

Board report on the amendment of  
the Board of Directors' Regulations

2022

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

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## **REPORT PRESENTED BY THE BOARD OF DIRECTORS OF CELLNEX TELECOM, S.A. REGARDING THE AMENDMENT OF THE BOARD OF DIRECTORS REGULATIONS**

The purpose of this report is to justify the amendments to the Board of Directors Regulations of Cellnex Telecom, S.A. (The “**Company**”). Likewise, in compliance with the provisions of article 528 of the Spanish Royal Legislative Decree 1/2010, of 2 July 2010, which approves the revised text of the Spanish Companies Law (the “**Spanish Companies Law**” (*Ley de Sociedades de Capital*)), the amendment to the Board of Directors Regulations will be reported at the next General Shareholders’ Meeting after the issuance of this report.

### **JUSTIFICATION AND SYSTEMATICS OF THE PROPOSAL**

Article 528 of the Spanish Companies Law establishes that in listed public limited companies, the Board of Directors will approve a regulation of internal and operational rules of the Board of Directors with a report to the General Shareholders’ Meeting in accordance with the law and the bylaws, which will contain the specific measures that aim to ensure the best administration of the company.

The purpose of the amendments of the Board of Directors Regulations is to adjust the content to the modifications introduced in the consolidated text of the Spanish Companies Law by Law 5/2021, of 12 April, provide the Company with the necessary flexibility to, if deemed appropriate in the future, agree on the payment in shares of all or part of the remuneration of the directors in their capacity as such, always in accordance with the requirements of recommendation 57 of the Good Governance Code of Listed Companies and to take the opportunity to unify the wording with the one used in the Corporate Bylaws and the Directors’ Remuneration Policy.

This amendment of the Board of Directors Regulations is also complemented by the amendment of the Corporate Bylaws that will be submitted for approval at the next General Shareholders’ Meeting of the Company after the issuance of this report.

In order to facilitate the understanding of the changes that prompted this proposal and, consequently, to allow the visualization of the scope of the modification and the comparison between the new wording of the Board of Directors Regulation in the proposed terms, and the one currently in force, a comparative version of both texts is included as Annex I to this report, purely for informative purposes.

Likewise, in order to make the new wording of the Board of Directors Regulations known after the proposed amendment, if approved, the restated text of the Board of Directors Regulations is attached as Annex II with the proposed modifications already incorporated.

### **DETAILED JUSTIFICATION OF THE PROPOSAL**

#### **a) Proposed amendment of article 15**

##### **Justification**

The purpose of modifying article 15 of the Board of Directors Regulations is to adjust the content to the modifications introduced in the consolidated text of the Spanish Companies Law by Law 5/2021, of 12 April 12.

## **Proposed amendments**

It is proposed to amend article 15 of the Board of Directors Regulations, as drafted in the terms indicated below:

*“1. The Board of Directors will appoint from among its members an Audit and Risk Management Committee composed of a minimum of three (3) members and a maximum of five (5) members. The Audit and Risk Management Committee shall be composed exclusively of non-executive directors , most of whom, at least , must be independent directors and shall be appointed, especially its Chairperson, taking into account their knowledge and experience in accountancy, auditing and risk management, both financial and non-financial. As a whole, the members of the Audit and Risk Management Committee will have the relevant technical knowledge relating to the areas of activity to which the Company belongs.*

*2. Without prejudice to any other duties assigned to it by the applicable legislation or the Board of Directors, the Audit and Risk Management Committee will have at least the following responsibilities:*

*a) To inform the General Shareholders’ Meeting on questions that may arise regarding its competences, and in particular, on the result of the audit, explaining how it has contributed to the integrity of the financial and non-financial information and the role that the Committee has taken in this process.*

*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 statutory auditors or audit firms, taking responsibility for the selection process, the conditions of employment, the scope of professional mandate and, where appropriate, the revocation or non-renewal, all in accordance with the applicable regulations, as well as to regularly collect from the aforesaid information on the audit plan and the implementation thereof, and to maintain their independence in the exercise of their duties.*

*c) To monitor and evaluate the process of preparation and presentation of financial and non-financial information as well as the control and management systems of financial and non-financial risks related to the Company and, where appropriate, the group, including operational, technological, legal, social, environmental, political and reputational or related to corruption, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.*

*d) To establish the appropriate relations with the statutory auditors or external audit firms to receive information on issues which may threaten their independence, to be analyzed by the Committee, and any other issues related to the process of account auditing, and where appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as any other requirements set out in legislation and regulations on the auditing of accounts. In all cases, an annual statement must be received from the statutory auditors or audit firms, regarding their independence with regards to their relationship with the entity or directly or indirectly related entities, in addition to detailed information on an individual basis about any type of additional services provided and the corresponding payments received from these entities by the external auditors or audit firms or by persons or entities related to them, pursuant to the regulations on auditing activities.*

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- e) *In the event of the resignation of the external auditor, to examine the circumstances that gave rise to it.*
- f) *To ensure that the remuneration of the external auditor does not compromise its quality or independence.*
- g) *Ensure that the Company communicates the change of external auditor through the Spanish Securities Market Commission, accompanied by a statement of any disagreements arising with the existing auditor and the reasons of the same.*
- h) *Ensure that the external auditor has a yearly meeting with the Board of Directors in full to inform about the work undertaken and developments in the Company's risk and accounting positions.*
- i) *To ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other regulations concerning auditor independence.*
- j) *To issue, on an annual basis, prior to the issuance of the Audit Report, a report containing an opinion regarding whether the independence of the statutory auditors or audit firms has been compromised. This report must contain, in all cases, a reasoned evaluation of the provision of each and every additional service referenced in the previous paragraph, considering each service individually and jointly, other than the legal audit, and in relation to the independence regime or the regulations governing audit activities.*
- k) *To inform on related-party transactions the General Shareholders' Meeting or the Board of Directors shall approve and to supervise the internal procedure established by the Company for those transactions whose approval is delegated.*
- l) *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 shares in special purpose entities or that are registered in countries or territories considered tax havens and on transactions with related parties.*
- m) *To provide information in relation to situations and transactions that involve or could involve situations of conflicts of interest, and in general, on the matters contemplated in Chapter IX of these Regulations, as well as periodically review situations of potential conflicts of interest.*
- n) *To monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the Board of Directors of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular information on its activities; and verify that senior management are acting upon the conclusions and recommendations of its reports.*
- o) *To monitor the effectiveness of the Company's internal control, , the internal audit, and the risk management systems, as well as discussing with the statutory auditors any significant weaknesses of the internal control system detected during the audit, without compromising their independence. For these purposes, and where appropriate, they may submit recommendations or proposals to the management body and the corresponding deadline for their monitoring.*

p) *To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors to report, confidentially, irregularities of potential significance related to the Company, including especially financial and accounting irregularities, as well as those which may involve criminal responsibility for the Company.*

q) *To analyze and report to the Board of Directors on the economic conditions of the structural and corporate modification operations that the Company plans, and its accounting impact and, especially, where applicable, on the proposed exchange ratio.*

*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 by the regulations governing the auditing of accounts.*

*3. The Audit and Risk Management Committee will meet as many times as necessary for the execution of its functions and will be convened by its Chairperson, either on his/her own initiative or at the request of the Chairperson of the Board of Directors, or of two (2) Committee members.*

*4. The Audit and Risk Management 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.*

*5. 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 the Nominations, Remunerations and Sustainability Committee. The Board of Directors will likewise determine who will hold the position of Chairperson 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.*

*6. 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. The Committee can also request that the Company's auditors attend their meetings."*

## **b) Proposed amendment of article 24**

### **Justification**

The purpose of modifying the fourth paragraph of article 24 of the Board of Directors Regulations is to regulate the different forms of payment of the fixed annual salary of the directors in their capacity as such, which may be paid in cash, shares or a mix of both. Likewise, with said change, the wording of the Board of Directors Regulations is aligned with the modifications foreseen to the Bylaws and to the Directors' Remuneration Policy. Finally, as a matter of opportunity, some references are introduced to the regulation in the Bylaws of the remuneration systems.

### **Proposed amendments**

It is proposed to amend article 24 of the Board of Directors Regulations, as drafted in the terms indicated below:

*“Article 24. Remuneration of directors*

*The remuneration policy for directors will be approved by the General Shareholders’ Meeting at least every three years as a separate item in the agenda.*

*The proposal of a remuneration policy for the Board of Directors will be justified and will need to be accompanied by a specific report from the Nominations, Remunerations and Sustainability Committee, which must accompany said proposal. Both documents will be made available to the shareholders on the Company’s website from the call to the General Shareholders’ Meeting, and shareholders may also request said documents be sent or delivered free of charge.*

*Any remuneration paid to the directors for the exercise of their role and for the performance of executive functions will be in accordance with the remuneration systems provided for in the Corporate Bylaws and in the remuneration policy for directors in force at that time, except any remuneration that has been expressly approved by the General Shareholders’ Meeting.*

*Directors, in their capacity as such, will receive a fixed annual allocation 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, which may be paid in cash, shares or a mix of both, provided it is approved and subject to applicable law. The delivery of shares to non-executive directors as remuneration may be contemplated when it is conditioned on them keeping the shares until their resignation as directors. The foregoing shall not apply to the shares that the director needs to dispose of, as the case may be, to pay the costs related to their acquisition.*

*The determination of the remuneration of each director, in his/her capacity as such, will correspond to the Board of Directors, which for said purpose will take into account the duties and responsibilities attributed to each director, whether they are members of Board of Directors’ Committees, and all other objective circumstances that it deems relevant. Notwithstanding the foregoing, in the event that a director is a member of more than one Committee of the Board of Directors, he/she may only receive remuneration for belonging to one of the aforementioned Committees of the Board of Directors.*

*Directors attributed with executive functions in the Company, whatever the nature of their legal relationship with it, will have the right to additionally receive the remuneration for the fulfilment of said functions which is provided for in the contract entered into for this purpose between the director and the Company.*

*The Board of Directors will set 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 systems provided for in the Corporate Bylaws and in the remuneration policy for directors approved by the General Shareholders’ Meeting.”*

Madrid, 24 March 2022.

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## **ANNEX I**

### **PROPOSED AMENDMENTS TO THE BOARD OF DIRECTORS REGULATIONS**

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## **BOARD OF DIRECTORS REGULATIONS**

### **Chapter I. PRELIMINARY**

#### **Article 1. Purpose**

1. The purpose of these Regulations is to determine the principles of action for the Board of Directors of **Cellnex Telecom, S.A.**, the basic rules of its organization and operation and the rules of conduct for its members.
2. The rules of conduct established in these Regulations for directors will also apply, insofar as compatible with their specific nature, to the senior management of the Company. For these purposes, senior management will be understood as those executives directly dependent on the Board of Directors or on the Company's CEO.

#### **Article 2. Interpretation**

These Regulations will be interpreted in accordance with the legal and statutory regulations currently in force.

#### **Article 3. Dissemination**

1. Directors and the senior management will be obliged to know these Regulations, comply with them and ensure their compliance. To this effect, the Secretary of the Board of Directors will provide each of them with a copy thereof.
2. The Board of Directors will adopt the appropriate measures so that the Regulations are available to shareholders and the investing public in general.

### **Chapter II. MISSION OF THE BOARD OF DIRECTORS**

#### **Article 4. Mission**

1. The actions of the Board of Directors in the interest of the Company and in compliance with its legal and statutory functions and those arising from these Regulations will be oriented towards the corporate interest and will fulfill its mission while respecting, in particular, the requirements imposed by the Law, complying in good faith with explicit and implicit contracts with employees, suppliers, financiers and clients and, in general, observing those ethical duties that are reasonably imposed by a responsible business conduct.
2. The Board of Directors is responsible for managing and representing the Company in the terms set out in the Spanish Companies Law.
3. The Board of Directors may not delegate in any case the following powers:
  - a) The supervision of the effective operation of those Committees which it had set up and of the performance of the delegated bodies and of any senior managers which it had appointed.



