

Proposal of the Board of Directors Remuneration Policy

2017

Junta General d'Accionistes

Junta General de Accionistas
Annual Shareholders' Meeting

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REASONED PROPOSAL PRESENTED BY THE BOARD OF DIRECTORS OF CELLNEX TELECOM, S.A. IN RELATION TO AGENDA ITEM 5 OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING

Agenda item 5 submits to the approval of the General Meeting the modification of the Directors' Remuneration Policy of Cellnex Telecom, S.A. (the "**Company**"), formulated in the terms required by article 529r of the Capital Companies Act (the "**Remuneration Policy**"), which was approved by the General Shareholders' Meeting of the company held on 30 June 2016.

The Board agreed to submit the modification to the Remuneration Policy to the General Meeting, whose consolidated text is included in the report received from the Nomination and Remuneration Committee, which the Board adopted as its own in all its terms, and which is attached as an Annex to this reasoned proposal.

This policy is identical to that approved in the previous financial year, apart from that set out in its section 4 ("Remuneration Policy for the Executive Directors. Amount of remuneration. Main conditions of their contracts"), in which there is a modification to the current terms for the fixed and variable annual remuneration of the Chief Executive Officer, and includes the introduction of a new multi-year incentive plan (rolling LTIP)

The Board considers that the proposed modification of the Remuneration Policy is in keeping with best practices and market trends, taking into account comparable sectors and companies. In addition, the factors that determine the different components of the remuneration of the Chief Executive Officer for the performance of their executive functions are competitive in relation to those applied by comparable national and international entities, as can be seen from the comparative study carried out for this purpose by an independent external company.

Barcelona, 23 March 2017

ANNEX

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE OF CELLNEX TELECOM, S.A. ON THE AMENDMENT OF THE REMUNERATIONS' POLICY OF THE DIRECTORS

The present report is drawn up in accordance with Article "529 novodecies Ley de Sociedades de Capital" and aims to propose the amendment of the remunerations' policy of the members of the Board of Directors, which will apply in the year of its approval by the General Shareholder's Meeting and in the following two, so that the remunerations' policy as a whole –including its amendments– would preserve the duration foreseen in the policy approved in the 2016 General Shareholder's Meeting.

The proposed amendment of the remunerations' policy is only intended to review the remunerations' policy of the executive members of the Board of Directors and, in particular, the current terms of the Chief Executive Officer's fixed and variable remuneration, foreseeing in its turn the implementation of a new multi-annual incentive plan (rolling LTIP); thus, the current wording of section 4 is amended ("Remuneration policy for Executive Directors. Remuneration amount. Main terms of their contracts").

After these amendments, the revised text of the Remunerations' Policy proposed will follow the below terms:

1.- Internal policy of Cellnex.

The Bylaws and the Board of Directors' Regulations of Cellnex Telecom, S.A. ("Cellnex" or the "Company") set out the principles on which the remuneration policy of the Directors of the Company is based. The articles 25 and 26 of the Bylaws and articles 24 and 25 of the Regulations of the Board of Directors of the Company is established in line with the revised text of Ley de Sociedades de Capital, approved by Royal Legislative Decree 1/2010, of July 2, the following:

Remuneration policy for the directors

The remuneration policy for the directors will be adapted to the remuneration system established in the bylaws and will be approved by the General Shareholders' Meeting at least every three (3) years as a separate item on the agenda.

The proposal for the remuneration policy from the Board of Directors will be reasoned and must be accompanied by a specific report from the Nomination and Remuneration Committee. Both documents will be made available to the shareholders on the Company website from when the call for the General Meeting is issued, and shareholders may also request the free delivery or remittance thereof. Mention of this right must be made in the call for the General Meeting.

The remuneration policy for the directors will remain in force throughout the three (3) business years following that in which it is approved by the General Meeting. Any amendment to or replacement of the same during said period will require the prior approval of the General Shareholders' Meeting, in accordance with the procedure established for the approval thereof.

