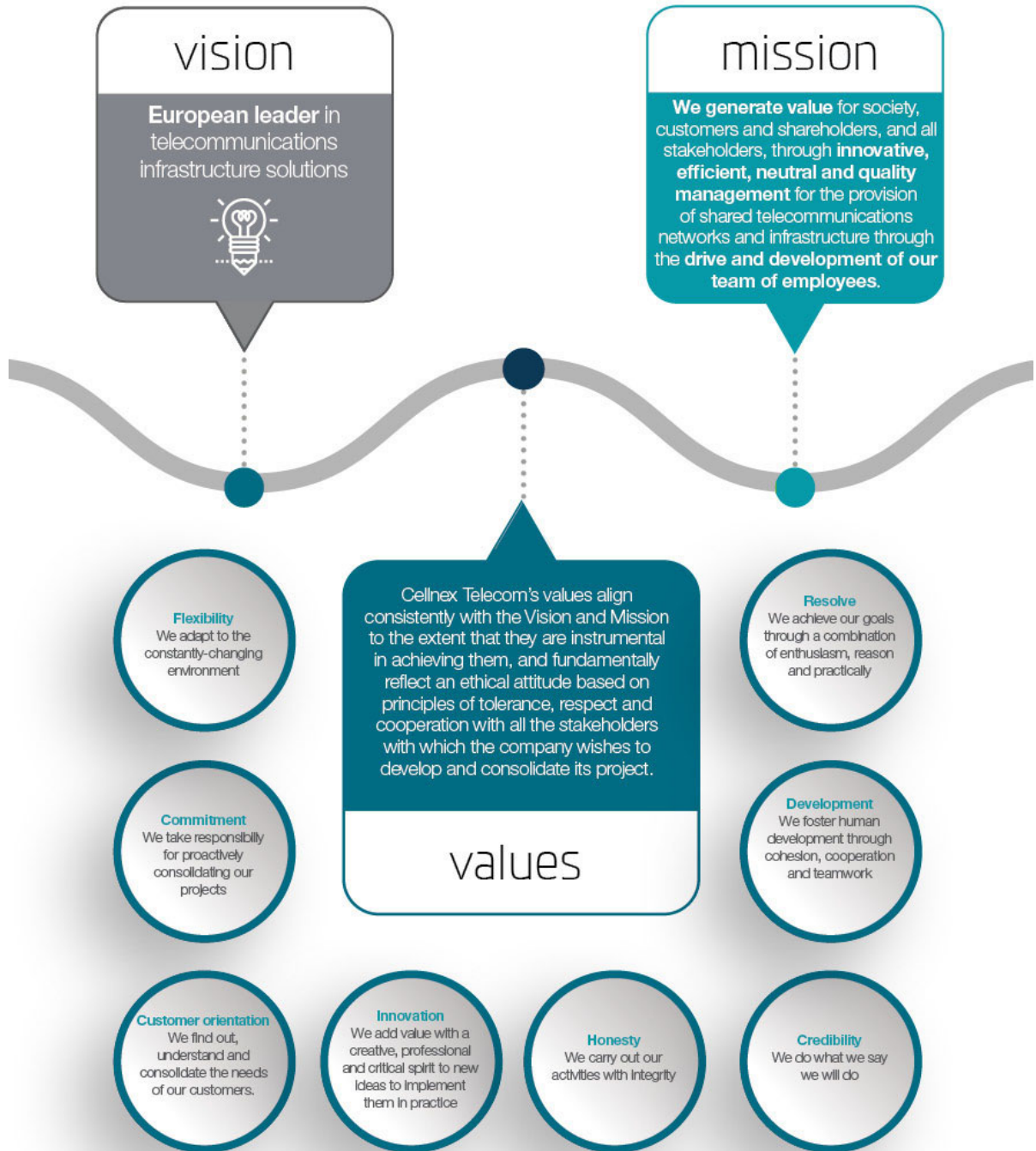


Corporate culture

Corporate culture



Corporate governance

In 2018, Cellnex conducted a self-assessment of the performance of the Board of Directors. The result was positive. However, a series of objectives were established in order to correct the slight deficiencies detected.