- b) The determination of the Company's general policies and strategies.
- c) The authorization or exemption of the obligations derived from the duty of loyalty, in accordance with the provisions of article 230 of the Spanish Companies Law.
- d) Its own organization and operation.
- e) The drawing up of the annual accounts and the submission thereof to the General Shareholders' Meeting.
- f) The drawing up of any manner of report required to the management body by law, provided the transaction to which the report refers cannot be delegated.
- g) The appointment and dismissal of the Company's CEOs, as well as the setting up of the conditions of their contract.
- h) The appointment and dismissal of those executives who report directly to the Board of Directors or to any of its members, as well as the setting up of the basic conditions of their contracts, including their remuneration.
- i) The decisions concerning the remuneration of directors, within the statutory framework and, where applicable, the remuneration policy approved by the General Shareholders' Meeting.
- j) The call to the General Shareholders' Meeting and the preparation of the agenda and proposed resolutions.
- k) The policy relating to treasury shares or equities.
- l) Those powers that the General Shareholders' Meeting may have delegated to the Board of Directors, unless the General Shareholders' Meeting has expressly authorized its sub-delegation.
- m) The approval of the strategic or business plan, management objectives and annual budgets, the investment and financing policy, the corporate sustainability policy and the dividend policy.
- n) The determination of the risk control and management policy, including tax risks, and the supervision of the internal information and control systems.
- o) The determination of the corporate governance policy of the Company and of the group of which it is the parent entity; its organization and operation, and, in particular, the approval and amendment of its internal regulations.
- p) The approval of the financial and non-financial information which, due to the Company being listed, must be published periodically.
- q) The definition of the structure of the group of companies of which the Company is the parent entity.
- r) The approval of investments or transactions of all types that, due to their high value or special characteristics, are of a strategic nature or entail a particular tax risk, except when their approval is the responsibility of the General Shareholders' Meeting.
- s) The approval of the creation or acquisition of shares in entities with a special purpose or domiciled in countries or territories considered as being tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could undermine the transparency of the Company and its group.

t) The approval, following a report from the Audit and Risk Management Committee, of the transactions that the Company or companies of its group may conduct with directors, in the terms of articles 229 and 230 of the Spanish Companies Law, or with shareholders with significant holdings, either individually or jointly with others, including shareholders represented on the Board of Directors of the Company or of other companies which form part of the same group, or with persons related to them. The directors affected, or who represent or are associated with the affected shareholders, must abstain from participating in the deliberation and voting on the resolution in question. Only those transactions for which the following three characteristics are present shall be exempt of this approval:

1. they are carried out by virtue of contracts, the conditions of which are standardized and applied *en masse* to a large number of customers;
2. they are carried out at prices or rates set generally by whoever acts as the supplier of the good or service in question; and
3. their amount does not exceed one percent of the Company's annual income.

u) The determination of the Company's tax strategy.

Notwithstanding the foregoing, in the event of a duly justified emergency, decisions corresponding to the matters indicated in sections m) to u) above may be made by the delegated bodies or persons; said decisions must be ratified in the first session of the Board of Directors held after its adoption.

4. The Board of Directors will be validly constituted when the majority of its members attend the meeting, either present or represented.

In order to adopt the resolutions, the favorable vote of the absolute majority of the directors in attendance, present or represented, will be required, except in cases where any power of the Board of Directors has been permanently delegated to the Executive Committee or to the Chief Executive Officer and the appointment of the directors who have to occupy such positions, for which the favorable vote of two-thirds of the Board of Directors will be required.

### **Chapter III. COMPOSITION OF THE BOARD OF DIRECTORS AND CATEGORIES OF DIRECTORS**

#### **Article 5. Qualitative composition**

1. The Board of Directors, in the exercise of its powers to propose to the General Shareholders' Meeting and to co-opt for the filling of vacancies, will ensure that the composition of the body (i) favors diversity of gender, age, experience, and knowledge, and (ii) proprietary and independent directors represent a large majority of the Board of Directors and that the number of executive directors is the minimum necessary, and (iii) that the number of independent directors represents at least a half of the total number of directors. The Board of Directors will promote the balanced presence of men and women. Likewise, it will ensure that in the shortest possible time and at the latest by the end of 2022, the least-represented gender represents at least forty percent of the total number of members of the Board of Directors.

2. The Board of Directors will also ensure that the majority group of external directors includes holders, or those who represent the interests of the holders, of stable significant holdings in the Company's share capital (proprietary directors) and persons of recognized standing who are not related to the team or to the significant shareholders (independent directors).

3. With the aim of establishing a reasonable balance between proprietary directors and independent directors, the Board of Directors will consider the structure of the Company's property, the importance in absolute and comparative terms of the significant shareholdings, and the degree of permanence, commitment and strategic relation with the Company of the holders of said significant shareholdings.

#### **Article 6. Categories of directors**

**a) Executive directors:** those directors who perform management functions in the Company or in its group, whatever the legal relationship they maintain with the Company. Nonetheless, the directors who are senior management or directors of companies belonging to the group of the parent company of the Company, will be considered proprietary directors in the Company.

Moreover, when a director performs management functions and, at the same time, is or represents a significant shareholder or one who is represented on the Board of Directors, he/she shall be considered as an executive director.

**b) Non-executive directors:** all other directors of the Company, which may be proprietary, independent or other external directors.

**b.1) Proprietary directors:** those who possess a shareholding equal to or greater than what is legally considered significant, or who have been appointed due to their status as shareholders, even though their shareholdings do not reach said amount, as well as those who represent shareholders of the aforementioned.

**b.2) Independent directors:** those who, appointed for their personal and professional conditions, may conduct the duties inherent to the position without being influenced by relationships with the Company or its group, its significant shareholders, or its managers.

**b.3) Other external directors:** those who, not being executives, do not meet the requirements to be considered as proprietary or independent directors.

For the purposes of its registration in the Mercantile Registry, the resolution of the General Shareholders' Meeting or the Board of Directors, as applicable, must contain the category of the director.

#### **Article 7. Incompatibilities for being an independent director**

1. Those individuals who find themselves in any of the following situations may not under any circumstances, be considered as independent directors:

a) Those who have been employees or executive directors of group companies, unless three (3) years or five (5) years, respectively, have elapsed since the end of said relationship.

b) Those who receive from the Company, or from its group, any sum or benefit other than remuneration as a director, unless it is not significant for the director. For these purposes, neither dividends nor pension complements received by the director owing to his/her previous professional or work relationship, shall be taken into account, provided that such complements are of an unconditional nature and, consequently, the Company cannot suspend, modify or revoke the payment thereof at its own discretion, without breaching its obligations.

c) Those who are, or have been over the last three (3) years, partners of the external auditor or responsible for the audit report, when the audit in question was carried out in the Company or any of its group companies during said period.

d) Those who are executive directors or members of the senior management of a different company in which any executive director or member of the Company's senior management is an external director.

e) Those who maintain, or have maintained, during the last year, a significant business relationship with the Company or any other group company, either on their own behalf or as a significant shareholder, directors or members of the senior management of a company which maintains, or has maintained, the aforesaid relationship. Business relationships will be understood as those of a supplier of goods or services, including financial services, and those of a consultant or advisor.

f) Those who are significant shareholders, executive directors or members of the senior management of a company which receives, or which has received over the last three (3) years, donations from the Company or from its group.

This section shall not include anyone who is simply a trustee of a foundation which has been a recipient of donations.

g) Spouses, people related with an equivalent affective relationship, or relatives up to the second degree of an executive director or member of the senior management of the Company.

h) Those who have not been proposed, either through appointment or re-election, by the Nominations, Remunerations and Sustainability Committee.

i) Those who have been directors for a continuous period of more than twelve (12) years.

j) Those who, with respect to any shareholder who is significant or represented on the Board of Directors, find themselves in any of the situations referred to in paragraphs a), e), f) or g) above. In the event of a family relationship mentioned in paragraph g), the limitation will apply not only with regard to the shareholder, but also with regard to its proprietary directors representing said shareholder on the Board of Directors in the participated company.

2. Proprietary Directors who lose said status as a consequence of the sale of the stake by the shareholder they represent, may only be re-elected as independent directors when the shareholder they were representing until such time has sold all of its shares in the Company.

3. A director who possesses a shareholding in the Company may have the status of independent director, provided he/she meets all conditions established in this article and, in addition, his/her shareholding is not significant.

#### **Article 8. Quantitative composition**

1. The Board of Directors will be comprised of the number of directors determined by the General Shareholders' Meeting, within the limits set by the Company's Corporate Bylaws.
2. The Board of Directors shall propose to the General Shareholders' Meeting the number which, in accordance with the changing circumstances of the Company, is most appropriate in order to guarantee the correct representation and efficient operation of the Board of Directors.

### **Chapter IV. STRUCTURE OF THE BOARD OF DIRECTORS**

#### **Article 9. The Chairperson of the Board of Directors**

1. The position of Chairperson of the Board of Directors may be filled by an executive, proprietary or independent director or by a director that falls within the "other" category.
2. In the event that the position of Chairperson of the Board of Directors is filled by an executive director the appointment of the Chairperson will require the favorable vote of two thirds of the members of the Board of Directors. Likewise, the Board of Directors, with the abstention of the executive directors, must necessarily appoint from among the independent directors a coordinating director, who will be specially empowered to request the convening of the Board of Directors, or the inclusion of new items in the agenda of a previously convened Board of Directors Meeting, to coordinate and bring together the non-executive directors and to direct, where applicable, the periodic evaluation of the Chairperson of the Board of Directors.
3. The Chairperson of the Board of Directors will be elected from among the members thereof, following a report from the Nominations, Remunerations and Sustainability Committee. The Chairperson will have the powers provided for by Law, the Corporate Bylaws, these Regulations, and those which, in each case, may be entrusted to him/her by the Board of Directors.
4. The Chairperson has the ordinary power to convene the Board of Directors, to prepare the agenda of the sessions thereof and to lead the discussions and deliberations, encouraging debate and the active participation of the directors during the sessions, ensuring they are free to take a position. Moreover, it must ensure that the directors receive sufficient prior information to be able to deliberate on the items in the agenda.

The Chairperson is also responsible for preparing and submitting to the Board of Directors a schedule of dates and issues to be addressed during each financial year, without prejudice to the possibility of each director to suggest other items on the agenda that were not originally included therein; for managing the Board of Directors and ensuring the effectiveness of its operations; for ensuring that sufficient time is devoted to discussing strategic matters; and for agreeing on and reviewing the knowledge update programs for each director whenever circumstances deem such action advisable.

5. The delegation of powers to the Chairperson, when these are not usually exercised by him/her, will not entail him/her no longer being considered an external director.
6. The Chairperson is responsible for chairing the General Shareholders' Meeting.
7. When there is a Coordinating Director, in addition to the entitlements provided for in paragraph 1 of this Article, it will have the following:

- To chair the Board of Directors in the absence of the Chairperson or Vice Chairpersons, if any.
- To give voice to the concerns of non-executive directors.
- To maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance.
- To coordinate the Chairperson's succession plan.

#### **Article 10. The Vice Chairperson**

The Board of Directors, following a report from the Nominations, Remunerations and Sustainability Committee, may appoint one or more Vice Chairpersons who will stand in for the Chairperson when the latter cannot act for any reason.

#### **Article 11. The Secretary of the Board of Directors**

1. The Secretary of the Board of Directors may or may not be a director.
2. The Secretary will assist the Chairperson in his/her duties and must provide for the proper functioning of the Board of Directors, being responsible in particular for providing directors with advice and for sending the relevant information for the exercise of their duties, with sufficient notice and in the appropriate format. Moreover, he/she will keep the documentation of the Board of Directors, duly reflecting the development of the meetings in the minutes books, certifying the content thereof and the resolutions adopted.
3. The Secretary will, in all cases, ensure the formal and material legality of the Board's actions and will ensure that the Board of Director's actions comply with the applicable regulations and are consistent with the Corporate Bylaws and all other internal regulations.
4. The Secretary will be appointed and, where appropriate, dismissed by a plenary session of the Board of Directors, with a prior report, in both cases, from the Nominations, Remunerations and Sustainability Committee.

