

## Report on the Functions and Activities of the Nominations, Remunerations and Sustainability Committee of Cellnex Telecom, S.A. during 2023

### 1. Composition, responsibility and functioning

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

#### a) Composition

The Board of Directors shall appoint from among its members a Nominations, Remunerations and Sustainability Committee that comprises the number of directors determined in each case, within the minimum of three (3) members and the maximum of five (5) members envisaged in the Company's Board of Directors Regulations, all of whom must have the status of non-executive directors. At least the majority of the members of the Committee shall have the status of independent directors, and shall be appointed ensuring that they have knowledge, skills and appropriate experience to the functions they have to perform.

The Committee comprises the following members:

<b>Nominations, Remunerations and Sustainability Committee</b>	<b>Category</b>	<b>Position</b>
Marieta del Rivero	Independent	Chair
Pierre Blayau	Independent	Member
María Luisa Guijarro Piñol	Independent	Member
Christian Coco	Proprietary	Member
María Teresa Ballester Fornés	Independent	Member
Virginia Navarro		Secretary
Núria Taberner Delgado		Vice-Secretary

Please note that the above table reflects the Committee's composition as of 31 December 2023. Ms. Alexandra Reich was a member for part of the 2023 financial year, resigning on 27 July 2023 to join the Audit and Risk Management Committee as a member. Ms. María Teresa Ballester Fornés joined the Committee as a member on 27 July 2023. Ms. Ballester's experience has enhanced the remuneration and the sustainability practices of the Company.

For the development of its activities, during 2023 the Committee has been supported by the following external advisors:

- Willis Towers Watson, to assist the Committee in the remuneration related topics, including the benchmark analysis, the best practices advice and in the elaboration of the Annual Report on the Remuneration of Directors in free format and its alignment with the forthcoming EU guidance aimed at harmonising the content of directors' remuneration reports.
- Korn Ferry, to assist the Committee in the search of an independent director appointed by co-optation and ratified at the 2023 General Shareholders' Meeting.
- Russell Reynolds, to assist the Committee in the search and selection of the new Chief Executive Officer and two independent directors, to be proposed for an appointment at the 2023 General Shareholders' Meeting, as well as in the search for members of Senior Management. Russell Reynolds has also assisted in the update of the Skills Matrix of the Board of Directors and the Committees after all the changes in the Board composition that have taken place throughout the year.
- KPMG, to assist the Committee in the annual assessment of the Board and its Committees, as well as in the preparation of an analysis on ESG trends.
- Clifford Chance, to assist the Committee in preparing the new model contract for Senior Management in line with best market practices and in preparing the free-format Annual Corporate Governance Report.
- Uría Menéndez, to assist the Committee in drawing up the contract for the new Chief Executive Officer in line with the best market standards and the senior advisor contract of the former Chief Executive Officer to ensure a smooth transition with the new Chief Executive Officer.
- Morrow Sodali, to assist the Committee in the investors' engagement.

In addition, internal Cellnex personnel have joined various sessions of the Committee, in order to present issues within their competence. Specifically: the Chief Executive Officer, the Chief Financial Officer, the General Counsel and Vice secretary of the Board of Directors, the Global Corporate and Public Affairs Director, the Global People Director, the Global Head of Talent, the Investor Relations Director, the Global Operations Director, the Business Development and Country Coordination Director, the Global Head of Quality & Risk Management, the Head of Global Insurance, the Global Sustainability Director, the President of the Cellnex Foundation and the General Manager of the Cellnex Foundation. The Chair of the Board of Directors joined the Committee by invitation in eight meetings and the Secretary of the Board of Directors joined the Committee by invitation in two sessions.

## **b) Responsibilities**

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

- a) To evaluate the skills, knowledge and experience necessary in the Board of Directors. To this end, it shall define the duties and skills required from candidates to fill each vacancy, and it shall evaluate the time and dedication required for them to effectively perform their duties.
- b) To establish a target to increase the less represented gender on the Board of Directors and to prepare guidelines on how to attain said target.

