



04 **Governance** model

Corporate culture
Corporate governance
Management systems
Ethics and compliance
Risk management
Cellnex's Corporate Responsibility framework

Vision, mission and values



Vision

European leader in telecommunications infrastructure solutions



Mission

We generate value for society, customers and shareholders, and all stakeholders, through **innovative, efficient, neutral and quality management** for the provision of shared telecommunications networks and infrastructure through the **drive and development of our team of employees.**

Values

Cellnex Telecom's values align consistently with the Vision and Mission to the extent that they are instrumental in achieving them, and fundamentally reflect an ethical attitude based on principles of tolerance, respect and cooperation with all the stakeholders with which the company wishes to develop and consolidate its project:

Commitment.

We take responsibility for proactively consolidating our projects.

Customer orientation.

We find out, understand and consolidate the needs of our customers.

Innovation.

We add value with a creative, professional and critical spirit to new ideas to implement them in practice.

Flexibility.

We adapt to the constantly-changing environment.

Resolve.

We achieve our goals through a combination of enthusiasm, reason and practicality.

Honesty.


We carry out our activities with integrity.

Credibility.

We do what we say we will do.

Development.

We foster human development through cohesion, cooperation and teamwork.



“ Cellnex currently has a Board of Directors that is compact, experienced and oriented towards rolling out the strategy

Corporate governance

In 2017 Cellnex continued working to implement and consolidate the best corporate governance practices, covered essentially in the Code of Good Corporate Governance for Listed Companies approved by the Spanish National Securities Market Commission (CNMV) on 18 February 2015. Consequently, this alignment governs the rules that regulate the workings of the company's governing bodies, the highest instance of which is the Board.

The policy for the selection of directors, drawn up in 2016 by the Appointments and Remuneration Committee of the Board of Directors, aims to achieve the right composition for the Board of Directors. This policy states that, for the selection of Board members, account must be taken of aspects such as the structure of the company shareholding, the diversity of knowledge, professional experience, origin, nationalities and gender of its members, ability to devote the time necessary for the job, specialisation in any specific subjects of special relevance (financial, legal, telecommunications, etc.), the absence of conflicts of interest (real or potential) and a personal commitment to defend the corporate interest. In particular, as regards, gender diversity, the policy must ensure that the less-represented gender makes up at least 30% of the total members of the Board of Directors, as soon as possible, and by the end of 2020.

In application of this policy, in financial year 2017 it was agreed to increase the number of directors by one. To fill this position, a well known executive head-hunter firm selection was hired and, after a rigorous process, the Appointments and Remuneration Committee nominated Marieta del Rivero, who was appointed independent director by a decision of the AGM.

Cellnex currently has a Board of Directors that is compact, experienced and oriented towards rolling out the strategy, with four proprietary directors and five independent directors, besides the CEO.

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Among the adjustments made during 2017 we would highlight:

- **Incorporation, as mentioned above, of a new Independent Director**, Marieta del Rivero, with the consequent expansion of the Board from 9 to 10 members, with a majority of independent directors.
- **Expansion of the Appointments and Remuneration Committee (CNR)** from 3 to 4 members, with a majority of independent directors.
- **Appointment**, on a proposal of the Appointments and Remuneration Committee, **of independent director and current chairman of the Audit and Control Committee**, Mr Bertrand Boudewijn Kan, **as Vice-Chairman of the company**.
- **Update of the remuneration policy of the Directors**, changing only the current terms of the fixed and variable annual remuneration of the Chief Executive Officer, and consideration of the implementation of a new multi-annual

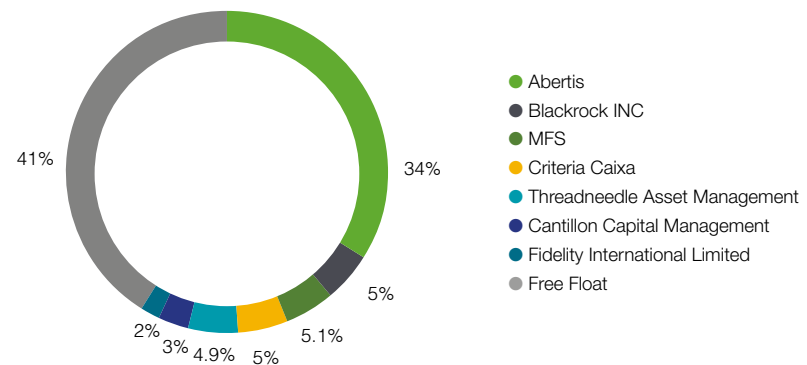
incentive plan called Rolling ILP, consisting of three-year incentive plans (ILP Plan 2017- 2019, ILP Plan 2018-2020, ILP Plan 2019-2021).