#### **Article 12. The Vice Secretary of the Board of Directors**

The Board of Directors, with a prior report from the Nominations, Remunerations and Sustainability Committee, may appoint a Vice-Secretary, who may or may not be a director, for the purposes of assisting the Secretary of the Board of Directors in the performance of this function, or to substitute him/her in the case of his/her absence.

#### **Article 13. Delegated bodies of the Board of Directors**

1. Without prejudice to the delegation of powers made individually to the Chairperson or to any other director, and the power that he/she has to form Delegated Committees for specific areas of activity, the Board of Directors may set up an Executive Committee with general powers of decision, and in all cases, will appoint an Audit and Risk Management Committee and a Nominations, Remunerations and Sustainability Committee; the last two committees solely with

powers of information, supervision, guidance and proposal in those matters determined by the articles below.

2. Without prejudice to the functions indicated in article 16, the Nominations, Remunerations and Sustainability Committee will assess the profile of the people most suitable to make up the various Committees and will present the corresponding proposals to the Board of Directors. In all cases, it will take into consideration the suggestions made by the Chairperson and the Chief Executive Officer.

3. With the exception of the provisions of the Corporate Bylaws and these Regulations, the Committees may regulate their own operation. Unless specifically provided for, the operating rules established in these Regulations concerning the Board of Directors will apply, provided these are compatible with the nature and function of the corresponding Committee.

4. The Board of Directors may also establish as many other Committees as it deems necessary, as well as any other bodies which may perform duties of guidance or consultation for territorial implementation, being able to establish, where applicable, the remuneration thereof.

#### **Article 14. The Executive Committee**

1. The Board of Directors may appoint an Executive Committee, which will be composed of the number of directors determined in each case by the Board of Directors, adhering to the criteria indicated in article 5 of these Regulations and reflecting the composition of the Board of Directors as far as possible. In any case, it must comprise at least, two non-executive directors, one of them being independent.

2. The Chairperson and the Chief Executive Officer will be members thereof.

3. The adoption of the decision to appoint members of the Executive Committee and the permanent delegation of powers will require the favorable vote of at least two thirds of the members of the Board of Directors.

4. The Chairperson of the Board of Directors will act as Chairperson of the Executive Committee and its secretary will be the Secretary of the Board of Directors, assisted by the Vice Secretary.

5. The Executive Committee will exercise the powers delegated to it by the Board of Directors.

6. 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 the Nominations, Remunerations and Sustainability Committee.

The resolutions of the Executive Committee will be adopted with the favorable vote of the absolute majority of those attending the session, either present or represented.

#### **Article 15. The Audit and Risk Management Committee**

1. The Board of Directors will appoint from among its members an Audit and Risk Management Committee composed of a minimum of three (3) members and a maximum of five (5) members. The Audit and Risk Management Committee shall be composed exclusively of non-executive directors, most of whom, at least, must be independent directors and shall be appointed, especially its Chairperson, taking into account their knowledge and experience in accountancy, auditing and risk

management, both financial and non-financial. As a whole, the members of the Audit and Risk Management Committee will have the relevant technical knowledge relating to the areas of activity to which the Company belongs.

2. Without prejudice to any other duties assigned to it by the applicable legislation or the Board of Directors, the Audit and Risk Management Committee will have at least the following responsibilities:

- a) To inform the General Shareholders' Meeting on questions that may arise regarding its competences, and in particular, on the result of the audit, explaining how it has contributed to the integrity of the financial and non-financial information and the role that the Committee has taken in this process.
- 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 statutory auditors or audit firms, taking responsibility for the selection process, the conditions of employment, the scope of professional mandate and, where appropriate, the revocation or non-renewal, all in accordance with the applicable regulations, as well as to regularly collect from the aforesaid information on the audit plan and the implementation thereof, and to maintain their independence in the exercise of their duties.
- c) To monitor and evaluate the process of preparation and presentation of financial and non-financial information as well as the control and management systems of financial and non-financial risks related to the Company and, where appropriate, the group, including operational, technological, legal, social, environmental, political and reputational or related to corruption, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.
- d) To establish the appropriate relations with the statutory auditors or external audit firms to receive information on issues which may threaten their independence, to be analyzed by the Committee, and any other issues related to the process of account auditing, and where appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as any other requirements set out in legislation and regulations on the auditing of accounts. In all cases, an annual statement must be received from the statutory auditors or audit firms, regarding their independence with regards to their relationship with the entity or directly or indirectly related entities, in addition to detailed information on an individual basis about any type of additional services provided and the corresponding payments received from these entities by the external auditors or audit firms or by persons or entities related to them, pursuant to the regulations on auditing activities.
- e) In the event of the resignation of the external auditor, to examine the circumstances that gave rise to it.
- f) To ensure that the remuneration of the external auditor does not compromise its quality or independence.
- g) Ensure that the Company communicates the change of external auditor through the Spanish Securities Market Commission, accompanied by a statement of any disagreements arising with the existing auditor and the reasons of the same.



- h) Ensure that the external auditor has a yearly meeting with the Board of Directors in full to inform about the work undertaken and developments in the Company's risk and accounting positions.
- i) To ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other regulations concerning auditor independence.
- j) To issue, on an annual basis, prior to the issuance of the Audit Report, a report containing an opinion regarding whether the independence of the statutory auditors or audit firms has been compromised. This report must contain, in all cases, a reasoned evaluation of the provision of each and every additional service referenced in the previous paragraph, considering each service individually and jointly, other than the legal audit, and in relation to the independence regime or the regulations governing audit activities.
- j)k) To inform on related-party transactions that the General Shareholders' Meeting or the Board of Directors shall approve and to supervise the internal procedure established by the Company for those transactions whose approval is delegated.
- k)l) 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 shares in special purpose entities or that are registered in countries or territories considered tax havens and on transactions with related parties.
- l)m) To provide information in relation to situations and transactions that involve or could involve situations of conflicts of interest, and in general, on the matters contemplated in Chapter IX of these Regulations, as well as periodically review situations of potential conflicts of interest.
- m)n) To monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the Board of Directors of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular information on its activities; and verify that senior management are acting upon the conclusions and recommendations of its reports.
- n)o) To monitor the effectiveness of the Company's internal control, the internal audit, and the risk management systems, as well as discussing with the statutory auditors any significant weaknesses of the internal control system detected during the audit, without compromising their independence. For these purposes, and where appropriate, they may submit recommendations or proposals to the management body and the corresponding deadline for their monitoring.
- o)p) To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors to report, confidentially, irregularities of potential significance related to the Company, including especially financial and accounting irregularities, as well as those which may involve criminal responsibility for the Company.

- g) To analyze and report to the Board of Directors on the economic conditions of the structural and corporate modification operations that the Company plans, and its accounting impact and, especially, where applicable, on the proposed exchange ratio.

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 by the regulations governing the auditing of accounts.

3. The Audit and Risk Management Committee will meet as many times as necessary for the execution of its functions and will be convened by its Chairperson, either on his/her own initiative or at the request of the Chairperson of the Board of Directors, or of two (2) Committee members.

4. The Audit and Risk Management 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.

5. 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 the Nominations, Remunerations and Sustainability Committee. The Board of Directors will likewise determine who will hold the position of Chairperson 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.

6. 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. The Committee can also request that the Company's auditors attend their meetings.

#### **Article 16. The Nominations, Remunerations and Sustainability Committee**

1. The Board of Directors will appoint from among its members a Nominations, Remunerations and Sustainability Committee that will comprise a minimum of three (3) members and a maximum of five (5) members. The Nominations, Remunerations and Sustainability Committee will be composed exclusively of non-executive directors, most of whom must be independent directors and will be appointed, ensuring that they have knowledge, skills and appropriate experience to the functions they have to perform.

2. Without prejudice to other functions assigned to it by the applicable legislation or the Board of Directors, the Nominations, Remunerations and Sustainability Committee will have the following basic 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 present 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 organize the succession of the Chairperson of the Board of Directors and 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 corporate governance rules 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 interest groups.

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 interest groups.

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 interest groups.

p) To review and inform 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 observance of 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 Chairperson.

3. The Nominations, Remunerations and Sustainability Committee shall meet every time the Board of Directors or its Chairperson 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 Chairperson of the Committee, either on his/her own initiative or at the request of the Chairperson of the Board of Directors or of two (2) members of the Committee.

4. 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 Chairperson 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.

5. The Nominations, Remunerations and Sustainability 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.

6. 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.

## **Chapter V. METHOD FOR ADOPTING RESOLUTIONS**

### **Article 17. Method for adopting resolutions**

1. The sessions of the Board of Directors and its Committees may be held using remote communication methods, such as telephone multi-conference, video conference or any other similar system. To this effect, the notice of call, as well as stating the venue at which the physical meeting will take place, which the Secretary or Vice Secretary of the Board of Directors has to attend, must mention that it can also be attended via telephone conference, videoconference or

any similar system, and must state and dispose of the technical resources required to this end, which in all cases must allow direct and simultaneous communication between all those present.

Those not attending the meeting physically and who use means that allow for simultaneous and reciprocal communication with the meeting venue and with the other members using remote communication methods, will be considered as attending to all effective purposes and may give their vote via the means of communication used.

In the event that all the members of the Board of Directors attend the meeting by electronic means, the session will be considered held at the registered office.

Simultaneous Spanish-English and English-Spanish translation systems may be used at meetings, if required by any of the directors.

2. Without prejudice to the above, resolutions may also be adopted without a session, when no director opposes the procedure, and the vote may be issued in writing or by email, provided that the identity of the director issuing the vote is assured.

## **Chapter VI. APPOINTMENT AND RESIGNATION OF DIRECTORS**

### **Article 18. Appointment of directors**

1. Directors will be appointed by the General Shareholders' Meeting or by the Board of Directors, in accordance with the provisions of the restated text of the Spanish Companies Law approved by the Royal Decree 1/2010, of 2 July, or legal text that may replace it.

2. Proposals for the appointment of directors submitted to the Board of Directors for deliberation at the General Shareholders' Meeting and the appointment decisions that the Board of Directors adopts in virtue of the powers of co-optation with which it is legally vested must be preceded by the corresponding proposal by the Nominations, Remunerations and Sustainability Committee in the case of independent directors, and by a report in the case of all other directors. In any case, the proposal for the appointment or re-election of directors must be accompanied by a justifying report from the Board of Directors in which the competence, experience and merits of the proposed candidate are evaluated, which will be attached to the minutes of the General Shareholders' Meeting or of the Board of Directors.

### **Article 19. Appointment of external directors**

The Board of Directors and the Nominations, Remunerations and Sustainability Committee, within the scope of their powers, shall ensure that the candidates selected are individuals of recognized solvency, competence and experience, taking extreme care in relation to those called to fill independent director positions provided for in article 5 of these Regulations and in the terms of the applicable good governance regulations.

### **Article 20. Term of office**

1. Directors will hold their positions for the term provided for in the Corporate Bylaws, and may be re-elected one or more times for said term.

2. Directors appointed by co-option will hold their positions until the date of the first General Shareholders' Meeting. If the vacancy arises after the General Shareholders' Meeting has been called but before it is held, the Board of Directors may appoint a director until the next General Shareholders' Meeting is held. In addition, any director appointed by co-optation by the Board of Directors need not necessarily be a shareholder of the Company.

When, further to the Nominations, Remunerations and Sustainability Committee report, the Board of Directors learns that the interests of the Company are in jeopardy, the director ending his/her mandate or for any other reason ceasing to hold his/her position cannot provide his/her services to another entity with a similar corporate purpose to the Company and that is a competitor thereof according to the assessment of the Board of Directors, for the period established by it and that will in no case be greater than two (2) years.

#### **Article 21. Cessation of directors**

1. Directors will cease in their positions when they have completed the period for which they were appointed and when decided on by the General Shareholders' Meeting under the powers legally or statutorily vested therein.