- c) To submit to the Board of Directors proposals for the appointment of independent directors for their appointment by co-optation or for their submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.
- d) To report on proposals for the appointment of the other directors for their appointment by co-optation or for the submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.
- e) To report to the Board of Directors proposals for the appointment and dismissal of Senior Management positions.
- f) To report, in advance, on the appointment by the Board of Directors of the position of Chairperson and, where applicable, of one (1) or more Vice Chairpersons, as well as the appointments to the position of the Secretary and, where applicable, of one (1) or more Vice Secretaries. The same procedure shall be followed to agree on the dismissal of the Secretary and, where applicable, of each Vice Secretary.
- g) To examine and organise the succession of the Chair of the Board of Directors and of the Company's CEO and, if appropriate, to submit proposals to the Board of Directors to ensure that such succession is conducted in an orderly and planned manner.
- h) To propose to the Board of Directors the members that should be part of each of the Committees.
- i) To coordinate the performance assessment of the Board of Directors and its Committees, and raise the results of the aforementioned assessment to the plenary session, together with a proposal for an action plan or with recommendations to correct any deficiencies detected.
- j) To supervise compliance with the rules of corporate governance and internal codes of conduct.
- k) To monitor the implementation of the general policy regarding the communication of economic, financial, non-financial, and corporate information, as well as communication and contacts with shareholders, investors, proxy advisors and other stakeholders.
- l) To evaluate and periodically review the corporate governance system and the environmental and social policy of the Company, in order to comply with their mission of promoting corporate interest and take into account, as appropriate, the legitimate interests of the remaining stakeholders.
- m) To monitor that the Company's practices in environmental and social matters comply with the strategy and policies established.
- n) To supervise and evaluate the relationship processes with the different stakeholders.
- o) To report to the Board of Directors on the non-financial information that the Company must disclose periodically.
- p) To review and report on the Annual Sustainability Report prior to its presentation to the Board of Directors.
- q) To recommend the strategy regarding the contributions to the Cellnex Foundation and affect them in compliance with the Sustainability programs adopted by the Company.
- r) To propose to the Board of Directors the remuneration policy for directors and Senior Management, or for those individuals who perform their Senior Management functions

reporting directly to the Board of Directors, executive committees or CEOs, as well as the individual remuneration and other contractual conditions for executive directors.

- s) To verify compliance with the remuneration policy established by the Company.
- t) To review periodically the directors and senior managers remunerations policy including the remuneration systems with shares and their application, as well as guarantee that their individual remuneration is proportionate to that paid to other directors and senior managers of the Company.
- u) To 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.
- v) Any others related to matters within its competence and that are requested by the Board of Directors or by its Chair.

### **c) Functioning**

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

The members of the Committee will be appointed for a maximum term of three (3) 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 appoint a Chair from among the independent directors. The Committee itself will appoint a Secretary and may also appoint a Vice Secretary, neither needing to be members thereof.

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

The Committee will be validly constituted when the majority of its members attend the meeting, either present or represented. The resolutions will be adopted by a majority of the members in attendance, present or represented.

Any member of the management team or the Company's personnel who is requested to do so, will prepare the documentation, attend the Committee's sessions and provide access to the relevant information in his/her possession.

## **2. Activities**

During 2023, the Committee held twenty-six (26) meetings (where the average of the IBEX 35 companies in 2022 was in the range of eight (8) meetings) and carried out the activities listed below. The Committee has been fully updated by the management team on the topics of its competence (during the formal meetings, by means of other informal meetings or by correspondence and conference calls) and has been provided with the relevant supporting documentation.

