

Requests for information by writing to the Board of Directors and answers

Requests for information by writing to the Board of Directors and answers

Answer: 17/06/2016 (Questions asked to : 16/06/2016)

Below please find answers to your questions.

- **The board**

- **Do you expect to continue with four Abertis representatives (including the chairman) on the board?**

Corporate Governance decisions are made by our Corporate Governance bodies. Regarding our current Board composition, let us please first share that it aims at (a) being lean, and (b) streamlining the decision making process while guaranteeing the relative weight and necessary vote of the independent members. The latter already have a 44% representation under the current composition and, furthermore, the two Board Commissions are chaired by independent Board members who at the same time hold a majority vote in these Commissions.

We also need to bear in mind that Cellnex became a public company just 13 months ago as a spin-off of its current largest shareholder. After what we can qualify as a successful year and having been selected on June 9th to join the Spanish index IBEX 35, the Remuneration and Appointments Commission of the Board has already initiated a process to select (and later appoint) a new independent female Board member. The increasing exposure of the company to a wider base of investors makes the Corporate Governance even more sensitive to the issue of further strengthening the independent members representation in the Board responding as well to the diversity criteria. As a result, this would either increase the number of current directors to 10, or could imply the replacement of one of the current proprietary Directors. Under both scenarios the relative weight of the independent members would further increase.

- **How does Mr Massanet manage his time given his executive position at Abertis?**

Mr. Francisco Reynes is a “non executive Chairman”, in line with best practices recommendations on Corporate Governance that point out to a clear roles separation between the executive Director (CEO) and the Chairman (non executive). Under this scheme, it is clear that there is no conflict in terms of time devoted since its supervisory role of the company’s execution is fully compatible with his executive duties beyond Cellnex Telecom.

- **Are there any plans to increase the number/ratio of independent non-executive directors?**

(Please see answer above). You can expect that the number, and thus the ratio, of independent non-executive directors will increase.

- **Regarding the skills matrix of the board – are there discussions around increasing the number of independent directors with telecoms experience?**

We believe that the current balance of telecoms skills held by our 4 independent non-executive directors is quite strong, as proved by their respective professional track records. In any case, Telecom skills should not be the only variable to consider, but a wider track record on financials and other entrepreneurial skills, international approach, as well as experience on a variety of activity sectors and the kind of role that connectivity and digital transformation may play in them, becomes a major and critical input for the company.

- **Are you considering increasing the amount of international representation on the board?**

44% of our Board is currently composed by non Spanish nationals (Italian, French, British as well as a Dutch are represented), reflecting the European scope and vision of the company. This is something that is here to stay. There are really few Boards (if any) in the Spanish market with such a strong international representation.

- **Is the question around composition and future composition discussed regularly?**

Ensuring that our Board represents in a consistent way the interests of our shareholders is a priority. That its composition adequately responds to our business model and profile in terms of activity areas and geography is as well a part of the discussions regarding Cellnex's corporate governance approach. Despite being a relatively new public company, the Chairman and the whole Board proactively monitor and integrate this debate from the very beginning in their decision making process.

- **Remuneration**

- **Do you currently disclose the components of the annual bonus in a granular detail? For example, targets, thresholds, maximum and achievement of these? If not, are there plans to do this in the future?**

Absolutely. We disclose it and will continue to do so. We have a clear "Remuneration Policy for the Directors", which you can review in detail on our web page (<https://www.cellnextelecom.com/en/shareholders-general-meeting/page/2/>) . Furthermore, a granular detail is also provided in chapters A4 and C1 of the ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES, accessible as well on our web page.

- **As the targets for the long term plan are based on financial metrics (share price growth and consensus EBITDA) – why and under what circumstances would committee discretion be used?**

While targets and metrics are clearly set both for short- and long-term variable incentive, we can say that Committee discretion under a “ceteris paribus” approach is almost non-existent. Assessment and approval criteria within the Remuneration and Appointments Committee – chaired by an independent and with an independent majority as well– and later at the Board and General Shareholders’ Meeting level, are traceable and fixed. You can find them in the “Remuneration Policy for Directors” on our web page. Any change in these targets (as a result of a change in the company’s perimeter or the execution of a transformational deal), would require to follow the same process and be scrutinized following this policy.

- **Are there plans to introduce any equity-based incentive schemes?**

The “Board of Directors Remuneration Policy” states that “among the remuneration instruments used for the long-term variable incentive will be stock options, shares, bonus in cash...”. Having said that, the current long-term incentive plan does not include a specific stock options scheme, but allows the CEO as well as a wider group of 30 key members of the management team to receive part of this remuneration in shares. So the framework to introduce such equity-based schemes exists.