2. Directors will have to make their positions available to the Board of Directors and, if considered appropriate, formalize the corresponding resignation in the following cases:

- a) When they cease to hold the executive positions linked to their appointment as a director. Independent directors, when they complete twelve (12) years in the position.
- b) When they find themselves in a situation of conflict of interests or a prohibited situation as provided for by law.
- c) When there are situations that affect them, related or not to their performance in the Company, that may harm the Company's credit and reputation, and when they are investigated in any criminal case, informing the Board of Directors of the procedural details, or are the subject of disciplinary proceedings for serious or very serious misconduct carried out by the supervisory authorities.
- d) When their continued membership of the Board of Directors could put the Company's interests in jeopardy and when the reasons for their appointment no longer exist. This last circumstance will be understood as occurring in respect of a significant shareholder when the full shareholding of which he/she is the owner or whose interests he/she represents have been disposed of and also when the reduction of their shareholding requires the consequent reduction of its proprietary directors.

3. Executive directors must make their positions available to the Board of Directors once they have reached seventy years of age and the Board of Directors must decide whether they will continue exercising their executive or delegated duties or remain simply as a director.

4. In the event that, due to the resignation or by resolution of the General Shareholders' Meeting, a director leaves the post before the end of his/her mandate, it must sufficiently explain the reasons of his/her resignation or, in the case of non-executive directors, its opinion on the reasons given by the General Shareholders' Meeting in a letter to be sent to all the members of the Board of Directors. Notwithstanding it is being reported in the Annual Corporate Governance Report, the Company will make public the cessation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

5. The Board of Directors may only propose the cessation of an independent director before the expiration of the statutory period when there is just cause, as appreciated by the Board of Directors following a report from the Nominations, Remunerations and Sustainability Committee. In particular, it will be understood that there is just cause when the director goes on to hold new positions or undertakes new obligations that prevent him/her from devoting the necessary time to the performance of the functions of the position of director, fails to comply with the duties inherent to his/her position or is involved in any of the circumstances that might cause him/her to lose his/her status of independent director, in accordance with the provisions of the applicable legislation. Such cessation may also be proposed as a result of takeover bids, mergers or other similar corporate transactions that entail a change in the structure of the share capital of the Company, when such changes in the structure of the Board of Directors are brought by the criterion of proportionality.

## **Chapter VII. INFORMATION FOR DIRECTORS**

### **Article 22. Powers of information and inspection**

1. The Agenda of the Board of Directors meetings will clearly indicate those items on which the Board of Directors must adopt a decision or resolution in order for the directors to be able to study or gather, in advance, the information required for their adoption. Whenever, exceptionally, the Chairperson or some of the directors wish to submit decisions or resolutions which do not appear in the agenda to the Board of Directors for approval, the prior and express consent of the majority of directors present will be required, which will be duly recorded in the minutes.

2. All the information regarding the proposals to be presented to the directors will be at their disposal at least seventy-two (72) hours in advance.

3. Directors are invested with the broadest powers to obtain information in relation to any aspect of the Company, to examine its books, records, documents and other background information on company operations and to inspect all its facilities.

4. In order not to disturb the everyday management of the Company, the exercising of powers of information will be channeled through the CEO, who will deal with the director's requests, providing him/her with the information directly, offering him/her the appropriate contact people within the Company's structure or providing the means with which the desired examination and inspection proceedings can be carried out on site.

### **Article 23. Expert assistance**

1. For assistance in the exercise of their functions, external directors may request, when there are special circumstances that make this necessary, that legal, accounting, or financial advisors or other experts be hired at the Company's expense and at its choice. The assignment must necessarily deal with specific problems of a certain importance and complexity that arise during the performance of their duties.

2. The CEO of the Company must be informed of any decision to hire advisors or experts, which may be vetoed by the Board of Directors, if it proves:

- a) That it is not necessary for the proper performance of the duties entrusted to the external directors, or
- b) That its cost is not reasonable in view of the scale of the problem and the Company's assets and income, or
- c) That the technical assistance requested could be adequately provided by experts and technicians from within the Company.

## Chapter VIII. REMUNERATION OF DIRECTORS

### Article 24. Remuneration of directors

The remuneration policy for directors will be approved by the General Shareholders' Meeting at least every three years as a separate item in the agenda.

The proposal of a remuneration policy for the Board of Directors will be justified and will need to be accompanied by a specific report from the Nominations, Remunerations and Sustainability Committee, which must accompany said proposal. Both documents will be made available to the shareholders on the Company's website from the call to the General Shareholders' Meeting, and shareholders may also request said documents be sent or delivered free of charge.

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 systems provided for in the Corporate By-laws and in the](#) remuneration policy for directors in force at that time, except any remuneration that has been expressly approved by the General Shareholders' Meeting.

Directors, in their capacity as such, will receive a fixed annual allocation 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, [which may be paid in cash, shares or a mix of both, provided it is approved and subject to applicable law. Remuneration in shares of non-executive directors may be considered provided that they retain such shares until the end of their mandate. This condition will not apply to shares that the director must dispose of, as the case may be, to pay the costs related to their acquisition.](#)

The determination of the remuneration of each director, in his/her capacity as such, will correspond to the Board of Directors, which for said purpose will take into account the duties and responsibilities attributed to each director, whether they are members of Board of Directors' Committees, and all other objective circumstances that it deems relevant. Notwithstanding the foregoing, in the event that a director is a member of more than one Committee of the Board of Directors, he/she may only receive remuneration for belonging to one of the aforementioned Committees of the Board of Directors.

Directors attributed with executive functions in the Company, whatever the nature of their legal relationship with it, will have the right to additionally receive the remuneration for the fulfilment of said functions which is provided for in the contract entered into for this purpose between the director and the Company.

The Board of Directors will set 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 systems provided for in the By-laws and in the](#) remuneration policy for directors approved by the General Shareholders' Meeting.

## **Chapter IX. DUTIES OF THE DIRECTOR**

### **Article 25. General duty of diligence**

The directors shall perform their duties and comply with the obligations imposed by the Laws, the Corporate Bylaws and these Regulations with the diligence of an orderly business person, taking into account the nature of their positions and the duties attributed to each one of them.

The directors must show appropriate dedication and shall adopt the measures required to ensure the good management and control of the Company in the performance of their duties. For this purpose, the directors of the Company may not sit on more than four Boards of Directors of other listed companies other than the Company. For these purposes, all the Boards of Directors of companies that are part of the same group will be counted as a single Board of Directors and, the following will not be counted: (i) Boards of Directors of holding companies or companies that may constitute vehicles or complements for the professional exercise of the director, his/her spouse or equivalent or their closest family members, (ii) Boards of Directors on which the director sits as a proprietary director at the proposal of the Company or any company in its group, and (iii) the Boards of Directors of companies whose purpose is complementary or accessory to another activity that, for the director of the Company may entail an activity related to leisure, assistance or help to third parties or of any other kind that does not imply as such a dedication to a commercial business.

In the performance of their duties, the directors must demand and shall have the right to gather the appropriate and necessary information from the Company to help them to comply with their obligations.

The standard of diligence of an ordered business person in the setting of strategic and business decisions, subject to business discretion, shall be understood to have been met when the director has acted in good faith, without any personal interest in those matters subject to decision, with sufficient information and in line with a suitable decision procedure. It will not be understood that the following decisions are included within the framework of business discretion: those decisions which personally affect other directors and related persons and, in particular, those whose purpose is to authorize them to carry out a certain transaction with the Company, the use of certain corporate assets, the use of a specific business opportunity or obtaining an advantage or remuneration from a third party.

### **Article 26. Duty of loyalty**

The directors must perform their duties with the loyalty of a faithful representative, operating in good faith and in the best interests of the Company.

In particular, the duty of loyalty obliges directors to:

- a) Refrain from exercising his/her powers for purposes other than those for which they have been granted.
- b) Keep information, data, reports or background information to which he/she may have access when performing his/her duties confidential, even after he/she has left the position, except as permitted or required by Law.

c) Abstain from participating in the deliberation and voting on resolutions or decisions in which the director or a related person has a direct or indirect conflict of interests. Those resolutions or decisions which affect him/her in his/her position as director, such as his/her appointment or revocation for positions within the management body, or others of a similar nature, shall be excluded from the aforesaid obligation of abstention.

d) Perform his/her duties under the principle of personal responsibility with freedom of opinion or judgement and independence with regard to instructions and relations to third parties.

e) Adopt the necessary measures to avoid entering into situations in which his/her own interests or those of third parties may come into conflict with corporate interest and with his/her duties with the Company. An exception shall be made for those cases in which the Company has given its consent under the terms set forth in article 230 of the Spanish Companies Law.

Any infraction of the duty of loyalty will result not only in the obligation of compensating the damage caused to the Company's equity, but also that of returning any gains unduly obtained by the director to the Company.

#### **Article 27. Duty to avoid situations of conflict of interest**

1. Directors must communicate to the Board of Directors of any direct or indirect conflict that they, or any related persons, might have with the Company's interest. The director concerned will refrain from taking part in resolutions or decisions related to the transaction to which the conflict refers.

The votes of the directors affected by the conflict and who must abstain, will be deducted for the purposes of calculating the majority of votes needed.

2. In particular, the duty to avoid situations involving conflicts of interest obliges directors to abstain from:

a) Conducting transactions with the Company, except in the case of ordinary operations, made under standard conditions for customers, and with scant relevance, understanding as such those whose information is not necessary for expressing a true and fair view of the Company's equity, financial situation and results.

b) Using the name of the Company or invoking his/her status as director to unduly influence the conduct of private transactions.

c) Making use of corporate assets, including confidential information on the Company, for private purposes.

d) Taking advantage of the Company's business opportunities.

e) Obtaining advantages or payments from third parties other than the Company and its group, associated with the performance of his/her duties, except in the case of mere courtesies.

f) Conducting activities on his/her own account or on the account of third parties which involve effective competition with the Company, either real or potential, or which, in any other way, place him/her in a permanent conflict of interest with the Company.

3. The aforementioned provisions will also be applicable in the event that the beneficiary of the prohibited actions or activities is a related person to the director.

4. Under all circumstances, the conflict of interest situations in which directors find themselves will be recorded as information in the Notes.

5. In special cases, the Company may exempt the prohibitions established in this article, by authorizing the director or related person to conduct a certain transaction with the Company, use certain corporate assets, take advantage of a specific business opportunity or secure an advantage or remuneration from a third party.

6. Whenever the object of the authorization is the exemption of the prohibition of obtaining an advantage or remuneration from third parties, or whenever the exemption affects a transaction whose value is greater than ten percent (10%) of the corporate assets, said authorization must be agreed by the General Shareholders' Meeting.

7. In all other cases, the authorization may also be granted by the Board of Directors, provided the independence of the members granting said authorization with regard to the exempted director is guaranteed. Moreover, it must be possible to guarantee the innocuousness of the authorized operation for the Company's assets or, where applicable, the conduct thereof under market conditions and the transparency of the process.

8. The duty to not compete with the Company may only be subject to exemption in the event that no damage to the Company can be expected, or it can be expected that the Company will be compensated by the benefits envisaged from any such exemption. The exemption shall be granted by means of a separate, express agreement by the General Shareholders' Meeting. In any case, the General Shareholders' Meeting shall, at the request of any shareholder, decide on the dismissal of any director who conducts competitive activities when the risk of damages to the Company has become relevant.

#### **Article 28. Directors' responsibilities**

The directors shall answer to the Company, its partners or shareholders and creditors for any damage caused by their acts or omissions where contrary to Law, the Corporate Bylaws or these Regulations by any actions performed or omitted in breach of the duties inherent to their position, whenever there is evidence of willful, misconduct or negligence.

Under no circumstances shall the fact that the wrongful action or agreement has been adopted, authorized or ratified by the General Shareholders' Meeting release directors from their responsibility.

#### **Article 29. Non-public Information**

1. A director may not use the Company's non-public information for his/her own benefit, either directly or by providing it to third parties.

2. Without prejudice to the foregoing, a director must observe the rules of conduct established in stock market legislation and, in particular, the contents of the Company's Internal Code of Conduct.