During 2019, Cellnex has continued to incorporate the best Corporate Governance practices through the actions adopted as a consequence of the result of this evaluation and the recommendations included in the Good Governance Code of the listed companies of the National Securities Market Commission (CNMV).

At the end of 2019, the Board of Directors carried out a new self-assessment of its functioning through a comprehensive questionnaire made up of the following components: (i) Board composition; (ii) functioning of the Board; (iii) Chairman of the Board; (iv) Board Secretariat; (v) Board Committees; (vi) performance of the CEO and relationship with senior management; (vii) alignment and commitment of the Board with the Company's strategic objectives; and (viii) overall assessment of the Board. The questionnaire was answered by all the members.

As a global assessment, the Board members identify their diversity, their independence, their professionalism and their knowledge of the sector as their strengths. Their dedication, their commitment to the success of Cellnex and the confidence atmosphere in which meetings take place were also appreciated. Notwithstanding the above, some areas for improvement were identified for the coming years, which are specified in an Action Plan to be implemented.

An independent external consultant will perform an evaluation of the functioning of the Board and its Committees in 2020.

The selection policy for directors, approved by the Appointments and Remuneration Committee of the Board of Directors in 2016 seeks to ensure an appropriate composition of the Board. According to the policy, Board member selection must take into account factors such as the company's shareholder structure, members' diversity of knowledge, professional experience, background, nationality and gender, as well as their availability to perform the role, specific expertise in particularly relevant areas (financial, legal, telecommunications, etc.), conflicts of interest (actual or potential), and their personal commitment to defending the company's interests. With regard to gender diversity under this policy, the company must ensure as soon as possible and at the latest by the end of 2020 that the least represented gender makes up to at least 30% of total members of the Board of Directors.

The composition of the Board was maintained during FY 2019, although there were changes in some positions. The current composition of the Board ensures a compact, experienced and strategy-oriented Board of Directors comprising four Proprietary directors and seven Independent directors, in addition to the Chief Executive Officer.

Board of Directors



EXECUTIVE



PROPRIETARY



INDEPENDENT

Changes in 2019

Changes in the Shareholder structure

There were no material changes in the Shareholder structure in 2019. Please note that over this period two share capital increases took place which slightly modified the shareholding rates.

7th
January

Issue of senior unsecured convertible bonds

The Board of Directors of Cellnex resolved to carry out a tap issue of senior unsecured convertible bonds due 2026, convertible into new or existing ordinary shares of the Company, with shareholders having no preferred subscription right.

The aggregate principal amount was €200 Million.

28th
February

First share capital increase of €1.2 billion

The share capital increase, with preferential subscription rights for current shareholders, amounted to €1.2 billion, representing 28.9% of the share capital before the capital increase and 22.4% after.

During the pre-emptive subscription period, shares representing 98.8% of the new shares were subscribed.

25th
June

Issue of senior unsecured convertible bonds

The Board of Directors of Cellnex resolved to carry out an issue of senior unsecured convertible bonds due 2028, convertible into new or existing ordinary shares of the Company, with shareholders having no preferred subscription right.