- **Maintenance and adaptation of the Succession Plan for the main management positions.**
- **Appraisal of the Board of Directors by an external consultant.**
- **Computerisation of the declaration by persons subject to possible conflicts of interest** within the framework of the internal rules of conduct on relations with the securities market.
- **Improved communication to directors** through the Directors' Portal.

These updates will supplement the policies and regulations currently in force at Cellnex to strengthen best practices in corporate governance.

Furthermore, last November a two-day annual meeting was held with the Board of Directors and the Management Committee, at which topics on the strategy and evolution of the company were discussed.

Shareholding structure



The Cellnex Board of Directors

Independent directors:

- **Pierre Blayau**, Chairman of Caisse Central Réassurance (CCR) and independent director on the Boards of Directors of Fimalac and the Canal + group.
- **Bertrand-Boudewijn Kan**, former Director-General and Chairman of the European Telecommunications Group of the Morgan Stanley investment bank. He is currently a member of the Board of Directors of Siminn hf., the Advisory Board of Wadhvani Asset Management and of the Supervisory Board of UWC in the Netherlands.
- **Peter Shore**, former Chairman of telecommunications infrastructure operator Arqiva in the United Kingdom, Uecomm, Lonely Planet Publications, HostWorks Group and Airwave. He has also been Managing Director of the Telstra Group in Australia, CEO of Priceline in Australia and New Zealand and Managing Director of Media/Communications/Partners. He has also been a director of Objectif Telecommunications Limited, Foxtel, SMS Management and Technology and OnAustralia. He has also been a member of the Advisory Board of Siemens Australia.

- **Giampaolo Zambelletti**, Chairman of RCS Investimenti and Vice-Chairman of Unidad Editorial, member of the Boards of Directors of Telecom Italia International (Netherlands), Auna, SA (Spain), Avea (Turkey), Oger Telecom (Dubai), Ojer Telekomunikasyon (Turkey)) and Telekom Austria. He is currently a member of the Board of Directors of the Banca Farmafactoring Group in Milan.
- **Marieta del Rivero** has held executive responsibilities at Telefónica, Nokia (Iberia and Corporation), Xfera Móviles, Amena and Nefitel. She is currently Senior Advisor at Ericsson and is a member of the advisory boards of the “Made in Mobile” technology incubator and the “Roca Salvatella” digital transformation consultancy. She is also a member of the Board in Spain of the International Women’s Forum and of the Women Corporate Directors Foundation.

Proprietary directors:

- **Francisco Reynés Massanet**, Chairman, he is currently Vice Chairman-CEO of Abertis Infraestructuras, SA and Patron of the private Abertis Foundation.

- **Francisco José Aljaro**, Chief Financial Officer and Corporate Development Officer at Abertis Infraestructuras, S.A.
- **Josep Maria Coronas**, currently Deputy Non-Executive Secretary, General Secretary and Corporate General Manager at Abertis Infraestructuras, S.A.
- **Lluís Deulofeu Fuguet**, General Manager of Sanef Group (France), linked to Abertis Infraestructuras, S.A.

Executive Director:

- **Tobías Martínez Gimeno**, Chief Executive Officer of Cellnex.

Non-Executive Secretary:

- **Javier Martí de Vesés**, General Secretary of Cellnex.

Deputy Non-Executive Secretary:

- **Mary Annabel Gatehouse**, Legal Director for International Corporate Development of Cellnex.