3. Under all circumstances, directors must refrain from carrying out or suggesting to anyone that they carry out a transaction involving stock belonging to the Company itself or to its subsidiaries, associated or related companies, when such operations are, due to their position, known to them as a result of non-public information.

### **Article 30. Director's duty of disclosure**

1. A director must inform the Company of those shares in the Company, of which he/she is the titleholder, either directly or through companies in which he/she has a controlling stake or which are in the possession, directly or indirectly, of related persons.

2. In any case, the directors must notify the other directors and, where appropriate, the Board of Directors of any situation of direct or indirect conflict that they or persons related to them may have with the interest of the Company. Situations of conflict of interest will be the object of information in the Notes.

3. A director must also inform the Company of all the positions he/she holds and the activities he/she carries out in other companies or entities and, in general, of any fact or situation that may be relevant to his/her role as a company director, unless the same are held or carried out in other companies of the group to which the Company belongs.

4. A director must inform the Company of those circumstances concerning him/her that could affect the credit or reputation of the Company, in particular, of criminal proceedings in which they appear as the accused and of their procedural details. After examining the situation presented to it, the Board of Directors may require the director to resign and the director must comply with this decision.

### **Article 31. Related persons**

1. For the purposes of the provisions of the foregoing articles, persons related to the directors will be understood to be those provided for in article 231 of the Spanish Companies Law.

### **Article 32. Transactions with significant shareholders**

1. The Board of Directors formally reserves the knowledge of any relevant transaction of the Company with a significant shareholder.

2. With regard to ordinary transactions, the general authorization of the line of transactions and its conditions of execution will suffice.

3. The Company's Annual Corporate Governance Report will include information on these transactions.

### **Article 33. Transactions with directors**

Information on the transactions of directors or anyone acting on their behalf, with the Company or with a company of the same group, which are carried out during the financial year to which the annual accounts refer, will be included in the Company's Annual Corporate Governance Report in all cases, and in the Notes to the annual accounts when the transactions are outside the Company's ordinary course of business or are not carried out under normal market conditions.

#### **Article 34. Civil liability insurance**

The Company may take out a civil liability insurance policy for its directors under the usual conditions and which are in line with the circumstances of the Company itself.

### **Chapter X. BOARD OF DIRECTORS RELATIONSHIPS**

#### **Article 35. Relationships with shareholders**

1. The Board of Directors will provide suitable channels to acknowledge the suggestions that shareholders may make in relation to the management of the Company.
2. The Board of Directors, through one of its directors and with the assistance of the members of the senior management that it deems appropriate, may organize informative meetings on the running of the Company, for the shareholders residing in the most relevant financial centers.
3. Public requests for voting by proxy made by the Board of Directors or by any of its members must indicate in detail the direction in which the representative will vote if the shareholder does not give instructions and, where appropriate, reveal the existence of conflicts of interest.

The director obtaining the proxy will not be able to exercise the voting right corresponding to the shares represented in those agenda items in which he/she finds himself/herself in a conflict of interest and, in any event, with regard to the following decisions:

- a) His/her appointment or ratification as a director.
- b) His/her separation, dismissal or cessation as a director.
- c) The exercise of a corporate liability action against himself/herself.
- d) The approval or ratification, where appropriate, of Company operations with the director concerned, companies controlled by him/her or those that he/she represents or persons acting on his/her behalf.

The proxy may also include those items that, although not included on the agenda of the call, are dealt with in the Meeting, as permitted by Law, with the provisions of the previous paragraph of this article also being applied in these cases.

4. The Board of Directors will promote the informed participation of the shareholders at the General Shareholders' Meetings and will adopt whatever methods are appropriate to ensure that the General Shareholders' Meeting efficiently performs the functions inherent to it in accordance with the Law, the Corporate Bylaws and the Regulations of the General Shareholders' Meeting.

#### **Article 36. Relationships with institutional shareholders**

1. The Board of Directors will also establish suitable mechanisms for the regular exchange of information with institutional investors that are part of the Company's shareholders.
2. Under no circumstances may the relationships between the Board of Directors and the institutional shareholders translate into the provision to the latter of any information that could provide them with a privileged situation or advantage compared to the other shareholders.

**Article 37. Relationships with the markets**

1. The Board of Directors will ensure timely compliance with current instructions concerning the disclosure of relevant facts.
2. The Board of Directors will adopt the necessary measures to ensure that the periodic financial information and any other that is prudentially required to be made available to the markets, is drawn up in accordance with the same principles, criteria and professional practices with which the annual accounts are prepared and that it has the same degree of reliability as the latter. For this last purpose, said information will be reviewed by the Audit and Risk Management Committee.

**Article 38. Relationships with the auditors**

1. The relations of the Board of Directors with the Company's external auditors or audit firms will be channeled through the Audit and Risk Management Committee.
2. The Board of Directors will publicly report the global fees paid by the Company to the audit firm for services other than auditing.
3. The Board of Directors will endeavor to definitively draw up the accounts in such a way that there is no place for qualifications on the part of the auditor. Nevertheless, when the Board of Directors considers that its opinion must be upheld, it will publicly explain the content and the extent of the discrepancy.

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## **ANNEX II**

### **PROPOSAL FOR A NEW DRAFTING OF THE BOARD OF DIRECTORS REGULATIONS**

Note: This document is a translation of a duly approved Spanish language document, and is provided for information purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish language document which this translation is intended to reflect, the text of the original Spanish language document shall prevail.

## **BOARD OF DIRECTORS REGULATIONS**

### **Chapter I. PRELIMINARY**

#### **Article 1. Purpose**

1. The purpose of these Regulations is to determine the principles of action for the Board of Directors of **Cellnex Telecom, S.A.**, the basic rules of its organization and operation and the rules of conduct for its members.
2. The rules of conduct established in these Regulations for directors will also apply, insofar as compatible with their specific nature, to the senior management of the Company. For these purposes, senior management will be understood as those executives directly dependent on the Board of Directors or on the Company's CEO.

#### **Article 2. Interpretation**

These Regulations will be interpreted in accordance with the legal and statutory regulations currently in force.

#### **Article 3. Dissemination**

1. Directors and the senior management will be obliged to know these Regulations, comply with them and ensure their compliance. To this effect, the Secretary of the Board of Directors will provide each of them with a copy thereof.
2. The Board of Directors will adopt the appropriate measures so that the Regulations are available to shareholders and the investing public in general.

### **Chapter II. MISSION OF THE BOARD OF DIRECTORS**

#### **Article 4. Mission**

1. The actions of the Board of Directors in the interest of the Company and in compliance with its legal and statutory functions and those arising from these Regulations will be oriented towards the corporate interest and will fulfill its mission while respecting, in particular, the requirements imposed by the Law, complying in good faith with explicit and implicit contracts with employees, suppliers, financiers and clients and, in general, observing those ethical duties that are reasonably imposed by a responsible business conduct.
2. The Board of Directors is responsible for managing and representing the Company in the terms set out in the Spanish Companies Law.
3. The Board of Directors may not delegate in any case the following powers:
  - a) The supervision of the effective operation of those Committees which it had set up and of the performance of the delegated bodies and of any senior managers which it had appointed.



- b) The determination of the Company's general policies and strategies.
- c) The authorization or exemption of the obligations derived from the duty of loyalty, in accordance with the provisions of article 230 of the Spanish Companies Law.
- d) Its own organization and operation.
- e) The drawing up of the annual accounts and the submission thereof to the General Shareholders' Meeting.
- f) The drawing up of any manner of report required to the management body by law, provided the transaction to which the report refers cannot be delegated.
- g) The appointment and dismissal of the Company's CEOs, as well as the setting up of the conditions of their contract.
- h) The appointment and dismissal of those executives who report directly to the Board of Directors or to any of its members, as well as the setting up of the basic conditions of their contracts, including their remuneration.
- i) The decisions concerning the remuneration of directors, within the statutory framework and, where applicable, the remuneration policy approved by the General Shareholders' Meeting.
- j) The call to the General Shareholders' Meeting and the preparation of the agenda and proposed resolutions.
- k) The policy relating to treasury shares or equities.
- l) Those powers that the General Shareholders' Meeting may have delegated to the Board of Directors, unless the General Shareholders' Meeting has expressly authorized its sub-delegation.
- m) The approval of the strategic or business plan, management objectives and annual budgets, the investment and financing policy, the corporate sustainability policy and the dividend policy.
- n) The determination of the risk control and management policy, including tax risks, and the supervision of the internal information and control systems.
- o) The determination of the corporate governance policy of the Company and of the group of which it is the parent entity; its organization and operation, and, in particular, the approval and amendment of its internal regulations.
- p) The approval of the financial and non-financial information which, due to the Company being listed, must be published periodically.
- q) The definition of the structure of the group of companies of which the Company is the parent entity.
- r) The approval of investments or transactions of all types that, due to their high value or special characteristics, are of a strategic nature or entail a particular tax risk, except when their approval is the responsibility of the General Shareholders' Meeting.
- s) The approval of the creation or acquisition of shares in entities with a special purpose or domiciled in countries or territories considered as being tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could undermine the transparency of the Company and its group.

t) The approval, following a report from the Audit and Risk Management Committee, of the transactions that the Company or companies of its group may conduct with directors, in the terms of articles 229 and 230 of the Spanish Companies Law, or with shareholders with significant holdings, either individually or jointly with others, including shareholders represented on the Board of Directors of the Company or of other companies which form part of the same group, or with persons related to them. The directors affected, or who represent or are associated with the affected shareholders, must abstain from participating in the deliberation and voting on the resolution in question. Only those transactions for which the following three characteristics are present shall be exempt of this approval:

1. they are carried out by virtue of contracts, the conditions of which are standardized and applied *en masse* to a large number of customers;
2. they are carried out at prices or rates set generally by whoever acts as the supplier of the good or service in question; and
3. their amount does not exceed one percent of the Company's annual income.

u) The determination of the Company's tax strategy.

Notwithstanding the foregoing, in the event of a duly justified emergency, decisions corresponding to the matters indicated in sections m) to u) above may be made by the delegated bodies or persons; said decisions must be ratified in the first session of the Board of Directors held after its adoption.

4. The Board of Directors will be validly constituted when the majority of its members attend the meeting, either present or represented.

In order to adopt the resolutions, the favorable vote of the absolute majority of the directors in attendance, present or represented, will be required, except in cases where any power of the Board of Directors has been permanently delegated to the Executive Committee or to the Chief Executive Officer and the appointment of the directors who have to occupy such positions, for which the favorable vote of two-thirds of the Board of Directors will be required.

### **Chapter III. COMPOSITION OF THE BOARD OF DIRECTORS AND CATEGORIES OF DIRECTORS**

#### **Article 5. Qualitative composition**

1. The Board of Directors, in the exercise of its powers to propose to the General Shareholders' Meeting and to co-opt for the filling of vacancies, will ensure that the composition of the body (i) favors diversity of gender, age, experience, and knowledge, and (ii) proprietary and independent directors represent a large majority of the Board of Directors and that the number of executive directors is the minimum necessary, and (iii) that the number of independent directors represents at least a half of the total number of directors. The Board of Directors will promote the balanced presence of men and women. Likewise, it will ensure that in the shortest possible time and at the latest by the end of 2022, the least-represented gender represents at least forty percent of the total number of members of the Board of Directors.

2. The Board of Directors will also ensure that the majority group of external directors includes holders, or those who represent the interests of the holders, of stable significant holdings in the Company's share capital (proprietary directors) and persons of recognized standing who are not related to the team or to the significant shareholders (independent directors).

3. With the aim of establishing a reasonable balance between proprietary directors and independent directors, the Board of Directors will consider the structure of the Company's property, the importance in absolute and comparative terms of the significant shareholdings, and the degree of permanence, commitment and strategic relation with the Company of the holders of said significant shareholdings.

#### **Article 6. Categories of directors**

**a) Executive directors:** those directors who perform management functions in the Company or in its group, whatever the legal relationship they maintain with the Company. Nonetheless, the directors who are senior management or directors of companies belonging to the group of the parent company of the Company, will be considered proprietary directors in the Company.