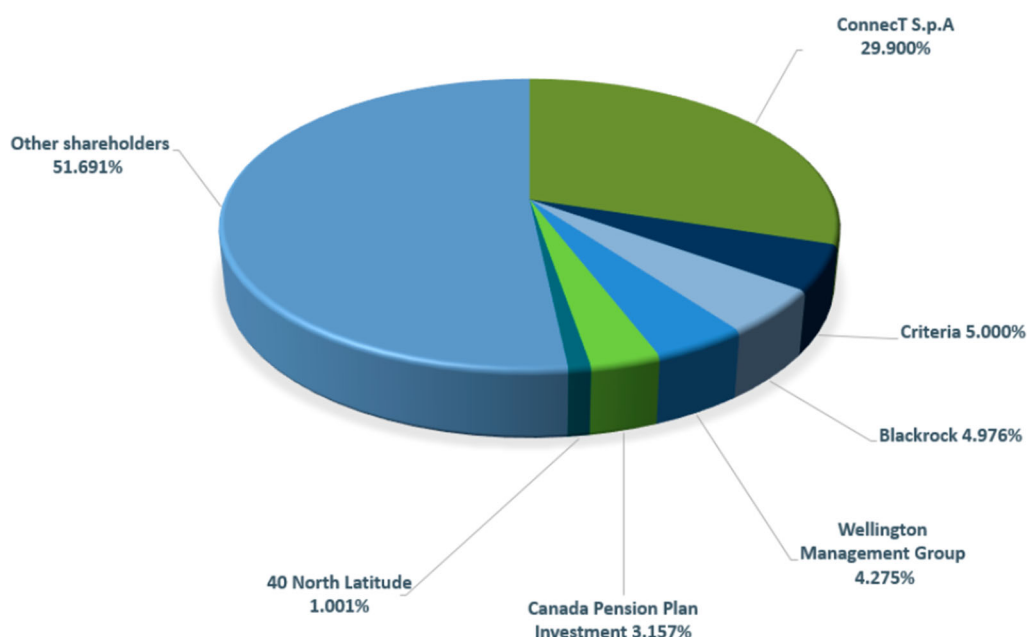
The aggregate principal amount was €850 million.

8th
October

Second share capital increase of €2.5 billion

The share capital increase, with preferential subscription rights for current shareholders, amounted to €2.5 billion, representing 29% of the share capital before the capital increase and 22.5% thereafter.

SHAREHOLDER STRUCTURE



Changes in the Board of Directors

The most significant adaptations and changes made to the Group's Corporate Governance in 2019 are as follows:

- **Appointment of Mr. Franco Bernabè (25/7/2019) as a member of the Board of Directors, replacing Mr. Marco Patuano (Director and Chairman of the Board of Directors).** Mr. Marco Patuano was a proprietary director on behalf of the shareholder Connect S.p.A., so his replacement, Mr. Franco Bernabè, was also appointed, following a report from the Nominations and Remuneration Committee and from the Board of Directors, by the co-optation procedure as proprietary director on behalf of the shareholder Connect S.p.A.
- Likewise, and after a favourable report from the Nominations and Remuneration Committee, it was decided to **appoint Mr. Franco Bernabè as the non-executive Chairman of the Company. Mr. Tobías Martínez maintains his responsibilities as CEO.**
- **Appointment of Mr. Mamoun Jamaï (20/6/2019)** following a report from the Nominations and Remuneration Committee and from the Board of Directors, by the co-optation procedure **as proprietary director** on behalf of the shareholder Connect S.p.A and as a member of the Nominations and Remuneration Committee, replacing Mr. John Benedict McCarthy.
- **Appointment of Mr. Jaime Velazquez (31/12/2019)** following a report from the Nominations and Remuneration Committee and from the Board of Directors **as non-Director Secretary of the Board, replacing Mr. Javier Martí de Vesés Estades.** This appointment was preceded by the search and validation of candidates by a head hunter of recognised prestige.
- **Appointment of Ms. Virginia Navarro (26/9/2019)** following a report from the Nominations and Remuneration Committee and from the Board of Directors **as non-Director Vice-Secretary of the Board of Directors,** replacing Ms. Mary Gatehouse.

Governance Model

The Board of Directors met 17 times in 2019, achieving an attendance rate of over 95%. This shows that Cellnex's Board of Directors participates actively in decision-making. Also, there were 10 ACC meetings and 8 NRC meetings.

