

Report on the Functions and Activities of the  
Nominations, Remunerations and Sustainability Committee of Cellnex  
Telecom, S.A. during 2021

**1.- Composition, responsibility and operation**

On 17 April 2015, the Board of Directors of Cellnex approved the creation of a Nominations and Remunerations Committee, which was renamed on 19 February 2021 as the Nominations, Remunerations and Sustainability Committee (the "**Committee**") of Cellnex Telecom, S.A. (the "**Company**").

**a) Composition**

The Board of Directors shall appoint from among its members a Nominations, Remunerations and Sustainability Committee that comprises the number of directors determined in each case, within the minimum of three members and the maximum of five members envisaged in the Company's Board of Directors Regulations, all of whom must have the status of non-executive directors. At least the majority of the members of the Committee shall have the status of independent directors, and shall be appointed ensuring that they have knowledge, skills and appropriate experience to the functions they have to perform.

The Committee comprises the following members:

<b>Nominations, Remunerations and Sustainability Committee</b>	<b>Category</b>	<b>Position</b>
Marieta del Rivero	Independent	Chair
Pierre Blayau	Independent	Member
Marisa Guijarro	Independent	Member
Alexandra Reich	Proprietary	Member
Virginia Navarro Virgós		Secretary

For the development of its activities, during 2021 the Committee has been supported by several external advisors:

- Willis Towers Watson to perform a benchmarking and to analyse the remuneration of the company's CEO, Senior Management and Board members.
- Georgeson to undertake a Gap analysis of the Company's remuneration approach with the market best practices and investors demands, and to help on the preparation of the Annual Report on the Remuneration of Directors.
- Korn Ferry to carry out an individualised assessment of potential successors to key positions in the Company, as foreseen in the Succession Plan.
- Korn Ferry to carry out a succession process to appoint the new Chair of the Board of Directors and the new Chairs of the Committees.
- Korn Ferry to carry out a search of a new Board member to fill the vacancy existing in the Board of Directors which concluded with the appointment of Ms. Kate Holgate.

In addition, internal Cellnex personnel have sporadically joined various sessions of the Committee, in order to present issues within their competence. Specifically: CEO, Deputy CEO, Director of Public and Corporate Affairs, Global People Director, CFO, Investors Relations Director, President of the Cellnex Foundation, Global Operations Director and Global Head of Energy. The Secretary of the Board of Directors has also joined the Committee in several sessions.

## **b) Responsibilities**

The rules of organization and operation of the Committee are described in the applicable legislation, the Company's By-laws and in the Company's Board of Directors Regulations and, without prejudice to the other tasks assigned to the Committee by the applicable legislation or by the Board of Directors, the Committee will have at least the following responsibilities:

- a) To evaluate the skills, knowledge and experience necessary in the Board of Directors. To this end, it shall define the duties and skills required from candidates to fill each vacancy, and it shall evaluate the time and dedication required for them to effectively perform their duties.
- b) To establish a target to increase the less represented gender on the Board of Directors and to prepare guidelines on how to attain said target.
- c) To submit to the Board of Directors proposals for the appointment of independent directors for their appointment by co-optation or for their submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.
- d) To report on proposals for the appointment of the other directors for their appointment by co-optation or for the submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.
- e) To report to the Board of Directors proposals for the appointment and dismissal of senior management positions.
- f) To report, in advance, on the appointment by the Board of Directors of the position of Chairperson and, where applicable, of one (1) or more Vice Chairpersons, as well as the appointments to the position of the Secretary and, where applicable, of one (1) or more Vice Secretaries. The same procedure shall be followed to agree on the dismissal of the Secretary and, where applicable, of each Vice Secretary.
- g) To examine and organise the succession of the Chair of the Board of Directors and of the Company's CEO and, if appropriate, to submit proposals to the Board of Directors to ensure that such succession is conducted in an orderly and planned manner.
- h) To propose to the Board of Directors the members that should be part of each of the Committees.
- i) To coordinate the performance assessment of the Board of Directors and its Committees, and raise the results of the aforementioned assessment to the plenary session, together with a proposal for an action plan or with recommendations to correct any deficiencies detected.
- j) To report to the Board of Directors on the non-financial information that the Company must disclose periodically.
- k) To supervise compliance with the rules of corporate governance and internal codes of conduct.