Moreover, when a director performs management functions and, at the same time, is or represents a significant shareholder or one who is represented on the Board of Directors, he/she shall be considered as an executive director.

**b) Non-executive directors:** all other directors of the Company, which may be proprietary, independent or other external directors.

**b.1) Proprietary directors:** those who possess a shareholding equal to or greater than what is legally considered significant, or who have been appointed due to their status as shareholders, even though their shareholdings do not reach said amount, as well as those who represent shareholders of the aforementioned.

**b.2) Independent directors:** those who, appointed for their personal and professional conditions, may conduct the duties inherent to the position without being influenced by relationships with the Company or its group, its significant shareholders, or its managers.

**b.3) Other external directors:** those who, not being executives, do not meet the requirements to be considered as proprietary or independent directors.

For the purposes of its registration in the Mercantile Registry, the resolution of the General Shareholders' Meeting or the Board of Directors, as applicable, must contain the category of the director.

#### **Article 7. Incompatibilities for being an independent director**

1. Those individuals who find themselves in any of the following situations may not under any circumstances, be considered as independent directors:

a) Those who have been employees or executive directors of group companies, unless three (3) years or five (5) years, respectively, have elapsed since the end of said relationship.

b) Those who receive from the Company, or from its group, any sum or benefit other than remuneration as a director, unless it is not significant for the director. For these purposes, neither dividends nor pension complements received by the director owing to his/her previous professional or work relationship, shall be taken into account, provided that such complements are of an unconditional nature and, consequently, the Company cannot suspend, modify or revoke the payment thereof at its own discretion, without breaching its obligations.

c) Those who are, or have been over the last three (3) years, partners of the external auditor or responsible for the audit report, when the audit in question was carried out in the Company or any of its group companies during said period.

d) Those who are executive directors or members of the senior management of a different company in which any executive director or member of the Company's senior management is an external director.

e) Those who maintain, or have maintained, during the last year, a significant business relationship with the Company or any other group company, either on their own behalf or as a significant shareholder, directors or members of the senior management of a company which maintains, or has maintained, the aforesaid relationship. Business relationships will be understood as those of a supplier of goods or services, including financial services, and those of a consultant or advisor.

f) Those who are significant shareholders, executive directors or members of the senior management of a company which receives, or which has received over the last three (3) years, donations from the Company or from its group.

This section shall not include anyone who is simply a trustee of a foundation which has been a recipient of donations.

g) Spouses, people related with an equivalent affective relationship, or relatives up to the second degree of an executive director or member of the senior management of the Company.

h) Those who have not been proposed, either through appointment or re-election, by the Nominations, Remunerations and Sustainability Committee.

i) Those who have been directors for a continuous period of more than twelve (12) years.

j) Those who, with respect to any shareholder who is significant or represented on the Board of Directors, find themselves in any of the situations referred to in paragraphs a), e), f) or g) above. In the event of a family relationship mentioned in paragraph g), the limitation will apply not only with regard to the shareholder, but also with regard to its proprietary directors representing said shareholder on the Board of Directors in the participated company.

2. Proprietary Directors who lose said status as a consequence of the sale of the stake by the shareholder they represent, may only be re-elected as independent directors when the shareholder they were representing until such time has sold all of its shares in the Company.

3. A director who possesses a shareholding in the Company may have the status of independent director, provided he/she meets all conditions established in this article and, in addition, his/her shareholding is not significant.

#### **Article 8. Quantitative composition**

1. The Board of Directors will be comprised of the number of directors determined by the General Shareholders' Meeting, within the limits set by the Company's Corporate Bylaws.
2. The Board of Directors shall propose to the General Shareholders' Meeting the number which, in accordance with the changing circumstances of the Company, is most appropriate in order to guarantee the correct representation and efficient operation of the Board of Directors.

### **Chapter IV. STRUCTURE OF THE BOARD OF DIRECTORS**

#### **Article 9. The Chairperson of the Board of Directors**

1. The position of Chairperson of the Board of Directors may be filled by an executive, proprietary or independent director or by a director that falls within the "other" category.
2. In the event that the position of Chairperson of the Board of Directors is filled by an executive director the appointment of the Chairperson will require the favorable vote of two thirds of the members of the Board of Directors. Likewise, the Board of Directors, with the abstention of the executive directors, must necessarily appoint from among the independent directors a coordinating director, who will be specially empowered to request the convening of the Board of Directors, or the inclusion of new items in the agenda of a previously convened Board of Directors Meeting, to coordinate and bring together the non-executive directors and to direct, where applicable, the periodic evaluation of the Chairperson of the Board of Directors.
3. The Chairperson of the Board of Directors will be elected from among the members thereof, following a report from the Nominations, Remunerations and Sustainability Committee. The Chairperson will have the powers provided for by Law, the Corporate Bylaws, these Regulations, and those which, in each case, may be entrusted to him/her by the Board of Directors.
4. The Chairperson has the ordinary power to convene the Board of Directors, to prepare the agenda of the sessions thereof and to lead the discussions and deliberations, encouraging debate and the active participation of the directors during the sessions, ensuring they are free to take a position. Moreover, it must ensure that the directors receive sufficient prior information to be able to deliberate on the items in the agenda.

The Chairperson is also responsible for preparing and submitting to the Board of Directors a schedule of dates and issues to be addressed during each financial year, without prejudice to the possibility of each director to suggest other items on the agenda that were not originally included therein; for managing the Board of Directors and ensuring the effectiveness of its operations; for ensuring that sufficient time is devoted to discussing strategic matters; and for agreeing on and reviewing the knowledge update programs for each director whenever circumstances deem such action advisable.

5. The delegation of powers to the Chairperson, when these are not usually exercised by him/her, will not entail him/her no longer being considered an external director.
6. The Chairperson is responsible for chairing the General Shareholders' Meeting.
7. When there is a Coordinating Director, in addition to the entitlements provided for in paragraph 1 of this Article, it will have the following:

- To chair the Board of Directors in the absence of the Chairperson or Vice Chairpersons, if any.
- To give voice to the concerns of non-executive directors.
- To maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance.
- To coordinate the Chairperson's succession plan.

#### **Article 10. The Vice Chairperson**

The Board of Directors, following a report from the Nominations, Remunerations and Sustainability Committee, may appoint one or more Vice Chairpersons who will stand in for the Chairperson when the latter cannot act for any reason.

#### **Article 11. The Secretary of the Board of Directors**

1. The Secretary of the Board of Directors may or may not be a director.
2. The Secretary will assist the Chairperson in his/her duties and must provide for the proper functioning of the Board of Directors, being responsible in particular for providing directors with advice and for sending the relevant information for the exercise of their duties, with sufficient notice and in the appropriate format. Moreover, he/she will keep the documentation of the Board of Directors, duly reflecting the development of the meetings in the minutes books, certifying the content thereof and the resolutions adopted.
3. The Secretary will, in all cases, ensure the formal and material legality of the Board's actions and will ensure that the Board of Director's actions comply with the applicable regulations and are consistent with the Corporate Bylaws and all other internal regulations.
4. The Secretary will be appointed and, where appropriate, dismissed by a plenary session of the Board of Directors, with a prior report, in both cases, from the Nominations, Remunerations and Sustainability Committee.

#### **Article 12. The Vice Secretary of the Board of Directors**

The Board of Directors, with a prior report from the Nominations, Remunerations and Sustainability Committee, may appoint a Vice-Secretary, who may or may not be a director, for the purposes of assisting the Secretary of the Board of Directors in the performance of this function, or to substitute him/her in the case of his/her absence.

#### **Article 13. Delegated bodies of the Board of Directors**

1. Without prejudice to the delegation of powers made individually to the Chairperson or to any other director, and the power that he/she has to form Delegated Committees for specific areas of activity, the Board of Directors may set up an Executive Committee with general powers of decision, and in all cases, will appoint an Audit and Risk Management Committee and a Nominations, Remunerations and Sustainability Committee; the last two committees solely with

powers of information, supervision, guidance and proposal in those matters determined by the articles below.

2. Without prejudice to the functions indicated in article 16, the Nominations, Remunerations and Sustainability Committee will assess the profile of the people most suitable to make up the various Committees and will present the corresponding proposals to the Board of Directors. In all cases, it will take into consideration the suggestions made by the Chairperson and the Chief Executive Officer.

3. With the exception of the provisions of the Corporate Bylaws and these Regulations, the Committees may regulate their own operation. Unless specifically provided for, the operating rules established in these Regulations concerning the Board of Directors will apply, provided these are compatible with the nature and function of the corresponding Committee.

4. The Board of Directors may also establish as many other Committees as it deems necessary, as well as any other bodies which may perform duties of guidance or consultation for territorial implementation, being able to establish, where applicable, the remuneration thereof.

#### **Article 14. The Executive Committee**

1. The Board of Directors may appoint an Executive Committee, which will be composed of the number of directors determined in each case by the Board of Directors, adhering to the criteria indicated in article 5 of these Regulations and reflecting the composition of the Board of Directors as far as possible. In any case, it must comprise at least, two non-executive directors, one of them being independent.

2. The Chairperson and the Chief Executive Officer will be members thereof.

3. The adoption of the decision to appoint members of the Executive Committee and the permanent delegation of powers will require the favorable vote of at least two thirds of the members of the Board of Directors.

4. The Chairperson of the Board of Directors will act as Chairperson of the Executive Committee and its secretary will be the Secretary of the Board of Directors, assisted by the Vice Secretary.

5. The Executive Committee will exercise the powers delegated to it by the Board of Directors.

6. 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 the Nominations, Remunerations and Sustainability Committee.

The resolutions of the Executive Committee will be adopted with the favorable vote of the absolute majority of those attending the session, either present or represented.

#### **Article 15. The Audit and Risk Management Committee**

1. The Board of Directors will appoint from among its members an Audit and Risk Management Committee composed of a minimum of three (3) members and a maximum of five (5) members. The Audit and Risk Management Committee shall be composed exclusively of non-executive directors, most of whom, at least, must be independent directors and shall be appointed, especially its Chairperson, taking into account their knowledge and experience in accountancy, auditing and risk

management, both financial and non-financial. As a whole, the members of the Audit and Risk Management Committee will have the relevant technical knowledge relating to the areas of activity to which the Company belongs.

2. Without prejudice to any other duties assigned to it by the applicable legislation or the Board of Directors, the Audit and Risk Management Committee will have at least the following responsibilities:

- a) To inform the General Shareholders' Meeting on questions that may arise regarding its competences, and in particular, on the result of the audit, explaining how it has contributed to the integrity of the financial and non-financial information and the role that the Committee has taken in this process.
- 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 statutory auditors or audit firms, taking responsibility for the selection process, the conditions of employment, the scope of professional mandate and, where appropriate, the revocation or non-renewal, all in accordance with the applicable regulations, as well as to regularly collect from the aforesaid information on the audit plan and the implementation thereof, and to maintain their independence in the exercise of their duties.
- c) To monitor and evaluate the process of preparation and presentation of financial and non-financial information as well as the control and management systems of financial and non-financial risks related to the Company and, where appropriate, the group, including operational, technological, legal, social, environmental, political and reputational or related to corruption, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.
- d) To establish the appropriate relations with the statutory auditors or external audit firms to receive information on issues which may threaten their independence, to be analyzed by the Committee, and any other issues related to the process of account auditing, and where appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as any other requirements set out in legislation and regulations on the auditing of accounts. In all cases, an annual statement must be received from the statutory auditors or audit firms, regarding their independence with regards to their relationship with the entity or directly or indirectly related entities, in addition to detailed information on an individual basis about any type of additional services provided and the corresponding payments received from these entities by the external auditors or audit firms or by persons or entities related to them, pursuant to the regulations on auditing activities.
- e) In the event of the resignation of the external auditor, to examine the circumstances that gave rise to it.
- f) To ensure that the remuneration of the external auditor does not compromise its quality or independence.
- g) Ensure that the Company communicates the change of external auditor through the Spanish Securities Market Commission, accompanied by a statement of any disagreements arising with the existing auditor and the reasons of the same.



