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ANNEX I TEMPLATE
ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED
COMPANIES

ISSUER IDENTIFICATION

YEAR- END DATE

31/12/2018

Tax Identification No.

[C.I.F.] A64907306

Company Name:
CELLNEX TELECOM, S.A.

Registered Office:
Calle Juan Esplandiú 11-13, 28007 Madrid

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1 Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting

At any event, the following aspects should be reported:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

The principles and criteria of the Director Remuneration Policy are regularly reviewed by the Nominations and Remunerations Committee and the Board of Directors as part of their competences in order to keep the Company's Remuneration Policy in line with market tendencies.

Director Remuneration Policy in their status as such

The remuneration of board members for carrying out their duties of supervision and collective decision-making is based on the following general principles:

- The remuneration must be sufficient and appropriate for the dedication, qualification and responsibilities of the directors, but without this remuneration being able to jeopardise the independent criteria of the directors (in particular, in respect of independent directors, as this is detailed in the Board of Directors Regulations).
- The remuneration must be appropriate for attracting and keeping talent.
- The remuneration must be competitive, which is ensured by setting a remuneration package in line with market references, considering comparable sectors and companies.

As laid down in the Company By-Laws and in the Board of Directors Regulations, the directors' remuneration consists of a fixed annual remuneration.

The Directors shall only be paid the remuneration linked with the responsibility that they hold. These sums may be reviewed and updated by the Board of Directors, after obtaining a report from the Nominations and Remunerations Committee, within the maximum annual amount passed by the General Shareholders' Meeting. Information on these updates will be given in the relevant Annual Report on Directors' Remuneration, to be put to the vote, on an advisory basis and as a separate point on the agenda, at the Company's General Shareholders' Meeting.

The Company also has a civil liability insurance policy for its Directors on market terms.

Director Remuneration Policy for carrying out executive duties

The directors' remuneration for carrying out executive functions is based on the following general principles:

- Ensuring that the structure and overall amount of the remuneration package mean that this proves competitive in respect of comparable organisations on the national and international scales in order to be able to attract, keep and motivate the most outstanding professionals in order for the Company to be able to meet its strategic objectives within the increasingly competitive and internationalised framework in which it does business.
- Keeping an annual variable remuneration linked to individual performance and the overall evolution of the Company and its Group.
- Encouraging value creation on a sustained basis over time. To this end, the remuneration includes long-term variable elements fostering the accomplishment of objectives sustained over time, as well as keeping key persons.

The Director Remuneration Policy for carrying out executive functions considers the following elements, amongst others: (i) a fixed remuneration, whose purpose is to compensate for the level of responsibility and performance, which has to be competitive as compared with the one applied at comparable organisations; (ii) an annual variable remuneration linked to the accomplishment of pre-set, specific and quantifiable objectives; (iii) a multi-year variable bonus, and (iv) specific complementary pay in kind.

The only director performing executive functions is the Company's CEO.

The structure and composition of the CEO's annual remuneration have not changed as compared with the previous year, notwithstanding the review of the annual variable remuneration, which has gone from 60% to 75%.

The company commissioned a company of known prestige (Talengo) with an exhaustive study including comparable companies that has been used as a basis for determining the CEO's remuneration for 2018.

- Relative importance of variable remuneration items *vis-à-vis* fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures to guarantee that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures to avoid conflict of interest, as the case may be.

Furthermore, state whether the company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or if any clause exists reducing the deferred remuneration or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have clearly been shown to be inaccurate has been agreed

The remuneration policy is designed considering the long-term strategy and results of the Company. The plans for medium and long-term variable remuneration implemented by the Company form part of a multi-year framework to guarantee that the evaluation process is based on the long-term results and takes into account the underlying economic cycle of the Company.

The remuneration policy of the executive directors and senior management personnel establishes a balance between the fixed and variable parts of the remuneration, allowing for the prevention of collecting sums as variable remuneration in certain cases of failure to achieve set targets. Therefore, the components of the remuneration have sufficient flexibility to allow their modulation to the extent of it being possible to completely eliminate them.

In particular, the payment of the CEO's variable remuneration is not carried out immediately, but, instead, after drawing up the Annual Accounts for the year in which this accrues, so as to allow the Company to analyse the achievement of the targets at a sufficient distance in time. If over a period of 6 months there were any circumstances justifying a new valuation or review of the degree of compliance of the objectives by the Board of Directors, after obtaining a report from the Nominations and Remunerations Committee, the company could suspend payment of the sums pending payment to the Director in question for any variable item as well as, if applicable, clawbacks for any sums unduly paid as a result of the new valuation made.

