of ratifying and re-electing the proprietary directors Mr. Franco Bernabè and Mr. Mamoun Jamaï; all issued at the meeting held on 24 February 2020. Likewise, this Committee also considers to be fully valid the favourable report issued by this Committee at the meeting held on 23 April 2020 in relation to the proposal for the ratification and re-election of the proprietary director Mr. Christian Coco.

Madrid, 10 June 2020.