- h) Ensure that the external auditor has a yearly meeting with the Board of Directors in full to inform about the work undertaken and developments in the Company's risk and accounting positions.
- i) To ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other regulations concerning auditor independence.
- j) To issue, on an annual basis, prior to the issuance of the Audit Report, a report containing an opinion regarding whether the independence of the statutory auditors or audit firms has been compromised. This report must contain, in all cases, a reasoned evaluation of the provision of each and every additional service referenced in the previous paragraph, considering each service individually and jointly, other than the legal audit, and in relation to the independence regime or the regulations governing audit activities.
- k) To inform on related-party transactions that the General Shareholders' Meeting or the Board of Directors shall approve and to supervise the internal procedure established by the Company for those transactions whose approval is delegated.
- l) 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 shares in special purpose entities or that are registered in countries or territories considered tax havens and on transactions with related parties.
- m) To provide information in relation to situations and transactions that involve or could involve situations of conflicts of interest, and in general, on the matters contemplated in Chapter IX of these Regulations, as well as periodically review situations of potential conflicts of interest.
- n) To monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the Board of Directors of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular information on its activities; and verify that senior management are acting upon the conclusions and recommendations of its reports.
- o) To monitor the effectiveness of the Company's internal control, the internal audit, and the risk management systems, as well as discussing with the statutory auditors any significant weaknesses of the internal control system detected during the audit, without compromising their independence. For these purposes, and where appropriate, they may submit recommendations or proposals to the management body and the corresponding deadline for their monitoring.
- p) To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors to report, confidentially, irregularities of potential significance related to the Company, including especially financial and accounting irregularities, as well as those which may involve criminal responsibility for the Company.

- q) To analyze and report to the Board of Directors on the economic conditions of the structural and corporate modification operations that the Company plans, and its accounting impact and, especially, where applicable, on the proposed exchange ratio.

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 by the regulations governing the auditing of accounts.

3. The Audit and Risk Management Committee will meet as many times as necessary for the execution of its functions and will be convened by its Chairperson, either on his/her own initiative or at the request of the Chairperson of the Board of Directors, or of two (2) Committee members.

4. The Audit and Risk Management 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.

5. 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 the Nominations, Remunerations and Sustainability Committee. The Board of Directors will likewise determine who will hold the position of Chairperson 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.

6. 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. The Committee can also request that the Company's auditors attend their meetings.

#### **Article 16. The Nominations, Remunerations and Sustainability Committee**

1. The Board of Directors will appoint from among its members a Nominations, Remunerations and Sustainability Committee that will comprise a minimum of three (3) members and a maximum of five (5) members. The Nominations, Remunerations and Sustainability Committee will be composed exclusively of non-executive directors, most of whom must be independent directors and will be appointed, ensuring that they have knowledge, skills and appropriate experience to the functions they have to perform.

2. Without prejudice to other functions assigned to it by the applicable legislation or the Board of Directors, the Nominations, Remunerations and Sustainability Committee will have the following basic 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 present 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 organize the succession of the Chairperson of the Board of Directors and 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 corporate governance rules 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 interest groups.

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 interest groups.

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 interest groups.

p) To review and inform 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 observance of 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 Chairperson.

3. The Nominations, Remunerations and Sustainability Committee shall meet every time the Board of Directors or its Chairperson 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 Chairperson of the Committee, either on his/her own initiative or at the request of the Chairperson of the Board of Directors or of two (2) members of the Committee.

4. 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 Chairperson 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.

5. The Nominations, Remunerations and Sustainability 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.

6. 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.

## **Chapter V. METHOD FOR ADOPTING RESOLUTIONS**

### **Article 17. Method for adopting resolutions**

1. The sessions of the Board of Directors and its Committees may be held using remote communication methods, such as telephone multi-conference, video conference or any other similar system. To this effect, the notice of call, as well as stating the venue at which the physical meeting will take place, which the Secretary or Vice Secretary of the Board of Directors has to attend, must mention that it can also be attended via telephone conference, videoconference or

any similar system, and must state and dispose of the technical resources required to this end, which in all cases must allow direct and simultaneous communication between all those present.

Those not attending the meeting physically and who use means that allow for simultaneous and reciprocal communication with the meeting venue and with the other members using remote communication methods, will be considered as attending to all effective purposes and may give their vote via the means of communication used.

In the event that all the members of the Board of Directors attend the meeting by electronic means, the session will be considered held at the registered office.

Simultaneous Spanish-English and English-Spanish translation systems may be used at meetings, if required by any of the directors.

2. Without prejudice to the above, resolutions may also be adopted without a session, when no director opposes the procedure, and the vote may be issued in writing or by email, provided that the identity of the director issuing the vote is assured.

## **Chapter VI. APPOINTMENT AND RESIGNATION OF DIRECTORS**

### **Article 18. Appointment of directors**

1. Directors will be appointed by the General Shareholders' Meeting or by the Board of Directors, in accordance with the provisions of the restated text of the Spanish Companies Law approved by the Royal Decree 1/2010, of 2 July, or legal text that may replace it.

2. Proposals for the appointment of directors submitted to the Board of Directors for deliberation at the General Shareholders' Meeting and the appointment decisions that the Board of Directors adopts in virtue of the powers of co-optation with which it is legally vested must be preceded by the corresponding proposal by the Nominations, Remunerations and Sustainability Committee in the case of independent directors, and by a report in the case of all other directors. In any case, the proposal for the appointment or re-election of directors must be accompanied by a justifying report from the Board of Directors in which the competence, experience and merits of the proposed candidate are evaluated, which will be attached to the minutes of the General Shareholders' Meeting or of the Board of Directors.

### **Article 19. Appointment of external directors**

The Board of Directors and the Nominations, Remunerations and Sustainability Committee, within the scope of their powers, shall ensure that the candidates selected are individuals of recognized solvency, competence and experience, taking extreme care in relation to those called to fill independent director positions provided for in article 5 of these Regulations and in the terms of the applicable good governance regulations.

### **Article 20. Term of office**

1. Directors will hold their positions for the term provided for in the Corporate Bylaws, and may be re-elected one or more times for said term.

2. Directors appointed by co-option will hold their positions until the date of the first General Shareholders' Meeting. If the vacancy arises after the General Shareholders' Meeting has been called but before it is held, the Board of Directors may appoint a director until the next General Shareholders' Meeting is held. In addition, any director appointed by co-optation by the Board of Directors need not necessarily be a shareholder of the Company.

When, further to the Nominations, Remunerations and Sustainability Committee report, the Board of Directors learns that the interests of the Company are in jeopardy, the director ending his/her mandate or for any other reason ceasing to hold his/her position cannot provide his/her services to another entity with a similar corporate purpose to the Company and that is a competitor thereof according to the assessment of the Board of Directors, for the period established by it and that will in no case be greater than two (2) years.

#### **Article 21. Cessation of directors**

1. Directors will cease in their positions when they have completed the period for which they were appointed and when decided on by the General Shareholders' Meeting under the powers legally or statutorily vested therein.

2. Directors will have to make their positions available to the Board of Directors and, if considered appropriate, formalize the corresponding resignation in the following cases:

- a) When they cease to hold the executive positions linked to their appointment as a director. Independent directors, when they complete twelve (12) years in the position.
- b) When they find themselves in a situation of conflict of interests or a prohibited situation as provided for by law.
- c) When there are situations that affect them, related or not to their performance in the Company, that may harm the Company's credit and reputation, and when they are investigated in any criminal case, informing the Board of Directors of the procedural details, or are the subject of disciplinary proceedings for serious or very serious misconduct carried out by the supervisory authorities.
- d) When their continued membership of the Board of Directors could put the Company's interests in jeopardy and when the reasons for their appointment no longer exist. This last circumstance will be understood as occurring in respect of a significant shareholder when the full shareholding of which he/she is the owner or whose interests he/she represents have been disposed of and also when the reduction of their shareholding requires the consequent reduction of its proprietary directors.

3. Executive directors must make their positions available to the Board of Directors once they have reached seventy years of age and the Board of Directors must decide whether they will continue exercising their executive or delegated duties or remain simply as a director.

4. In the event that, due to the resignation or by resolution of the General Shareholders' Meeting, a director leaves the post before the end of his/her mandate, it must sufficiently explain the reasons of his/her resignation or, in the case of non-executive directors, its opinion on the reasons given by the General Shareholders' Meeting in a letter to be sent to all the members of the Board of Directors. Notwithstanding it is being reported in the Annual Corporate Governance Report, the Company will make public the cessation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

5. The Board of Directors may only propose the cessation of an independent director before the expiration of the statutory period when there is just cause, as appreciated by the Board of Directors following a report from the Nominations, Remunerations and Sustainability Committee. In particular, it will be understood that there is just cause when the director goes on to hold new positions or undertakes new obligations that prevent him/her from devoting the necessary time to the performance of the functions of the position of director, fails to comply with the duties inherent to his/her position or is involved in any of the circumstances that might cause him/her to lose his/her status of independent director, in accordance with the provisions of the applicable legislation. Such cessation may also be proposed as a result of takeover bids, mergers or other similar corporate transactions that entail a change in the structure of the share capital of the Company, when such changes in the structure of the Board of Directors are brought by the criterion of proportionality.

## **Chapter VII. INFORMATION FOR DIRECTORS**

### **Article 22. Powers of information and inspection**

1. The Agenda of the Board of Directors meetings will clearly indicate those items on which the Board of Directors must adopt a decision or resolution in order for the directors to be able to study or gather, in advance, the information required for their adoption. Whenever, exceptionally, the Chairperson or some of the directors wish to submit decisions or resolutions which do not appear in the agenda to the Board of Directors for approval, the prior and express consent of the majority of directors present will be required, which will be duly recorded in the minutes.
2. All the information regarding the proposals to be presented to the directors will be at their disposal at least seventy-two (72) hours in advance.
3. Directors are invested with the broadest powers to obtain information in relation to any aspect of the Company, to examine its books, records, documents and other background information on company operations and to inspect all its facilities.
4. In order not to disturb the everyday management of the Company, the exercising of powers of information will be channeled through the CEO, who will deal with the director's requests, providing him/her with the information directly, offering him/her the appropriate contact people within the Company's structure or providing the means with which the desired examination and inspection proceedings can be carried out on site.

### **Article 23. Expert assistance**

1. For assistance in the exercise of their functions, external directors may request, when there are special circumstances that make this necessary, that legal, accounting, or financial advisors or other experts be hired at the Company's expense and at its choice. The assignment must necessarily deal with specific problems of a certain importance and complexity that arise during the performance of their duties.
2. The CEO of the Company must be informed of any decision to hire advisors or experts, which may be vetoed by the Board of Directors, if it proves:

- a) That it is not necessary for the proper performance of the duties entrusted to the external directors, or
- b) That its cost is not reasonable in view of the scale of the problem and the Company's assets and income, or
- c) That the technical assistance requested could be adequately provided by experts and technicians from within the Company.

## **Chapter VIII. REMUNERATION OF DIRECTORS**

### **Article 24. Remuneration of directors**

The remuneration policy for directors will be approved by the General Shareholders' Meeting at least every three years as a separate item in the agenda.

The proposal of a remuneration policy for the Board of Directors will be justified and will need to be accompanied by a specific report from the Nominations, Remunerations and Sustainability Committee, which must accompany said proposal. Both documents will be made available to the shareholders on the Company's website from the call to the General Shareholders' Meeting, and shareholders may also request said documents be sent or delivered free of charge.

Any remuneration paid to the directors for the exercise of their role and for the performance of executive functions will be in accordance with the remuneration systems provided for in the Corporate By-laws and in the remuneration policy for directors in force at that time, except any remuneration that has been expressly approved by the General Shareholders' Meeting.

Directors, in their capacity as such, will receive a fixed annual allocation 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, which may be paid in cash, shares or a mix of both, provided it is approved and subject to applicable law. Remuneration in shares of non-executive directors may be considered provided that they retain such shares until the end of their mandate. This condition will not apply to shares that the director must dispose of, as the case may be, to pay the costs related to their acquisition.