The Board of Directors will draft and publish an annual report on the remuneration of directors, which will include comprehensive, clear and understandable information on the remuneration policy

applicable to the current business year, a global summary of the application of the remuneration policy during the previous business year, and a breakdown of the individual remuneration accrued for all items by each of the directors during the aforementioned business year. This report will be made available to shareholders when the Ordinary General Meeting is convened and will be put to an advisory vote during said Meeting, as a separate agenda item. Should the aforementioned annual report on the remuneration of directors be rejected in the advisory vote of the Ordinary General Meeting, the remuneration policy applicable to the following business year must be submitted for the approval of the General Meeting prior to the application thereof, even if the aforesaid period of three (3) years has not yet elapsed. This will not apply to cases in which the remuneration policy has been approved during the same Ordinary General Meeting.

Any remuneration paid to the directors for the exercise or termination of their role and for the performance of executive functions will be in accordance with the remuneration policy for directors in force at any given moment, except any remuneration that has been expressly approved by the General Shareholders' Meeting.

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 Nomination 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.

2.- General principles and criteria of the remuneration policy.

The principles and criteria of the remuneration policy of the Directors are permanently reviewed by the Nomination and Remuneration Committee and the Board of Directors of the Company within the framework of its powers, in order to keep aligned with the remuneration policy of the Company with the best practices and trends in the market.

Therefore, the Directors' remuneration for exercising their supervision and decision-making functions is based on the following general principles:

- The remuneration must be sufficient and conform to the Boards' dedication, qualification and responsibilities but it must not compromise the Directors' independent criteria.
- The remuneration must be appropriate for attracting and retaining talent and profile desired by the Company.
- The remuneration must be competitive, which is achieved by establishing a remuneration package in line with market standards of comparable sectors and companies.

The remuneration for the Executive Director for exercising his functions is based on the following principles:

- Making sure that the compensation package can attract, retain and motivate the suitable professional thanks to its structure and overall amount and be competitive with respect to comparable national and international organizations, so that the Company can meet its strategic objectives within the increasingly competitive international environment in which it operates.
- Maintaining an annual variable remuneration linked to individual performance and the overall performance of the Company and the Group of companies whose parent company is the Company (the "Group").
- Incentivizing sustained creation of value over time. Therefore, remuneration includes long-term variable components encouraging achievement of the targets in a sustainable way over time and retention of key personnel.

3.- The remuneration policy for Directors. Maxim amount of annual remuneration.

In accordance with the Bylaws and the Board of Directors' Regulations, the Directors receive a fixed remuneration.

In any case, the maximum annual remuneration regarding the total Directors will not be over 1,500,000 euros. For the duration of this remuneration policy the maximum remuneration will remain in the same terms, unless specific agreement of the General Shareholders' Meeting in which a different amount is approved.

The Nomination and Remuneration Committee is responsible for proposing to the Board of Directors the Director's remuneration an appropriate for his functions (including the maximum annual amount that must necessarily be approved by the General Shareholders' Meeting). The Board is responsible for setting the exact amount to be paid within the stated limit and for distributing the payment among the Directors, taking into consideration the positions held by each one on the Board and its Committees and other objective circumstances that are relevant.

The Directors do not earn any assistance allowance. The travel and stay expenses to attend the Board of Directors and / or its Committees shall be paid by the Company.

The Directors' remuneration is only related to their responsibility regarding their functions. These amounts can be reviewed and updated by the Board of Directors, prior report of the Nomination and Remuneration Committee, within the annual maximum amount approved by the General Shareholders' Meeting. These updates will be reported in the Annual Report on Directors' Remuneration will be voted, in an advisory vote and as a separate item on the agenda, the General Shareholders' Meeting of the Company.

The Company has contracted a liability insurance for its Directors, based on market conditions.

4.- Remuneration policy for Executive Director. Remuneration. Main terms of their contracts

To date, only the Chief Executive Officer of the Company performs executive functions.

The Nomination and Remuneration Committee is responsible for proposing to the Board of Directors the remuneration of the Chief Executive Officer for his executive responsibilities and other contractual conditions, and the Board of Directors approves this.

The remuneration policy for the Executive Director considers, inter alia, the following: (i) fixed remuneration aimed at compensating the level of responsibility and performance, which must be competitive with respect to the comparable entities; (ii) annual variable remuneration linked to achieve the pre-set specific and quantifiable targets; (iii) a multi-year incentive remuneration; and (iv) other payments in kind that are supplementary.