During 2019, there were no changes in the recommendations of the CNMV's Code of Good Governance. Therefore, Cellnex continues to comply with 60 out of the 64 existing recommendations. For the remaining 4 recommendations, the situation is as follows:

- **Recommendation 16: proportional representation of proprietary directors out of the total of non-executive directors.**
 - In 2019 proprietary directors represented a percentage higher than their shareholding: 4 out of 11 (36% of the Board excluding the CEO vs. 29.9% shareholding).
 - The CNMV mitigates the strict criterion of proportionality when there are few significant shareholders (4 in the case of Cellnex) with more than 3%.
- **Recommendation 48: having two separated commissions: one for appointments and one for remuneration.**
 - Not justified by workload.
 - A separation may be considered in light of future developments in the Company.
- **Recommendation 62: shares given as remuneration may not be sold within a 3-year period.**
 - Entitlement to shares received by the CEO is generated in a 3-year period, after which they may not be transferred for a further 2-years period. This is considered a sufficient period of time in terms of loyalty and to avoid speculation.
 - On the other hand, in the last LTIPs approved the criterion was changed and instead of establishing a lock-up period, they now establish the obligation for the CEO to hold a certain percentage of his salary in shares at all times: 1 year of his base salary for ILP 2019-2021; 2 years of his base salary for ILP 2020-2022.
- **Recommendation 64: CEO compensation for termination of contract may not exceed 2 years' total compensation.**
 - The CEO's compensation for termination of his contract is 2 years of his salary.
 - In addition to this, as a consideration for a non-compete undertaking, he has the right to receive a compensation equivalent to 1 year of his salary.



The Strategy Retreat was held in November 2019. This is an annual meeting of the Board of Directors and Steering Committee with certain key directors of the Group to discuss matters relating to the company's strategy and development.

The success of the meeting led to an increase in the number of participants and the duration of the meeting. All directors had a positive opinion of the meeting, which gave them a first-hand view of the strategy of the company. This was true, not only of senior management but also to other directors and country managers, who normally have no opportunity for contact. It was also a way to facilitate an exchange of opinions between the Board of Directors and managers. Furthermore, it enabled us to conduct an analysis of the implementation of the proposals made in the last meeting of the previous year.

The number of officers comprising the Steering Committee was increased extended, incorporating Managing Directors of the countries, in order to include the view of different countries. Moreover, the Steering Committee was renamed Business and Operations Executive Committee.

The Shareholders Meeting held on 9 May of 2019 in Madrid was a resounding success with the approval of the Annual Accounts and Management Report for 2018, with 99.8% of the votes in favour, and an attendance quorum of over 82%.

The Cellnex Board of Directors

Independent directors:

- **Bertrand-Boudewijn Kan**, former Managing Director and Head of the Telecommunications Group of Morgan Stanley. He subsequently moved to Lehman Brothers where he was Co-Head of the Global Telecoms Team and was a member of the European Operating Committee. In 2008 he became Head of the Global Telecoms, Media and Technology Group at Nomura and served on the Investment Banking Global Executive Committee. He is currently Chairman of the Advisory Board of Wadhvani Asset Management and of the Supervisory Board of UWC in the Netherlands.
- **Pierre Blayau**, President of Caisse Central Réassurance, member of the strategic committee of SECP (Canal+ Group), Censor of FIMALAC, Senior Advisor of Bain & Company and Chairman of Harbour Conseils. He was previously CEO of Pont à Mousson, PPR, Moulinex, Geodis, and Executive Director of SNCF. He has also served as Executive Director of La Redoute, as member of the Board of Directors of FNAC, and Independent Director of Crédit Lyonnais, and President of the Board of Directors of Areva. Pierre Blayau is a Public Finance Inspector of the French Ministry of Finance and graduated from the École National d'Administration in Paris and the École Normale Supérieure de Saint-Cloud.
- **Giampaolo Zambelletti**, Chairman of RCS Investimenti and Vice-President of Unidad Editorial. He was previously Founder and Managing Director of Zambelletti España, President and CEO of Zambelletti Group, President of Italgas SpA, President and Managing Director of Ellem Industria Farmaceutica SpA . He served as Vice President of the pharma labs association, Farmindustria. In 2001 he was appointed Group Senior Vice President International Affairs of Telecom Italia. He has also been a member of the Board of Directors of Telecom Italia International (The Netherlands), Auna, S.A. (Spain), Avea (Turkey), Oger Telecom (Dubai), Ojer Telekomunikasyon (Turkey) and Telekom Austria. He is currently Vice-President of Unidad Editorial, S.A.
- **Peter Shore**, former Chairman of the telecommunications infrastructure operator Arqiva in the United Kingdom, and of Uecomm, Lonely Planet Publications, HostWorks Group and Airwave. He has also been Managing Director of the Telstra Group in Australia, CEO of MyPricein Australia and New Zealand, and Managing Director of Media/Communications/Partners. He also served as a Director of Objectif Telecommunications Limited, Foxtel, SMS Management and Technology, and OnAustralia. He was also a member of the Advisory Board of Siemens Australia.