- l) To monitor the implementation of the general policy regarding the communication of economic, financial, non-financial, and corporate information, as well as communication and contacts with shareholders, investors, proxy advisors and other stakeholders.
- m) To evaluate and periodically review the corporate governance system and the environmental and social policy of the Company, in order to comply with their mission of promoting corporate interest and take into account, as appropriate, the legitimate interests of the remaining stakeholders.
- n) To monitor that the Company's practices in environmental and social matters comply with the strategy and policies established.
- o) To supervise and evaluate the relationship processes with the different stakeholders.
- p) To review and report on the Annual Sustainability Report prior to its presentation to the Board of Directors.
- q) To recommend the strategy regarding the contributions to the Cellnex Foundation and affect them in compliance with the Sustainability programs adopted by the Company.
- r) To propose to the Board of Directors the remuneration policy for directors and senior management, or for those individuals who perform their senior management functions reporting directly to the Board of Directors, executive committees or CEOs, as well as the individual remuneration and other contractual conditions for executive directors.
- s) To verify compliance with the remuneration policy established by the Company.
- t) To review periodically the directors and senior managers remunerations policy including the remuneration systems with shares and their application, as well as guarantee that their individual remuneration is proportionate to that paid to other directors and senior managers of the Company.
- u) To ensure that conflicts of interest do not affect the independence of the external advice provided to the Committee.
- v) To verify the information on directors and senior managers remunerations contained in the various corporate documents, including the annual report on directors' remunerations and propose to the Board of Directors, for submission to a consultative vote at the General Shareholders' Meeting the preparation of the aforementioned annual report.
- w) Any others related to matters within its competence and that are requested by the Board of Directors or by its Chair.

### **c) Operation**

The applicable legislation, the Company's By-laws and the Company's Board of Directors Regulations shall define the skills of the Committee and its scheme of organization and operation.

The members of the Committee will be appointed for a maximum term of four (4) years, may be re-elected, and will cease when they do so in their capacity as directors or when so agreed by the Board of Directors, following a report from this Committee. The Board of Directors will likewise determine who will hold the position of Chair from among the independent directors, who will be substituted every four (4) years, being able to be re-elected once a period of one (1) year has elapsed since his/her cessation. The Committee itself will appoint a Secretary and may also appoint a Vice Secretary, neither needing to be members thereof.

The Committee shall meet every time the Board of Directors or its Chair requests a report be issued or proposals be adopted and, in any case, whenever it is deemed advisable for the proper execution of its duties. It will be convened by the Chair of the Committee, either on his/her own initiative or at the request of the Chair of the Board of Directors or of two members of the Committee.

The 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 of the members in attendance, present or represented.

Any member of the management team or the Company's personnel who is required to do so, will be obliged to attend the Committee's sessions and to collaborate and provide access to the information in his/her possession.

## **2.- Activities**

During 2021, the Committee held fifteen meetings and carried out the activities listed below. The Committee has been fully updated by the management team on the topics of its competence (during the formal meetings, by means of other informal meetings or by correspondence and conference calls) and has been provided with the relevant supporting documentation.

### **a) Corporate Governance**

- Succession process of the Chair of the Board of Directors and the Chairs of the Committees:
  - On 8 January 2021, the Committee launched the succession process to appoint a new Chair of the Board of Directors to be carried out by Korn Ferry.
  - On 19 January 2021, Korn Ferry presented to the Committee the results of the evaluations carried out. The Committee provided a favourable recommendation to the Board of Directors to appoint Mr. Bertrand Kan as Non-Executive Chair of the Board of Directors.
  - On 19 January 2021, the Committee launched the succession process to appoint the new Chairs of the Committees to be carried out by Korn Ferry.
  - On 24 February 2021, the Committee reviewed the results of the evaluations carried out by Korn Ferry on the appointment of the new Chairs of the Committees. The Committee provided a favourable recommendation to the Board of Directors to appoint Mr. Peter Shore as Chair of the Audit and Risk Management Committee and Ms. Marieta del Rivero as Chair of the Nominations, Remunerations and Sustainability Committee.
- On 19 January 2021, the Committee issued a report on the ratification and re-election of the appointment of the proprietary director Ms. Alexandra Reich for the purposes of her ratification and re-election by the General Meeting.
- On 19 January 2021, the Committee issued a report on the number of members of the Board of Directors to be submitted to the Board of Directors, which in turn would submit it to the General Shareholders' Meeting.