**a) Corporate Governance**

- On 14 February 2023, the Global Sustainability Director presented to the Committee the main milestones of the Integrated Annual Report 2022, which had been improved in terms of transparency, narrative and interaction between the different sections. In addition, the key performance indicators (KPIs) were updated, and the results of the dual materiality analysis were included. On 23 February 2023, the Committee issued a favourable recommendation to the Board of Directors to approve the Integrated Annual Report 2022.
- On 14 February 2023, the Committee reviewed the Annual Corporate Governance Report, which was prepared for the first time in free format, improving its contents and the transparency toward the Company's stakeholders. On 23 February 2023, the Committee issued a favourable recommendation to the Board of Directors to approve the Annual Corporate Governance Report 2022.
- On 14 February 2023, the Committee reviewed the Report on the functioning and activities of the Nominations, Remunerations and Sustainability Committee for 2022, which showed the intense agenda and the topics covered throughout the year. On 23 February 2023, the Committee approved its Report on the functioning and activities.
- On 14 February 2023, the Secretary explained the contents of the Internal Code of Conduct Annual Report, which aims at facilitating the Committee to supervise compliance with the Internal Code of Conduct, and which confirmed that it had been duly complied with throughout 2022. In addition, a report from the Internal Auditor was presented auditing the contents of the Internal Code of Conduct Annual Report 2022 with a clean opinion. The Committee resolved then to approve the Code of Conduct Annual Report 2022.
- On 14 February 2023, the Committee discussed the Annual Report on the Remunerations of Directors. On 23 February 2023, after a further review, it issued a favourable recommendation to the Board of Directors for the approval of the Annual Report on the Remunerations of Directors 2022.
- On 22 March 2023, the Committee reviewed the directors standing for re-election and ratification at the next General Shareholders' Meeting, as well as the procedure and legal requirements to be followed. In addition, it analysed the possibility of submitting the increase in the number of members of the Board of Directors to the next General Shareholders' Meeting.
- On 22 March 2023, the Committee examined the proposed amendment of the Directors' Remuneration Policy, consisting of the simplification of the two multipliers into a single multiplier, the elimination of the reference to the 2022 remuneration of directors in their capacity as such, and establishing that directors will receive the cumulative remuneration for each of the responsibilities they have assumed on the

Board of Directors and in each of the Board committees. The Committee issued its favourable report on the amendment of the Policy to the Board of Directors for subsequent submission to the next General Shareholders' Meeting.

- On 27 March 2023, the Committee reported favourably to the Board of Directors on the appointment of Ms. Anne Bouverot, independent director, as the new Chair of the Board of Directors in replacement of Mr. Bertrand Boudewijn Kan.
- On 17 April 2023, the Committee reported favourably to the Board of Directors on the appointment by co-option, as proprietary director, of Mr. Jonathan Amouyal on behalf of TCI Luxembourg S.À.R.L. and CIFF Capital UK LP. In addition, it approved to submit to the next General Shareholders' Meeting the ratification of his appointment by co-option and his re-election as proprietary director.
- On 21 April 2023, the Committee reported favourably to the Board of Directors on the appointment by co-option of Ms. María Teresa Ballester Fornés as independent director. In addition, it approved to submit to the next General Shareholders' Meeting the ratification of her appointment by co-option and her re-election as independent director.
- On 25 April 2023, the Committee issued a reasoned proposal to submit the appointments of Mr. Óscar Fanjul Martín and Mr. Dominique D'Hinnin, as independent directors, to the next General Shareholders' Meeting.
- On 25 April 2023, the Committee examined the new proposal to amend the Directors' Remuneration Policy by increasing the maximum annual amount for all directors in their capacity as such from 2,500,000 € to 2,700,000 € (slightly below the median of IBEX 35 companies that sits at 2,800,000 €) and another set of amendments resulting from the negotiation of the contract of the new Chief Executive Officer. The Committee issued its report on the modification of the Policy and favourably recommended its modification to the Board of Directors for subsequent submission to the next General Shareholders' Meeting.
- On 27 April 2023, the Committee reported favourably on the proposal of the Board of Directors to submit to the next General Shareholders' Meeting the appointment of Mr. Marco Patuano as executive director.
- On 17 May 2023, the Committee provided a favourable recommendation to the Board of Directors on the appointment of Ms. María Teresa Ballester Fornés as an Audit and Risk Management Committee member.
- On 17 May 2023, the Committee, given the changes in the composition of the Board of Directors, approved the hiring of Russell Reynolds as an external advisor for the update of the Skills Matrix of the Board of Directors and its Committees.
- On 17 May 2023, the Global Sustainability Director explained the Environment and Climate Change Policy review exercise based on the biodiversity recommendations of