4.1. - Fixed remuneration:

The Chief Executive Officer's fixed remuneration reflects the responsibility of the position within the Company as well as his professional experience looking after it with the objective of making it competitive in a national and international level.

With the objective of settling an adequate and competitive salary policy, the Nomination and Remuneration Committee has taken into consideration for its fixation and possible revisions the elements above as well as the studies and salary analysis prepared by internationally recognized consultancy firms.

On this basis, the Nomination and Remuneration Committee settles annually the remuneration of the Chief Executive Officer for its approval from the Board of Directors.

The Chief Executive Officer's fixed remuneration during the years of effectiveness of this policy amounts to 700,000 euros per year.

4.2. - Annual Variable remuneration:

A part of the Chief Executive Officer's remuneration is variable with the objective of increasing his commitment with the company and motivating his performance. The payment method of this incentive will be in cash and/or with shares although it may be decided to replace all or part of it by a corporate contribution to the improvement of social welfare.

The amount of the Chief Executive Officer's annual variable remuneration is established as a percentage of his fixed remuneration and will be linked, in an important part, the performance of the Company in connection with certain economic and finance parameters and specific operational parameters, predetermined, measurable and aligned with the strategic objectives of the Company. They are also weighted objectives for corporate governance, as well as the personal performance of

the Chief Executive Officer. It corresponds to the Nomination and Remuneration Committee determine and assess the compliance with preset parameters.

The percentage of the Chief Executive Officer's annual variable remuneration is 60% of his fixed remuneration, which will be maintained during the term of this remuneration policy.

4.3.- Long-term variable incentive:

The Chief Executive Officer has a component of his compensation link to a long-term variable incentive.

The objectives sought with this remuneration are motivate and retain with a remuneration's policy that binds the Group's manager and, in particular, the Chief Executive Officer, with the Strategic Plan for the Company, aligning the management's objectives with the shareholders as well as maintaining a competitive remuneration policy to gain new talent.

The remuneration instruments used for this long-term variable incentive will be stock options, shares, bonus in cash or any other method used in the market and that allow the achievement of the abovementioned objectives.

In 2015, the Board of Directors, following the proposal of the Nomination and Remuneration Committee, approved the creation of a long-term variable incentive plan named ILP 2015-2017 with the objective of retaining and motivating the Chief Executive Officer's and some key managers of the Group.

The objectives included in the LTIP 2015-2017, with a weighting of 50% each, are:

- The accumulated increase in the share of Cellnex, as a result of comparing the price of the offer carried out prior to the admission to trading of the Company's shares and the average price in the last quarter of 2017, weighted by the volume ("vwap"), following a scale of achievement.*
- Achieving the adjusted Ebitda according to the market consensus and at constant scope of consolidation, following a scale of achievement.*

The final valuation of these objectives established in the ILP 2015-2017 will be made by the Nomination and Remuneration Committee once its term has finished and the payment, if applicable, will be made after the General Shareholders' Meeting that approves the 2017 financial statements.

The expected incentive for the Chief Executive Officer, if the strategic objectives are achieved after 2017 will amount a total of three years of his fixed remuneration.

In 2017, the Board of Directors, following the proposal of the Nomination and Remuneration Committee, approved the creation of a rolling LTIP applicable during the validity of the present Remuneration Policy, consisting of a series of 3-years incentive plans (2017-2019 LTIP, 2018-2020 LTIP, 2019-2021 LTIP) with the objective of retaining and motivating the Chief Executive Officer's and some key managers of the Group.

The objectives included in the different plans within the rolling LTIP will be determined in a timely manner by the Board of Directors, following a proposal of the Nomination and Remuneration Committee, related to share performance and economic results/magnitudes of the Company.

The final valuation of the achievement of the objectives set in each of the rolling LTIP will be carried out by the Nomination and Remuneration Committee, once its term has finished and the payment, if applicable, will be made after the General Shareholders' Meeting that approves the financial statements of the last year the plan includes.