- On 19 January 2021, the calendar of meetings of the Nominations, Remunerations and Sustainability Committee for 2021 was presented, with a proposed agenda for each meeting.
- On 11 February 2021, the Committee reviewed a first draft of the Annual Corporate Governance Report and the Annual Report on the Remunerations of Directors.
- On 19 January 2021, the Committee launched, in line with good governance best practices, the elaboration of a competences matrix of the Board of Directors. On 24 February, 18 March, 12 April and 3 May 2021 the Committee followed-up on the competences matrix of the Board of Directors, which was carried out internally. On 8 June 2021, the Committee reviewed the final conclusions of this exercise and it agreed to provide a favourable recommendation to the Board of Directors to approve the competences matrix and to prepare an action plan with the training sessions and workshops in accordance with the competences matrix conclusions.
- On 11 February 2021, the Corporate and Public Affairs Director presented to the Committee a first draft of the Annual Integrated Report.
- On 11 February 2021, the Global Resources Director presented to the Committee the proposal regarding the Remunerations Policy of Directors 2021-2023 to align it with the Good Governance Code recommendations, the strategy of the Company and the peer group companies. The maximum global amount of the directors' remuneration and the annual fixed and long term variable remuneration of the CEO were also modified.
- On 11 February 2021, the Committee reviewed the Company's internal regulations: the Corporate Bylaws, the Board of Directors' Regulations, the Regulations of the General Shareholders' Meeting and the Internal Code of Conduct, as well as the Policy on the Composition of the Board of Directors, the ESG Policy, the Policy on the communication of financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors and the Equity, Diversity and Inclusion Policy to adapt them to the amended Good Governance Code reviewed by the CNMV in 2020 and to the recent legislative changes and upcoming transposition of the Shareholders' Directive. The Committee provided a favourable recommendation to the Board of Directors to approve all these documents.
- On 11 February 2021, the Committee reviewed the main conclusions of the external evaluation on the functioning of the Board and its Committees for 2020 together with the proposed action plan for 2021 to correct the deficiencies detected.
- On 24 February 2021, the Committee reviewed and approved the Report on the functioning and activities of the Nominations, Remunerations and Sustainability Committee for 2020.
- On 24 February 2021, the Committee provided a favourable recommendation to the Board of Directors to approve the Integrated Annual Report, the Annual Corporate Governance Report, the Annual Report on Remunerations of Directors and the Remunerations Policy of Directors. The Committee issued a Report on the Remunerations Policy of Directors.

- On 18 March 2021, the Committee reviewed the Environmental and Climate Change Policy, the Occupational Health and Safety Policy, the Global Quality Policy and an amendment made to the ESG Policy. The Committee provided a favourable recommendation to the Board of Directors to approve these policies.
- On 15 July 2021, the Committee agreed to propose to the Board of Directors to appoint by co-option Ms. Kate Holgate as new independent Board member and as new member of the Audit and Risk Management Committee. On 21 July 2021, the Committee issued the corresponding reasoned proposal on the appointment of the independent director Ms. Kate Holgate, for the purposes of her appointment by co-option as Board member and as member of the Audit and Risk Management Committee.
- On 13 October 2021, the Secretary of the Committee presented the amended version of the Internal Code of Conduct as a result of the recent amendment of the Spanish Securities Market Law, which eliminated the requirement that Spanish listed companies had to publish their quarterly financial reports. In addition it was also proposed to amend the Internal Code of Conduct to align it to article 19.11 of the MAR, which states that during closed periods only persons with Managerial Responsibilities were affected by the prohibition to trade with Cellnex's shares. The Committee agreed to recommend to the Board of Directors the amendment of the Internal Code of Conduct in order to (i) eliminate Closed Periods for the publication of quarterly information and (ii) establish the prohibition to trade during Closed Periods only for Persons with Managerial Responsibilities, according with the provisions stated in the MAR.
- On 13 October 2021, the Committee launched the Board of Directors Self-assessment 2021 (which this year was done internally). On 15 December 2021, the Vice Secretary of the Board of Directors presented the results of the Self-assessment of the functioning of the Board and its Committees during 2021 and the Action Plan 2021. The Committee also reviewed the proposed Action Plan 2022 and agreed to recommend to the Board of Directors the acknowledgment of the Board of Directors Annual Assessment Report 2021 and to approve the Action Plan 2022 to correct the areas of improvement.