In 2017, Cellnex commissioned an external consultant to conduct an appraisal of the performance of the Board of Directors, which concluded that, within a short period of time, Cellnex has created a complete internal regulatory body that ensures compliance with statutory obligations and the principles and recommendations of corporate governance. The Board, the Directors and its Committees have adopted and taken on board the conviction that it is not only obligatory and advisable, but also advantageous to manage with transparency, respect for shareholders, workers, suppliers and customers, and to abide by the principles that have been consolidated in the framework of corporate governance.

Committees of the Board of Directors

The Cellnex governance bodies are supplemented by the Audit and Control Committee (CAC) and the Appointments and Remuneration Committee (CNR), both composed of non-executive directors, mostly independent. It should also be noted that the Board Committees are chaired by independent directors.

The responsibilities and functioning of the Audit and Control Committee, and Appointments and Remuneration Committee, are set out in the Terms of Reference of the Board of Directors.

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Francisco Reynés Massanet
Chairman
Proprietary



Tobías Martínez Gimeno
Chief Executive Officer
Executive

- Audit and Control Committee (CAC)
- Appointments and Remuneration Committee



Josep Maria Coronas Guitart
Proprietary



Lluís Deulofeu
Proprietary



Francisco José Aljaro
Proprietary



Javier Marti De Veses
Secretary



Giampaolo Zambelletti
Independent



Bertrand-Boudewijn Kan
Independent



Peter Shore
Independent



Pierre Blayau
Independent




Marieta de Rivero
Independent



Mary Annabel Gatehouse
Deputy Secretary





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Management Systems

Cellnex has implemented an Integrated Management System to support its organisational model, which provides a framework for adopting a systematic approach in performing processes, thereby ensuring that they are effective. It also allows a procedure to be established to guarantee the quality of the services provided and to ensure that the activity is carried out in compliance with current legislation.

As a demonstration of its commitment to quality and excellence, Cellnex Spain has maintained the following certifications, issued by TÜV Rheinland:

- ISO 9001 Standard for Quality Management.
- ISO 14001 Standard for Environmental Management.
- OHSAS 18001 Standard for Occupational Health and Safety Management.
- UNE 166002 Standard for Management of Research, Technological Development and Innovation activities (R&D+i).
- ISO 27001 Standard for Information Security Management.
- Standard ISO 14064-1 Greenhouse gases. Part 1: Specification with guidance, at organisation

level, for quantifying and reporting emissions and removal of greenhouse gases.

Likewise, the Measurement and Instrumentation Laboratory is accredited under ISO 17025 Standard (CGA-ENAC-LEC) for Tests on Receivers of terrestrial digital television.

In 2017, the Management System and the corresponding Policies were adapted to the new requirements of ISO 9001 and ISO 14001 standards, the most noteworthy of which are stakeholder analysis within the context of the organisation, risk and opportunity management, and control of outsourced processes.

Internal and external audits are performed every year as an essential element for maintaining the Management System. 19 internal audits (55 auditor days) and 7 external audits (43 auditor days) were performed in 2017.

In 2018 Cellnex Italia aims to implement a Management System based on ISO 9001, ISO 14001, OHSAS 18001, ISO 27001 and SA8000 standards.

The Cellnex Group Ethics and Compliance Committee represents the highest body in charge of complying with the Cellnex Group Code of Ethics and developing its internal regulations. This Committee is the advisory and management body, as well as the executive body, of all matters related to the Cellnex Group's Code of Ethics.

Likewise, the Ethics and Compliance Committee, as the body responsible for criminal compliance, is in charge of identifying the risks, mainly criminal, specific to the Cellnex Group and evaluating, analysing, implementing or improving and monitoring the Crime Prevention and Detection system.

The current composition of the Ethics and Compliance Committee:

- Sergi Martínez Pie. Head of Internal Audit and Risk Control Cellnex.
- Javier Martí de Vesés (Chair). Cellnex General Secretary.
- Rosa Piñol. Cellnex Resources Manager.
- José M^a Miralles. Cellnex Legal Advice Manager.

In order to ensure the independence of the Ethics and Compliance Committee of the Cellnex Group, it maintains its functional and organic dependence on the Appointments and Remuneration Committee of the Board of Directors of Cellnex Telecom, S.A.