Governance Model

- **Marieta del Rivero**, Independent Director of Gestamp Automocion, Member of the Advisory Board of the Mutual Society of Lawyers and of Made in Mobile. She is also a partner at Seeliger y Conde, Vice-president of International Women Forum and member of Board of the Spanish Directors Association (AED). She is the former worldwide Marketing Officer of Telefonica and CEO of Nokia Iberia. Ms. Del Rivero has also held executive positions in telecommunication operators such as Amena or Xfera mobiles. Marieta del Rivero is a graduate of Business Administration and Economics by Universidad Autónoma de Madrid, AMP by IESE and EP by Singularity University California.
- **Anne Bouverot** is currently Chairperson of the Board of Directors of Technicolor, as well as Senior Advisor of TowerBrook Capital Partners and Independent Director at Capgemini and Edenred. She also chairs Foundation Abeona, which looks at the social impact of Artificial Intelligence and digital technology. Previously she was CEO of Morpho, a biometrics and cybersecurity company and Managing Director of the GSMA. She previously held several international management positions in telecommunications companies such as France Telecom / Orange (Executive Vice President of Mobile Services), Global One Communications, Equant and Telmex.
- **María Luisa Gujjarro**, has held executive positions in Telefónica including Global Marketing and Sponsorship Manager, CEO of Terra España, Director of Marketing and Business Development in Spain and, more recently, member of the Executive Committee in Spain as head of Strategy and Quality.

Proprietary directors:

- **Franco Bernabè** is Chairman of FB Group, a family investment vehicle based in Rome. Until February 2019 he was Chairman of Nexi S.p.A. Prior to this, he was Chairman and CEO of Telecom Italia, Chairman of GSMA (the international organisation of mobile network operators), CEO of ENI, the Italian state oil company, Vice-Chairman of Rothschild Europe, member of the board and Chairman of the Audit Committee of PetroChina for 14 years, member of the Supervisory Board of TPG Post Group in the Netherlands, member of the International Council of JP Morgan. He was also member of the Executive Committee of Confindustria and a member of the European Roundtable of Industrialists. He currently serves pro bono as Chairman of the Italian National Commission for UNESCO. He is Senior Advisor to Barclays Bank. In 2011 he was knighted by the President of the Italian Republic.
- **Carlo Bertazzo**, is CEO of Atlantia since January 2020 and former General Manager of Edizione Srl, the industrial holding company of the Benetton family. He is also Director of other companies forming part of the Edizione Group: Sintonia (CEO), ConnecT, Schema 33. In addition, he is a Board member of Abertis Infraestructuras, S.A.
- **Elisabetta De Bernardi Di Valserra**, began her career in the investment banking team at Morgan Stanley (2000) where she worked in the Communications & Media team in London, later joining the corporate finance team in Milan, where she remained as Executive Director until 2013. She has been Investment Director at Edizione Srl, the holding company of the Benetton family, since 2015 and is a Board member of other companies forming part of the Edizione Group: ConnecT (CEO), Sintonia. In addition, she is Board Member of Getlink and Aeroporti di Roma.
- **Mamoun Jamai** serves as a “Senior Portfolio Manager” of the Infrastructure Division at the Abu Dhabi Investment Authority (“ADIA”). In addition to his responsibilities at ADIA, Mr. Jamai is a Chairman of ConnecT S.p.A and Director of Anglian Water Group and Tank & Rast. Prior to joining ADIA in 2008, he served as a member of the Industrials team at Bank of America.