#### **b) Succession Plan**

- On 19 January 2021, the Committee reviewed the report carried out by Korn Ferry on the executive development and succession plan, which included the main highlights and recommendations regarding the Senior Management and an aggregated view of the projected timing of succession needs. The Committee also reviewed each position on a case-by-case basis.
- On 24 February 2021, the Committee followed-up on the executive development and succession plan. The Committee reviewed the succession plan and the contingency plan for the Deputy CEO and his potential internal successors and also discussed the possibility of transversal career movements of the Senior Management and one level down. The Committee members also asked Korn Ferry to circulate the analysis performed on the contingency plan of the potential external candidates to replace the CEO.

- On 18 March 2021, the Committee reviewed the succession plan of the Country Managing Directors.
- On 15 July 2021, the Committee reviewed the progress on the Executive Development Program and the status in the different countries. The Global People Director also presented the Deputy CEO contingency plan, the potential successors and the organizational adjustments for each of the candidates, as well as the succession plan for each Country Managing Director.
- On 15 December 2021, the Committee reviewed the Executive Development Program, covering those actions that were structural, those related to talent development and the key focus areas. The Committee also reviewed the succession plan for the Deputy CEO and the Senior Management.

**c) Remuneration-related activities**

- On 11 February 2021, the Committee analysed the degree of achievement of the quantitative and qualitative CEO's MBO targets for 2020.
- On 24 February 2021, the Committee agreed to submit to the Board of Directors the final assessment of the achievement of the targets set for the LTIP 2018-2020 .
- On 24 February 2021, the Committee agreed to submit to the Board of Directors the LTIP 2021-2023 contract model.
- On 24 February 2021, the Committee agreed to submit to the Board of Directors the CEO's MBO targets for 2021.
- On 15 July 2021, the Global Resources Director presented the envisaged process to review the remuneration of the Board members and the Senior Management. The Committee agreed to engage Willis Towers Watson as external advisor to assist the Committee during this exercise. The Committee also considered the possibility of preparing the Annual Report on the Remunerations of Directors in a free format to improve transparency.
- On 8 September 2021, the Committee reviewed the Remunerations Policy of the Directors approved by the 2021 General Shareholders' Meeting from a corporate governance perspective. The initial situation was analysed and the most recent market trends were reviewed.
- On 13 October 2021, the Committee reviewed the benchmarking strategy and Willis Towers Watson presented the two peer groups selection criteria, which main novelty was to include European high growth companies (in the same high growth stage as the Company), in addition to the companies in the same industry that have traditionally been included in the peer group basket. The Committee agreed to approve the primary peer group (industry-based), the secondary peer group (high growth European companies) and the peer group to review pay practices (the qualitative analysis) proposed by Willis Towers.

- On 9 November 2021, the Committee reviewed the benchmarking of Non-Executive Directors' remuneration, the benchmarking of the qualitative analysis of the Executive Director remuneration and the qualitative proposal of the Senior Management remuneration.
- On 2 December 2021, the Committee agreed to recommend to the Board of Directors to approve the Executive Director's remuneration proposal and the LTIP 2022-2024 applicable to the entire group of beneficiaries, except for the breakdown of ESG targets and the low, medium and high level of achievement for each metric. The Committee also agreed to recommend to the Board of Directors to approve the Senior Management's remuneration proposal.
- On 15 December 2021, the Committee approved the breakdown of the ESG targets and the low, medium and high level of achievement for each metric. The Committee also agreed to recommend to the Board of Directors to approve the Non-Executive Directors' remuneration.