Following this approach, the Ethics and Compliance Committee regularly reports its activities and initiatives directly to both the Appointments and Remuneration Committee and the Audit Committee. It should be underlined that compliance management is currently centralised in the corporation. However, the rules provide that Ethics and Compliance Committees may be set up in each of the countries where Cellnex is present should this prove necessary.

Guiding Principles of the Cellnex Group established in the Code of Ethics

- We embrace the ethical principles of integrity, honesty, and transparency, conducting ourselves at all times on the basis of good faith.
- We comply with all applicable legislation in the countries where the Cellnex Group operates and also with the Cellnex Group's internal regulations.
- Ethical conduct and compliance with regulations are more important than Cellnex Group results.
- Wherever there is a conflict between the applicable legislation and the internal regulations applicable to the Cellnex Group, the former shall prevail.
- We do not allow the personal situations of affected individuals to come into conflict, whether directly or indirectly, with the interests of any company in the Cellnex Group.
- We treat information with the utmost rigour.
- We use and protect the company's assets appropriately, treating people as its most important asset.
- We guarantee equal opportunities and do not discriminate against individuals.
- We guarantee that there will be no reprisals for any query on or report of breaches of the Cellnex Group's Code of Ethics and its operating rules, provided that it is made in good faith.
- We protect the environment.
- We foster political neutrality.

Main responsibilities of Cellnex's Ethics and Compliance Committee

Complying with the Code of Ethics and developing its internal regulations

The Cellnex Code of Ethics, approved in 2015 by the Board of Directors, is the fundamental rulebook of the Cellnex Group that establishes the enforceable general guidelines for all persons and stakeholders covered by it within the Cellnex Group.

The objectives of the Code of Ethics are:

- To establish general guidelines for action and behaviour.
- To define an enforceable ethical reference framework that should govern the work and professional conduct of everyone it covers.
- To create reference standards of conduct for stakeholders in contact with any of the companies in the Cellnex Group (partners, suppliers, customers, shareholders, partners, etc.).

Responding to one of its objectives, during 2017, the Committee focused on disseminating and communicating the Group's Code of Ethics

through various actions with different scopes according to the geographical area concerned:

- A communication campaign was launched to provide information about the Group's Ethical Code to the staff of all the countries in which the group is present, with the exception of Switzerland, where it will take place in 2018.
- Training campaigns were carried for a total of 1018 employees, representing 82% of the total staff in Spain. The Ethics and Compliance Committee aims to extend this training to the remaining countries in the coming years.
- A campaign was launched to provide information on the Ethical Code to suppliers. In addition, in November 2017, Cellnex Spain added a new clause to the general conditions for orders, which involves information on the Code of Ethics. In 2018, this clause will also be added in the countries of the Group that have the SAP system in place.

The Cellnex Group Code of Ethics has defined an information channel, called the Ethical Channel, managed by the Ethics and Compliance Committee, which allows the possibility to inform confidentially of any potential significance irregularities detected within Cellnex Group companies.

Using the Ethical Channel, all affected individuals and stakeholders can:

- Consult any doubts about the interpretation of the Code of Ethics, its implementing regulations, and all applicable legislation and internal rules.
- Report any breaches of the Code of Ethics, its implementing regulations, and the applicable legislation and internal rules.

Such communications and notifications can be made through:

- The Group's intranet.
- E-mail: canaletico@cellnextelecom.com
- By post addressed to the Ethics and Compliance Committee.
- Other channels established in the internal rules.

An interactive form was created in 2017 to facilitate communications and is available to all employees. It provides an effective and confidential way to send communications and notifications directly to the Committee via e-mail without the need to print them on paper.

During 2017, there were no notifications of irregularities received through the various

communication channels that are available to all personnel of the Group.