the Dow Jones Sustainability Index and the CDP Climate Change 2023 questionnaire. In addition, it was stressed that the policy is aligned with the UN SDGs and the Company's ESG Master Plan. The Committee provided a favourable recommendation to the Board of Directors for approval.

- On 13 July 2023, the Committee reviewed the proposed amendment of the Board of Directors' Regulations and provided a favourable recommendation to the Board of Directors to approve it.
- On 13 July 2023, the Committee examined the new organisation of the Company proposed by the CEO.
- On 13 July 2023, the Secretary of the Committee presented an update of the action plan to improve the areas identified in the Board Annual Assessment 2022.
- On 26 July 2023, the calendar of meetings of the Nominations, Remunerations and Sustainability Committee for 2024 was presented.
- On 7 September 2023, the Committee considered the appropriateness to have an external assessment of the Board and its Committees, even though it was not the third year since the last external assessment as established by recommendation 36 of the Good Governance Code of Listed Companies. Three proposals were received from external advisors, which the Committee examined, and the Committee agreed to propose to the Board of Directors to engage KPMG to carry out the Annual Assessment of the Board and its Committees for 2023.
- On 20 September 2023, the Committee reviewed the three proposals from external advisors to assist in the preparation of the Annual Corporate Governance Report in free format. The Committee agreed to engage Clifford Chance.
- On 20 September 2023, the Committee reviewed the updated Skills Matrix of the Board of Directors and its Committees and issued a favourable recommendation to the Board of Directors for its approval.
- On 11 October 2023, the Committee agreed to appoint a Vice-Secretary of the Committee.
- On 8 November 2023, the Committee addressed the Board training programme for 2024.
- On 30 November 2023, KPMG presented their report on the annual assessment of the Board and its Committees and the proposed Action Plan to correct the deficiencies encountered during the process.

#### **b) Succession Plan of the Chief Executive Officer**

In addition of the review of the succession plan of the top management that is done every two years, the Committee started in 2022 the update of the succession plan of the Chief Executive Officer in light of the fact that his contract was expiring at the end of 2024 and in order to have



his successor identified and ready well in advance. To his end, and after a tender with three headhunter firms, Russell Reynolds was awarded with the mandate and engaged to assist the Board of Directors in the definition of the profile of the next Chief Executive Officer, as well as in the assessment of the Senior Management, some of which were candidates to succeed the Chief Executive Officer. This exercise, however, evolved into an active search of an immediate successor as a consequence of Mr. Tobías Martínez Gimeno's announcement on 11 January 2023 of his resignation as director and, consequently, as Chief Executive Officer with effects as from 3 June 2023. Since then, the Board of Directors opened the process to external candidates, who were benchmarked against the internal candidates.

The Committee had a key role leading this process. The Chair of the Board of Directors and the Chair of the Committee held multiple meetings with investors and other stakeholders to hear their views and explain the complexity and rigorousness of the succession process that was carried out; the Chair of the Committee and the rest of its members (as well as other Board members) interviewed several candidates and held multiple informal meetings to prepare the formal sessions of the Committee.

Between January and April 2023, the Committee held 13 meetings, and in all of them it addressed the succession of the Chief Executive Officer, discussing the shortlists presented by Russell Reynolds, the desired profile of the next Chief Executive Officer according to the new stage of the Company, the feedback from the different interviews with the candidates, the new candidates that were joining the recruiting process throughout this period of time, and analysing the exit conditions from their current positions, salary expectations and availability to join for each of them. Finally, on 25 April 2023, the Committee presented the definitive list of candidates for Chief Executive Officer to the Board of Directors.