**d) Activities related to ESG**

- On 18 March 2021, the Global People Director presented to the Committee the Equity, Diversity and Inclusion Program – Plan 2021, indicating the status of each of the actions. The Global People Director also explained the three main pillars of the People strategy: culture, leadership and talent and reminded the ESG 2021-2025 goals related with diversity.
- On 3 May 2021, the Committee reviewed the ESG Master Plan and the Corporate and Public Affairs Director explained the different ESG indexes to which the Company belonged to and the level of transparency and reporting to which the Company was subject. The Corporate and Public Affairs Director also referred to the setting up of the ESG Committee, its composition and functions.
- On 3 May 2021, the Global Operations Director together with the Global Head of Energy presented to the Committee the Energy Transition Plan and the Energy Transition Model, which was based in 4 pillars: green energy sourcing, energy efficiency, auto-generation from renewable sources and energy 4.0.
- On 3 May 2021, the Global Resources Director presented the ESG-related risk map from a consolidated strategic risks map and from a consolidated operations risks map point of view. The Global Resources Director also explained the ESG metric of the CEO, the Senior Management and the Management Directors' MBO.
- On 8 June 2021, the Global Resources Director together with the Global People Director presented an update of the Equity, Diversity and Inclusion Program (EDI) and explained the 2025 objectives, the EDI strategy quantitative targets and the EDI initiatives carried out in the first half of 2021.
- On 8 June 2021, the Corporate and Public Affairs Director presented an update of the ESG Master Plan and explained that the Company had been working on increasing internal and external awareness of its ESG activity. The Corporate and Public Affairs



Director also referred to the ESG ratings to which the Company belonged and the main achievements of the ESG Master Plan 2021-2025.

- On 15 July 2021, the Global Operations Director together with the Global Head of Energy presented to the Committee an update of the Energy Transition Plan, noting that the Company was making good progress and it was closer to achieve its goals ahead of the targeted time. There was a clear commitment to have 100% of green energy by 2025.
- On 8 September 2021, the Corporate and Public Affairs Director provided the Committee with an update of the ESG Master Plan 2021-2025 explaining the achieved actions up to the first half of 2021. He also provided an overview of where the Company stood in the ESG indexes. PwC presented the materiality analysis that was done when defining the ESG Master Plan.
- On 8 September 2021, the Committee approved the ESG Board training with IESE, in the context of the Board Workshops plan 2021-2022.
- On 15 December 2021, the President and the General Manager of the Cellnex Foundation presented to the Committee the Foundation purpose, the Foundation's own programs and joint programs and the budget for 2022, differentiating the different pillars and projects, which amounted to a total of €1,000,000. The Committee agreed to recommend to the Board of Directors the donation of €1,000,000 to the Cellnex Foundation .

#### **e) Talent Management**

- On 15 July 2021, the Global People Director, presented to the Committee the Talent Management Program, which was focussed on One Cellnex, inclusion, empowerment, trust and transparency. The Committee reviewed the key initiatives that the Company had developed to attract talent, assess the existing talent, develop the existing talent and retain/engage the existing talent.
- On 15 December 2021, the Global People Director presented an overview of the talent actions carried out during 2021.

#### **f) Other information**

- On 19 January 2021, the Committee provided a favourable recommendation to the Board of Directors to approve the extension until 31 March 2021 of the period to be taken into account for the purposes of the delivery of shares to all Cellnex employees matching up to €500 the purchase made, if any, by the employee, as agreed at the Committee meeting held on 20 October 2020, in order to maximise the number of employees who could benefit from this initiative.
- On 3 May 2021, the Secretary explained the onboarding program for new directors and the board training sessions in which the Company was working.

- On 15 July 2021 and 9 November 2021, the Committee received an update on the Organization of the Company.
- On 8 September 2021, the Global People Director presented to the Committee the Board workshops plan 2021-2022, which had been defined in accordance with the results of the Board competences matrix and the feedback received from the different Board members.