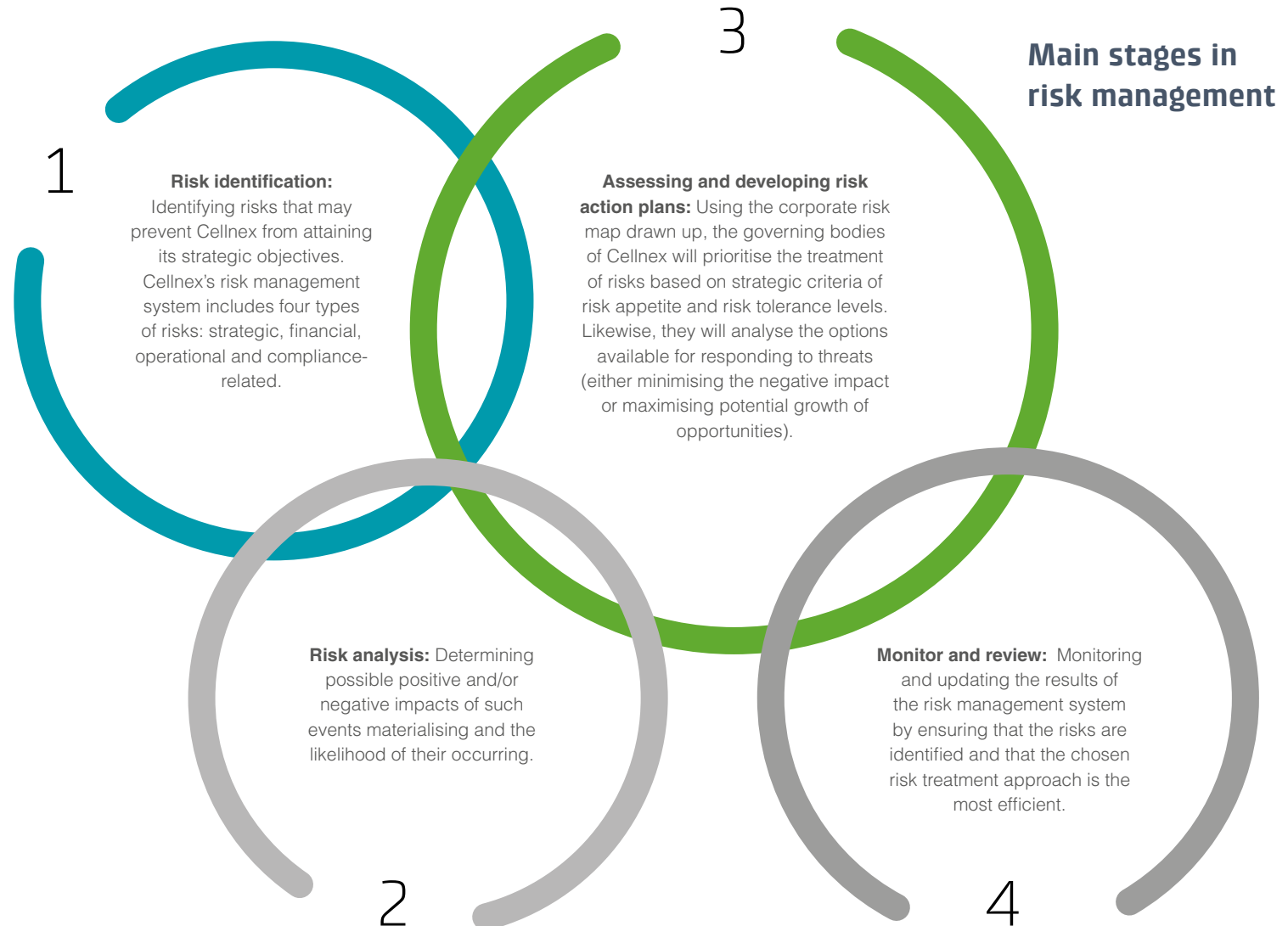
Likewise, Cellnex offers a Corruption prevention procedure, approved in 2015 by the Board, which aims to develop patterns of behaviour to continue efforts to combat corruption. This procedure also applies to all employees and stakeholders. In this regard, no cases of corruption were detected in the Cellnex group in 2017. In addition, 100% of the members of the council have received training in the fight against corruption.

Risk management

The Cellnex risk management model is formalised in a risk management policy approved and overseen by the Audit and Control Committee. This model is embodied in a comprehensive risk management system that allows risks to be managed in a logical and structured way while facilitating effective and efficient decision-making.

We should highlight that Cellnex's risk management policy states that the various areas of the Group are responsible for each of those stages. More specifically, the departments within the organisation are responsible for identifying, assessing and tracking risks and for supervising and implementing control measures to mitigate the possible negative impacts of such risks.