#### **c) Senior Management Appointments and Succession Plan of the Senior Management**

- On 12 January 2023, the Committee issued a favourable recommendation to the Board of Directors to approve the appointments of the Managing Directors of Spain, Italy, France, Poland and the United Kingdom as members of the Senior Management.
- On 22 March 2023, the Committee initiated a search and selection process for the position of UK Managing Director. On 25 April 2023, the Committee was updated on the selection process and finally proposed the relevant appointment to the Board of Directors on 20 September 2023.
- On 17 April 2023, the Committee examined the Executive Development Programme.
- On 13 July 2023, the Committee examined the Chief Executive Officer's assessment of Senior Management's short and medium-term situation.
- On 11 October 2023, the Committee provided a favourable recommendation to the Board of Directors to approve the appointments of the Chief Financial Officer, effective 1 December 2023, and the Managing Director of Italy.
- On 30 October 2023, the Committee provided a favourable recommendation to the Board of Directors to approve the appointment, effective 10 February 2024, of the Regulatory & EU Affairs Director.



- On 30 October 2023, the Committee addressed an update of the succession plan for the Senior Management.
- On 30 November 2023, the Committee provided a favourable recommendation to the Board of Directors to approve the new organisation of the Clusters and the appointments of the Managing Directors of the West Cluster and the Alpine Cluster as members of the Senior Management of the Company.
- On 30 November 2023, the Committee was presented with an update and progress of the succession plan of certain members of the Senior Management.

**d) Remuneration-related activities**

- On 22 January 2023, the Committee made a first review of the CEO MBO 2022, which assessment had a holistic approach.
- On 25 January 2023, the Committee provided a favourable recommendation to the Board of Directors to approve the remuneration proposal for the Managing Directors of Spain, Italy, France, Poland and the United Kingdom as new members of Senior Management.
- On 14 February 2023 the Committee addressed the CEO's annual assessment.
- On 14 February 2023, the Committee agreed to submit to the Board of Directors the final assessment of the achievement of the targets set for the LTIP 2020-2022.
- On 14 February 2023, the Global People Director presented the LTIP 2023-2025, the main changes compared to the previous LTIP were the alignment of the LTIP indicators with the 2025 projections and the simplification of the two multipliers into one. On 28 February 2023, the Committee issued its favourable recommendation to the Board of Directors to approve the 2023-2025 LTIP Contract Model.
- On 23 February 2023, the Committee reviewed the final achievement of the quantitative and qualitative Chief Executive Officer's MBO targets for 2022 and issued its favourable recommendation to the Board of Directors.
- On 22 March 2023, the Committee reviewed the talent retention plan presented by the Chief Executive Officer and recommended its approval to the Board of Directors.
- On 17 May 2023, the Committee reviewed the new Chief Executive Officer's contract and the outgoing Chief Executive Officer's advisory contract to ensure an orderly and effective transition, and recommended their approval to the Board of Directors.
- On 13 July 2023, the Committee provided a favourable recommendation to the Board of Directors to approve the amendment of the Annual Directors' Remuneration Report and its submission to the CNMV.
- On 13 July 2023, the Committee agreed to engage Willis Towers Watson as external advisor to assist the Committee in the annual remuneration review for 2023.