Executive Director:

- **Tobías Martínez** Chief Executive Officer of Cellnex. He is the executive head of the company. He joined Acesa Telecom (now Cellnex Telecom) in 2000, first as a Director and Managing Director of Tradia and, subsequently, of Retevisión. Before joining Acesa Telecom Group he led his own information and telecommunications systems business project for over 10 years.

Secretary non-member of the Board:

- **Until 31 December 2019. Javier Martí de Vesés** holds a degree in Law from the University of Barcelona (UB) and also has a Master in Legal Practice from the Instituto de Empresa (Business School of Madrid). He was in charge of the company's legal area, covering Legal Advice, regulatory matters and insurance. He was Chairman of the Ethics and Compliance Committee. He had worked for the Group since 1998 when he took over the Legal Department of what was then Retevisión, and has since held various different positions in the organisation.

From 31 December 2019, Jaime Velázquez has a Law degree from the University of Extremadura and is a State Lawyer (*Abogado del Estado*) on leave from that post. He has extensive experience in Commercial Law, mainly in corporate merger and acquisition operations in regulated sectors and in matters related to corporate governance of companies. He is currently running an international law firm in Spain, which he joined in 2005. Previously, he served as secretary of the Board of Directors and General Counsel of the Spanish Official Credit Institute (ICO), and General Secretary of the Council of the Telecommunications Market Commission (CMT). He has taken part in numerous talks and has also been an associate professor of Commercial Law at the Pompeu Fabra University in Barcelona.

Vice Secretary non-member of the Board:

- **Virginia Navarro** is Director of Legal M&A & Financing at Cellnex. Prior to that, she was Senior Manager of the Legal Department of Abertis Infraestructuras, actively participating in M&A and financing projects of the Group both national and cross-border. Previously, she worked at Linklaters in Spain as Associate in the Corporate Department and in the legal department of Morgan Stanley.

Committees of the Board of Directors

The Cellnex governance bodies are supplemented by the Audit and Control Committee (ACC) and the Appointments and Remuneration Committee (NRC), both composed of non-executive Directors, mostly independent Directors. It is also important to note that independent Directors chair the Board Committees. The responsibilities and functioning of the ACC and the NRC are set out in the Internal Regulations of the Board of Directors.

Governance Model



Franco Bernabè
Chairman
Proprietary



Tobias Martinez
Chief Executive Officer
Executive



Bertrand Boudewijn Kan
Vice chairman
Independent
● Chairman



Giampaolo Zambelletti
Coordinating director
Independent
● Chairman



Carlo Bertazzo
Proprietary



Pierre Blayau
Independent
●



Anne Bouverot
Independent
●



Elisabetta De Bernardi
Proprietary
●



Marieta del Rivero
Independent
●



María Luisa Guijarro
Independent
●



Mamoun Jamai
Proprietary
●



Peter Shore
Independent
●



Javier Martí De Vesés
Secretary non-member of the Board
(until 31/12/2019)
● Secretary



Jaime Velázquez
Secretary non-member of the Board
(from 31/12/2019)



Virginia Navarro
Vice secretary non-member of the Board
● Secretary

● Audit and Control Committee (ACC)

● Appointments and Remuneration Committee (NRC)

* Mr. Alberto López Prior (Global Resources & Operations Director) is the secretary of the NRC as from 31/12/2019