Cellnex's integrated risk management model involves the Steering Committee developing and monitoring a risk map while the Audit and Control Committee oversees its development. In addition, the progression of the main risks identified is communicated to the Board of Directors for consideration. When a new company joins the group, there is a prudential period of consolidation from which time the risks are analysed and the Code of Ethics disseminated.



In this regard, we should underline that the management team and the governing bodies of Cellnex are aware that creating value for the organisation is directly linked to managing risks that may jeopardise the sustainability of its strategy.

Additionally, during 2017 a Model for the Prevention of Criminal Offences (MPD) was approved that includes the appropriate surveillance and control measures to prevent crimes or significantly minimise their risk. The model has a general and specific protocol.

Cellnex has implemented a risk management model that has been approved and supervised by the Audit and Control Committee. The risk management model aims to ensure that the Group's objectives are effectively met.

The main risks that may affect the achievement of the Group's objectives are:

Cellnex risk typology ⁽¹⁾

Risks related to the industry and the business in which the Group operates

- I) Risks related to the environment in which the Group operates and those derived from the specific nature of the Group's businesses
- II) Risks of increased competition
- III) Risk of infrastructure sharing
- IV) The expansion or development of the Group's businesses, through acquisitions or other growth opportunities, involve a series of risks and uncertainties that could adversely affect operating results or interrupt operations.
- V) Operational risks
- VI) Risks about the conservation of land entitlements where the Group's infrastructures are located
- VII) Risks inherent to the businesses acquired and international expansion of the Group
- VIII) Risk associated to significant agreements signed by the Group that can be modified by change of control clauses
- IX) Risk related to the "non-control" of certain subsidiaries
- X) Risks related to the execution of Cellnex's acquisition strategy
- XI) Regulatory risks and other similar ones
- XII) Disputes

Risks related to financial information

- XIII) Risks of financial information, fraud and compliance
- XIV) Expected contracted income (backlog)


Financial risks

- XV) Exchange rate risks
- XVI) Interest rate risk
- XVII) Credit risk
- XVIII) Liquidity risks
- XIX) Inflation risk
- XX) Risk related to the Group's indebtedness



SEE FULL RISKS IN ANNEX I

(1) FOR MORE DETAILS SEE NOTE 4 OF THE CONSOLIDATED FINANCIAL STATEMENTS.



“ Cellnex’s key objective is to generate sustained value in the short, medium and long term, through responsible management of the business, incorporating the interests and expectations of the company’s stakeholders.”