- On 13 July 2023, the Committee issued a favourable recommendation to the Board of Directors to approve the exit conditions for certain members of Senior Management.
- On 7 September 2023, the Committee agreed to submit the model contract for Senior Management to the Board of Directors for approval.
- On 20 September 2023, the Committee reviewed the Chief Executive Officer's remuneration proposal as a consequence of the new appointments of the Chief Operating Officer, the Chief Strategy Officer, the General Counsel, the France Managing Director, the UK Managing Director and the Spain Managing Director, and it issued a favourable recommendation to the Board of Directors.
- On 20 September 2022, Willis Towers Watson presented the market trends on executive remuneration, the proposed calendar for the annual remuneration review of the Non-Executive Directors and Senior Management, and the proposed peer group for the Non-Executive Directors. Finally, the Committee resolved to approve this peer group for non-executive directors.
- On 30 October 2023, the Committee, based on information provided by Willis Towers Watson, agreed to recommend to the Board of Directors to keep the remuneration of Non-Executive Directors unchanged. The Committee also approved having two groups of similar companies for benchmarking purposes used to determine the remuneration of Senior Management: an industry-based group of similar companies and a group of mature companies in the market.
- On 30 November 2023, the Committee reviewed the quantitative benchmarking for the Chief Executive Officer and Senior Management. It also presented its assessment of the proposed LTIP 2024-2026 and its relevant metrics, and the benchmark for the Chief Executive Officer remuneration.
- On 13 December 2023, the Committee issued a favourable recommendation to the Board of Directors to approve the MBO 2024 and the LTIP 2024-2026.
- On 13 December 2023, the Committee resolved to propose to the Board of Directors to keep the CEO remuneration unchanged for 2024, as he has only very recently joined the Company, and to approve the Senior Management remuneration proposal.

**e) Other activities related to ESG**

- On 12 January 2023, the Committee reviewed Cellnex's performance in the different ESG indexes (DJSI, Bloomberg GEI, and MSCI).
- On 12 January 2023, the Committee addressed an update of the Equity, Diversity and Inclusion Program (EDI) – Plan 2023.
- On 12 January 2023, the Committee addressed an update of the activity of the Cellnex Foundation.

- On 17 April 2023, the Committee was presented with a review of the ESG risks taking into account the latest developments regarding the annual budget and the 2025 projections.
- On 17 April 2023, the Committee reviewed the final conclusions regarding the ESG regulatory trend assessment and its impact on Cellnex.
- On 13 July 2023, the Committee was presented an update of the Q1 2023 progress of the ESG Master Plan, as well as a reference to the CSRD Directive and ESRS Standards regarding sustainability reporting. It also reviewed the KPIs and target follow-up, some of which had been included in the short and long term incentive plans. Finally, the Committee reviewed the Environmental and Climate Change Report 2021, the results of the dual materiality matrix analysis, an update on the SDGs and their alignment with the KPIs, and the modification of certain aspects of the ESG Master Plan and related actions.
- On 13 July 2023, the Committee addressed an update of the risk map for the Q1 2023 focussing on the ESG risks.
- On 30 October 2023, the Committee was presented an update on the progress of the ESG Master Plan in the Q2 2023, as well as the evolution of the sustainability ratings, the CDP Supply Chain Program.
- On 4 December 2023, the Committee, after reviewing the activity and budget of the Cellnex Foundation, resolved to recommend to the Board of Directors to approve the donation of €1,000,000 to the Cellnex Foundation to collaborate in its social activities, being the same donation amount than in 2022. It also requested to implement a more efficient model.

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

- Additionally, and outside of the formal meetings of the Committee, at the request of certain investors, some Committee members held several individual sessions with different investors to address issues of their interest like governance, diversity, gender pay gap, supply chain or succession plan.

### **3. Priorities for 2024**

The Nominations, Remunerations and Sustainability Committee has identified the following priorities for 2024:

- Consolidation of the new Senior Management team;
- Oversight of the Succession Plan for Senior Management and the CEO;
- Analysis and monitoring of trends and best practices in remuneration aspects and recruitment and retention of talent;

- Continue to promote the implementation of ESG best practices, as well as continuous improvement in the communication of sustainability information in accordance with the CSRD and ESRS Standards; and
- Follow-up on the progress of the action plan resulting from the Board of Directors annual assessment with the assistance of KPMG, being the action points: strategy, consolidation of management team, capital allocation and investment, risk control and talent retention.