The expected retribution for the Chief Executive Officer, if the Company's established objectives for the related LTIP are achieved, will amount to one year of his fixed remuneration.

As an exception and with the objective to provide continuity to the current LTIP, the first rolling LTIP, that is the 2017-2019 LTIP, will be divided into two phases: 2017-2019 and 2018-2020, and its objectives will be as follow:

For phase 2017-2018:

- With a weighting of 50%, achieving the recurrent levered free cash flow per share (RLFCF per share) according to the market consensus and at constant scope, following a scale of achievement.*
- With a weighting of 30%, the accumulated increase in the shares of Cellnex, compared for these purposes against the accumulated revaluation of a basket of companies comparable to Cellnex (70%) and of the IBEX (30%), following a scale of achievement.*
- With a weighting of 20%, the achievement of an adjusted Ebitda according to the market consensus and at constant scope, following a scale of achievement.*

For phase 2018-2019:

- With a weighting of 50%, achieving the recurrent levered free cash flow per share (RLFCF per share) according to the market consensus and at constant scope, following a scale of achievement.*
- With a weighting of 50%, the accumulated increase in the shares of Cellnex, compared for these purposes against the accumulated revaluation of a basket of companies comparable to Cellnex (70%) and of the IBEX (30%), following a scale of achievement.*

The final valuation of these objectives established in the ILP 2017-2019 will be made by the Nomination and Remuneration Committee once its term has finished and the payment, if applicable, will be made as regards the 2017-2018 phase after the General Shareholders' Meeting that approves the 2018 financial statements and as regards the 2018-2019 phase after the General Shareholders' Meeting approves the 2019 financial statements.

The expected retribution for the Chief Executive Officer, if the Company's strategic objectives are achieved, will amount to one year of his fixed remuneration for phase 2017-2018 and also to one year of his fixed remuneration for phase 2018-2019. At least a 30% of these remuneration will be received in company shares.

Notwithstanding, the Company will establish other long-term variable incentive plans for later periods.

4.4.- Main conditions of the Chief Executive Officer contract:

The conditions regarding the professional services of the Chief Executive Officer are regulated in his contract, according to the Company's bylaws.

The contract signed between the Company and the Chief Executive Officer is defined duration (until 31 December 2024) and includes the right to receive, in certain cases, two time his annual fixed and variable remuneration (accrued during the last year prior to the end of the contract) as a compensation by the end of the contractual relationship.

The contract includes the exclusivity of professional services, the Chief Executive Officer is not allowed to provide professional services neither in a personal way or a professional one outside of the Company except if allowed by the Company.

The contract includes a post-contractual non-competition clause for a period of one year, with an economic compensation for the restriction of one year's fixed remuneration of the Chief Executive Officer.

Additionally, the Chief Executive Officer contract includes certain payments in kind that are supplementary. In particular, the Chief Executive Officer is beneficiary of a health insurance policy that

covers his family. In addition, the Chief Executive Officer is beneficiary of insurance to cover the contingencies of survival to normal retirement age, death, total incapacity, absolute or serious disability and long-term unemployment, making the Company to cover such contingencies an annual contribution consisting of 25% of gross annual fixed remuneration of the Chief Executive Officer.

5.- Principle of full transparency.

The Company's Board of Directors makes the commitment to implement the principle of full transparency of the whole compensation received by all the Directors, providing transparent sufficient information, issued in advance and in line with the recommendations of good governance of the listed companies.

To this end, the Board of Directors has prepared this Directors' Remuneration Policy and ensures the transparency of Directors' remuneration. The Board of Directors also prepares an annual report on the annual remuneration of Directors, which is made available to shareholders on the occasion of the call of the Ordinary General Meeting and is submitted to a consultative vote as a separate item on the agenda.

6.- Duration.

Without prejudice of the provisions of the current legislation in place referred to the remunerations' policy of the members of the Board of Directors, the Remunerations' Policy will be applied in the year of its approval by the General Shareholder's Meeting (2016) and in the following three (i.e., fiscal years 2017, 2018 and 2019), except for the modifications/adaptations to the same that may be approved, which will be applied from the year of their approval by the General Shareholder's Meeting and during the remaining years of the Remunerations' Policy.