Cellnex’s Corporate Responsibility framework

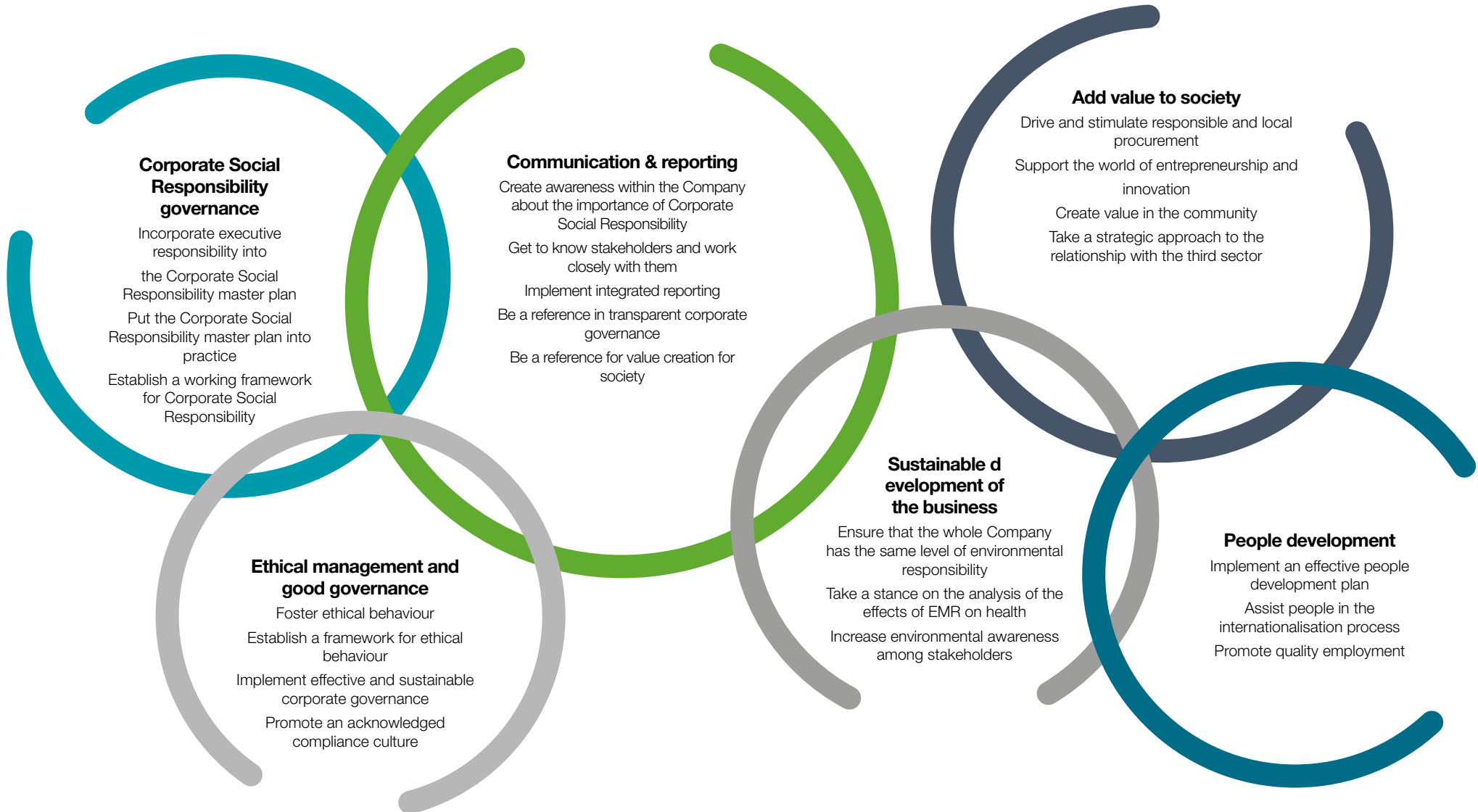
In 2016, the Board of Directors approved the Corporate Responsibility (CR) policy, which includes Cellnex’s CR strategy and commitment to the application of best practices in the countries in which it operates and on the basis of international reference standards. This commitment is developed in the company’s 2012-2020 CR Master Plan, which constitutes the reference framework and the tool for systematising the strategic objectives, monitoring indicators and the actions and programmes underway for each of the axes of the Plan. Specifically, the plan consists of six areas of action.

The CR Plan incorporates the best experiences of the Cellnex group companies as well as new proposals for building a better organisation day by day. With this Master Plan, Cellnex aims to create an instrument bringing together all the company’s ethical, environmental and social initiatives, further establishing a long-term vision, setting commitments in accordance with internationally recognised standards that place it on the same level as the major infrastructure companies operating in Europe, specifically in the telecommunications sector. This plan also aims to improve two-way dialogue between Cellnex and all stakeholders, especially the company’s staff team, customers, suppliers and contractors, administrations, shareholders, the community and partners in shared projects.

In 2017, Cellnex Telecom published a declaration on Slavery and Human Trafficking Statement in response to the United Kingdom Modern Slavery Law, which condemns any practice of labour exploitation and pledges to prevent it both in its activity and its supply chain. This commitment is developed through the Group’s Corporate Responsibility Policy, which sets basic guidelines and lines of action in this area. Likewise, Cellnex’s Code of Ethics expresses its commitment to complying with human rights and expresses its total rejection of child labour and forced or compulsory labour, and undertakes to respect freedom of association and collective bargaining. In the supply chain, Cellnex evaluates its most critical suppliers in terms of human rights on an annual basis. In addition, in 2017 Cellnex drew up the Purchase Policy that establishes the obligation for its suppliers to comply with protection and respect for Human Rights and to be familiar with the Code of Ethics and share it with its employees and subcontractors.