The determination of the remuneration of each director, in his/her capacity as such, will correspond to the Board of Directors, which for said purpose will take into account the duties and responsibilities attributed to each director, whether they are members of Board of Directors' Committees, and all other objective circumstances that it deems relevant. Notwithstanding the foregoing, in the event that a director is a member of more than one Committee of the Board of Directors, he/she may only receive remuneration for belonging to one of the aforementioned Committees of the Board of Directors.

Directors attributed with executive functions in the Company, whatever the nature of their legal relationship with it, will have the right to additionally receive the remuneration for the fulfilment of said functions which is provided for in the contract entered into for this purpose between the director and the Company.

The Board of Directors will set 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 systems provided for in the By-laws and in the remuneration policy for directors approved by the General Shareholders' Meeting.

## **Chapter IX. DUTIES OF THE DIRECTOR**

### **Article 25. General duty of diligence**

The directors shall perform their duties and comply with the obligations imposed by the Laws, the Corporate Bylaws and these Regulations with the diligence of an orderly business person, taking into account the nature of their positions and the duties attributed to each one of them.

The directors must show appropriate dedication and shall adopt the measures required to ensure the good management and control of the Company in the performance of their duties. For this purpose, the directors of the Company may not sit on more than four Boards of Directors of other listed companies other than the Company. For these purposes, all the Boards of Directors of companies that are part of the same group will be counted as a single Board of Directors and, the following will not be counted: (i) Boards of Directors of holding companies or companies that may constitute vehicles or complements for the professional exercise of the director, his/her spouse or equivalent or their closest family members, (ii) Boards of Directors on which the director sits as a proprietary director at the proposal of the Company or any company in its group, and (iii) the Boards of Directors of companies whose purpose is complementary or accessory to another activity that, for the director of the Company may entail an activity related to leisure, assistance or help to third parties or of any other kind that does not imply as such a dedication to a commercial business.

In the performance of their duties, the directors must demand and shall have the right to gather the appropriate and necessary information from the Company to help them to comply with their obligations.

The standard of diligence of an ordered business person in the setting of strategic and business decisions, subject to business discretion, shall be understood to have been met when the director has acted in good faith, without any personal interest in those matters subject to decision, with sufficient information and in line with a suitable decision procedure. It will not be understood that the following decisions are included within the framework of business discretion: those decisions which personally affect other directors and related persons and, in particular, those whose purpose is to authorize them to carry out a certain transaction with the Company, the use of certain corporate assets, the use of a specific business opportunity or obtaining an advantage or remuneration from a third party.

### **Article 26. Duty of loyalty**

The directors must perform their duties with the loyalty of a faithful representative, operating in good faith and in the best interests of the Company.

In particular, the duty of loyalty obliges directors to:

- a) Refrain from exercising his/her powers for purposes other than those for which they have been granted.
- b) Keep information, data, reports or background information to which he/she may have access when performing his/her duties confidential, even after he/she has left the position, except as permitted or required by Law.

c) Abstain from participating in the deliberation and voting on resolutions or decisions in which the director or a related person has a direct or indirect conflict of interests. Those resolutions or decisions which affect him/her in his/her position as director, such as his/her appointment or revocation for positions within the management body, or others of a similar nature, shall be excluded from the aforesaid obligation of abstention.

d) Perform his/her duties under the principle of personal responsibility with freedom of opinion or judgement and independence with regard to instructions and relations to third parties.

e) Adopt the necessary measures to avoid entering into situations in which his/her own interests or those of third parties may come into conflict with corporate interest and with his/her duties with the Company. An exception shall be made for those cases in which the Company has given its consent under the terms set forth in article 230 of the Spanish Companies Law.

Any infraction of the duty of loyalty will result not only in the obligation of compensating the damage caused to the Company's equity, but also that of returning any gains unduly obtained by the director to the Company.

#### **Article 27. Duty to avoid situations of conflict of interest**

1. Directors must communicate to the Board of Directors of any direct or indirect conflict that they, or any related persons, might have with the Company's interest. The director concerned will refrain from taking part in resolutions or decisions related to the transaction to which the conflict refers.

The votes of the directors affected by the conflict and who must abstain, will be deducted for the purposes of calculating the majority of votes needed.

2. In particular, the duty to avoid situations involving conflicts of interest obliges directors to abstain from:

a) Conducting transactions with the Company, except in the case of ordinary operations, made under standard conditions for customers, and with scant relevance, understanding as such those whose information is not necessary for expressing a true and fair view of the Company's equity, financial situation and results.

b) Using the name of the Company or invoking his/her status as director to unduly influence the conduct of private transactions.

c) Making use of corporate assets, including confidential information on the Company, for private purposes.

d) Taking advantage of the Company's business opportunities.

e) Obtaining advantages or payments from third parties other than the Company and its group, associated with the performance of his/her duties, except in the case of mere courtesies.

f) Conducting activities on his/her own account or on the account of third parties which involve effective competition with the Company, either real or potential, or which, in any other way, place him/her in a permanent conflict of interest with the Company.

3. The aforementioned provisions will also be applicable in the event that the beneficiary of the prohibited actions or activities is a related person to the director.

4. Under all circumstances, the conflict of interest situations in which directors find themselves will be recorded as information in the Notes.

5. In special cases, the Company may exempt the prohibitions established in this article, by authorizing the director or related person to conduct a certain transaction with the Company, use certain corporate assets, take advantage of a specific business opportunity or secure an advantage or remuneration from a third party.

6. Whenever the object of the authorization is the exemption of the prohibition of obtaining an advantage or remuneration from third parties, or whenever the exemption affects a transaction whose value is greater than ten percent (10%) of the corporate assets, said authorization must be agreed by the General Shareholders' Meeting.

7. In all other cases, the authorization may also be granted by the Board of Directors, provided the independence of the members granting said authorization with regard to the exempted director is guaranteed. Moreover, it must be possible to guarantee the innocuousness of the authorized operation for the Company's assets or, where applicable, the conduct thereof under market conditions and the transparency of the process.

8. The duty to not compete with the Company may only be subject to exemption in the event that no damage to the Company can be expected, or it can be expected that the Company will be compensated by the benefits envisaged from any such exemption. The exemption shall be granted by means of a separate, express agreement by the General Shareholders' Meeting. In any case, the General Shareholders' Meeting shall, at the request of any shareholder, decide on the dismissal of any director who conducts competitive activities when the risk of damages to the Company has become relevant.

#### **Article 28. Directors' responsibilities**

The directors shall answer to the Company, its partners or shareholders and creditors for any damage caused by their acts or omissions where contrary to Law, the Corporate Bylaws or these Regulations by any actions performed or omitted in breach of the duties inherent to their position, whenever there is evidence of willful, misconduct or negligence.

Under no circumstances shall the fact that the wrongful action or agreement has been adopted, authorized or ratified by the General Shareholders' Meeting release directors from their responsibility.

#### **Article 29. Non-public Information**

1. A director may not use the Company's non-public information for his/her own benefit, either directly or by providing it to third parties.

2. Without prejudice to the foregoing, a director must observe the rules of conduct established in stock market legislation and, in particular, the contents of the Company's Internal Code of Conduct.

3. Under all circumstances, directors must refrain from carrying out or suggesting to anyone that they carry out a transaction involving stock belonging to the Company itself or to its subsidiaries, associated or related companies, when such operations are, due to their position, known to them as a result of non-public information.

### **Article 30. Director's duty of disclosure**

1. A director must inform the Company of those shares in the Company, of which he/she is the titleholder, either directly or through companies in which he/she has a controlling stake or which are in the possession, directly or indirectly, of related persons.

2. In any case, the directors must notify the other directors and, where appropriate, the Board of Directors of any situation of direct or indirect conflict that they or persons related to them may have with the interest of the Company. Situations of conflict of interest will be the object of information in the Notes.

3. A director must also inform the Company of all the positions he/she holds and the activities he/she carries out in other companies or entities and, in general, of any fact or situation that may be relevant to his/her role as a company director, unless the same are held or carried out in other companies of the group to which the Company belongs.

4. A director must inform the Company of those circumstances concerning him/her that could affect the credit or reputation of the Company, in particular, of criminal proceedings in which they appear as the accused and of their procedural details. After examining the situation presented to it, the Board of Directors may require the director to resign and the director must comply with this decision.

### **Article 31. Related persons**

1. For the purposes of the provisions of the foregoing articles, persons related to the directors will be understood to be those provided for in article 231 of the Spanish Companies Law.

### **Article 32. Transactions with significant shareholders**

1. The Board of Directors formally reserves the knowledge of any relevant transaction of the Company with a significant shareholder.

2. With regard to ordinary transactions, the general authorization of the line of transactions and its conditions of execution will suffice.

3. The Company's Annual Corporate Governance Report will include information on these transactions.

### **Article 33. Transactions with directors**

Information on the transactions of directors or anyone acting on their behalf, with the Company or with a company of the same group, which are carried out during the financial year to which the annual accounts refer, will be included in the Company's Annual Corporate Governance Report in all cases, and in the Notes to the annual accounts when the transactions are outside the Company's ordinary course of business or are not carried out under normal market conditions.

#### **Article 34. Civil liability insurance**

The Company may take out a civil liability insurance policy for its directors under the usual conditions and which are in line with the circumstances of the Company itself.

### **Chapter X. BOARD OF DIRECTORS RELATIONSHIPS**

#### **Article 35. Relationships with shareholders**

1. The Board of Directors will provide suitable channels to acknowledge the suggestions that shareholders may make in relation to the management of the Company.
2. The Board of Directors, through one of its directors and with the assistance of the members of the senior management that it deems appropriate, may organize informative meetings on the running of the Company, for the shareholders residing in the most relevant financial centers.
3. Public requests for voting by proxy made by the Board of Directors or by any of its members must indicate in detail the direction in which the representative will vote if the shareholder does not give instructions and, where appropriate, reveal the existence of conflicts of interest.

The director obtaining the proxy will not be able to exercise the voting right corresponding to the shares represented in those agenda items in which he/she finds himself/herself in a conflict of interest and, in any event, with regard to the following decisions:

- a) His/her appointment or ratification as a director.
- b) His/her separation, dismissal or cessation as a director.
- c) The exercise of a corporate liability action against himself/herself.
- d) The approval or ratification, where appropriate, of Company operations with the director concerned, companies controlled by him/her or those that he/she represents or persons acting on his/her behalf.

The proxy may also include those items that, although not included on the agenda of the call, are dealt with in the Meeting, as permitted by Law, with the provisions of the previous paragraph of this article also being applied in these cases.

4. The Board of Directors will promote the informed participation of the shareholders at the General Shareholders' Meetings and will adopt whatever methods are appropriate to ensure that the General Shareholders' Meeting efficiently performs the functions inherent to it in accordance with the Law, the Corporate Bylaws and the Regulations of the General Shareholders' Meeting.

#### **Article 36. Relationships with institutional shareholders**

1. The Board of Directors will also establish suitable mechanisms for the regular exchange of information with institutional investors that are part of the Company's shareholders.
2. Under no circumstances may the relationships between the Board of Directors and the institutional shareholders translate into the provision to the latter of any information that could provide them with a privileged situation or advantage compared to the other shareholders.

**Article 37. Relationships with the markets**

1. The Board of Directors will ensure timely compliance with current instructions concerning the disclosure of relevant facts.
2. The Board of Directors will adopt the necessary measures to ensure that the periodic financial information and any other that is prudentially required to be made available to the markets, is drawn up in accordance with the same principles, criteria and professional practices with which the annual accounts are prepared and that it has the same degree of reliability as the latter. For this last purpose, said information will be reviewed by the Audit and Risk Management Committee.

**Article 38. Relationships with the auditors**

1. The relations of the Board of Directors with the Company's external auditors or audit firms will be channeled through the Audit and Risk Management Committee.
2. The Board of Directors will publicly report the global fees paid by the Company to the audit firm for services other than auditing.
3. The Board of Directors will endeavor to definitively draw up the accounts in such a way that there is no place for qualifications on the part of the auditor. Nevertheless, when the Board of Directors considers that its opinion must be upheld, it will publicly explain the content and the extent of the discrepancy.

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