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Lines of action included in the Cellnex CSR Master Plan



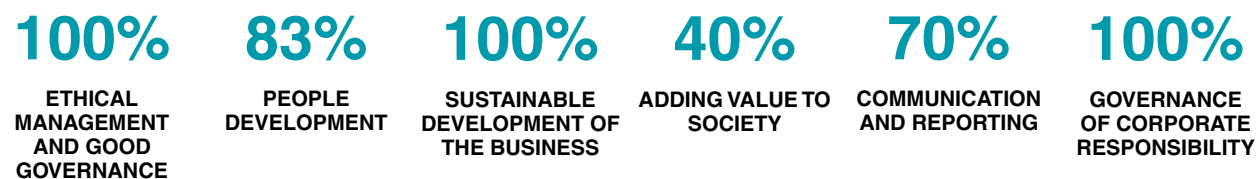
CSR Master Plan 2016-2020 and degree of progress

In 2017 great efforts were made to implement the various goals and actions included in the Master Plan. The degree of implementation of these is shown below:

CSR 2016-2020 Master Plan

Action Areas	No. Action lines	No. Lines under development	No. of actions	Attainment of the various actions
Ethical management and good governance	5	100%	21	81%
People development	6	83%	9	44%
Sustainable development of the business	9	100%	17	47%
Adding value to society	5	40%	9	22%
Communication and reporting	10	70%	13	62%
Governance of Corporate Responsibility	3	100%	13	54%
TOTAL	38	82%	82	52%

Degree of progress of the Plan. Performance lines and goals started



Main actions implemented in 2017/Main actions in the future

Main actions implemented in 2017	Key future actions
Ethical management and good governance	
<ul style="list-style-type: none"> Evaluation of the performance of the Board of Directors of the Company, with the help of an external consultant. Development and implementation of a monitoring system for good governance practices. 	<ul style="list-style-type: none"> Preparing a transition process towards a board of directors whose composition is in accordance with the guidelines of the Code of Good Governance of Listed Companies CNMV (2015).
People development	
<ul style="list-style-type: none"> Designing and implementing an expatriation methodology that guarantees correct personnel management. Preparing and implementing a Human Resources Integration Plan for newly incorporated companies to Cellnex. 	<ul style="list-style-type: none"> Making a firm commitment to equal opportunities and non-discrimination by supporting measures to facilitate the presence of women in the company. Continuing to measure staff satisfaction through work climate surveys. Developing and implementing a national plan to enhance pride in belonging to the company and creating a Group culture.
Sustainable development of the business	
<ul style="list-style-type: none"> Designing a Sustainable Mobility Plan. Increasing the percentage of waste recovered. Establishing annual targets to minimise the carbon footprint. Verifying the carbon footprint. Voluntary annual compensation of CO₂ emissions. Introducing messages related to sustainability aspects in the information panels of the operational centres. 	<ul style="list-style-type: none"> Initiate actions for the progressive adaptation of Cellnex procurement system to a sustainable system with climate change. Adapt the internal processes of the current Integrated Management System (9001-14001-OSHAS) to integrate the ISO-50001 requirements. Promote communication initiatives, Sustainability awareness, Security, Mobility and carbon management.
Adding value to society	
<ul style="list-style-type: none"> Drafting a Responsible and Proximity Purchasing Policy. Developing and assessing a pilot project in a consortium with other collaborators supporting entrepreneurs and start-ups dedicated to innovative technological projects in the ICT field. 	<ul style="list-style-type: none"> Drafting a sponsorship manual that responds to the company's strategic priorities. Defining guidelines for activities in the social action plan to convey specific actions to be rolled out and prioritising them.
Communication and reporting	
<ul style="list-style-type: none"> Having the company's integrated annual report verified by an independent third party in accordance with the highest reporting standards. Preparing a Basic Guide to Non-financial Information Reporting. 	<ul style="list-style-type: none"> Drafting an Internal RC Communication Plan to raise awareness of CR within the company. Preparing a non-financial information reporting manual to define the reporting processes within the company and to ensure homogeneity within the information published.
CSR governance	
<ul style="list-style-type: none"> Incorporating a new RC manager. 	<ul style="list-style-type: none"> Defining common Corporate Responsibility requirements for all Group companies. Preparing an RC Integration Plan for the new companies in the group.