The remuneration mix of the CEO is: 32% fixed salary, 24% annual variable, 32% annualized LTIP and 12% pension plan and others. The average compensation mix of the market is: 35% fixed salary, 25% annual variable, 34% annualized LTIP and 6% pension plan.

- Amount and nature of fixed components that are due to be accrued during the year by directors in their status as such.

The maximum ϵ LTI annualised expected value ation to be paid to the Directors as a whole in their status as such, as laid down in the Remuneration Policy, cannot exceed 1,500,000 euros. On 15 February 2018, the Board of Directors agreed to distribute the remuneration as follows, with effect as of 1 April 2018:

Chair of the Board	150,000 €/year
Directors chairing committees	150,000 €/ year
Directors members of committees	130,000 €/ year
Other members of the Board	100,000 €/ year

The directors are paid only the remuneration linked with the greater responsibility held by them.

The directors are not paid attendance allowances.

- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

As a director with executive functions, the CEO is paid a fixed remuneration for performance of his senior management duties, pursuant to the commercial contract signed by the latter and the Company.

The fixed remuneration is determined taking into account the content of the executive duties associated with the post and the market information on comparable companies.

In financial year 2018, the fixed remuneration of the CEO for performance of his senior management duties came to a total sum of 700,000 euros.

- Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The CEO benefits from health insurance that also covers his family. The CEO is also the beneficiary of an insurance policy for covering contingencies of surviving the ordinary retirement age, decease, total permanent or absolute incapacity or severe disability and long-term unemployment, with the Company making an annual contribution for covering those contingencies consisting of 25% of the CEO's fixed annual pay.

- Amount and nature of variable components, differentiating between those established in the short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

The CEO is the only one of all the members of the Board benefitting from remuneration systems or plans incorporating variable remuneration.

i) Annual variable remuneration:

Part of the CEO's remuneration is variable and annually accrued, with the following main characteristics:

- (a) Having the aim of strengthening his commitment to Cellnex and motivating his performance.
- (b) The Board of Directors set the amount of the CEO's variable remuneration for financial year 2018 at 525,000 euros, in the case of 100% achievement, a sum corresponding to 75% of his fixed remuneration, as stipulated in the remuneration policy of Cellnex and in accordance with usual practice on the Spanish market for posts with similar responsibility.
- (c) The accrual of variable remuneration is linked to achieving certain annual economic-financial and operative targets of the Cellnex Group. These objectives are approved by the Board of Directors, at the proposal of the Nominations and Remunerations Committee, at the start of each calendar year. The indicators for financial year 2018, with their corresponding weights, are: Recurring Levered Free Cash Flow (30%), PoPs - Telecom Site Rental - (10%), Organic Growth Projects (15%), Inorganic Growth Projects (25%) and Product Portfolio Deployment (20%)
- (d) The assessment criterion is the percentage of accomplishment of those targets in comparison with the budget set by the Company at the beginning of the year.

(e) Qualifying for the annual variable remuneration is approved by the Company's Board of Directors, at the proposal of the Nominations and Remunerations Committee in accordance with the assessment of the degree of accomplishment of the targets set, after closing and auditing the annual accounts for the year in question. The scale of achievement of each target is from 0% to 100%, with the possibility of applying a correction factor of 0.75-1.25 in accordance with the personal contribution of the director. This factor is proposed by the Nominations and Remunerations Committee, and evaluates the following aspects based on the Cellnex leadership model:

Aspects to be evaluated

1. Leading the vision: by means of strategic vision, change-orientation and innovation.
2. Leading people's development: by managing the talent of their team, helping in its detection and growth
3. Leading the relationship: by communicating influence with its stakeholders, teamwork and taking advantage of synergies
4. Leading the contribution to results: by establishing challenging targets and guaranteeing execution in time and quality

(f) The form of payment is in cash, although it may be agreed to replace all or part of this with a corporate contribution to improvement of the social welfare benefits or with shares. In Company year 2018, the CEO has opted to receive 12,000 € of his 2018 variable payment in shares. The reference price for calculating the shares to be delivered will be the closing price of the Cellnex share on March 27, 2019, which is the day of payment of the variable remuneration for Cellnex company.

ii) Long-term variable remuneration:

The CEO has a part of his total annual remuneration linked to a multi-year incentive.

The goals intended to be achieved by means of this type of remuneration are to encourage and keep staff by means of a remuneration policy binding the management of the group and, in particular, the CEO with the Strategic Plan of the Company, aligning the objectives of the directors with those of the shareholder, as well as keeping external competitiveness enabling new talents to be recruited.

The instruments used for the multi-year incentive could consist of both options over shares, awards of shares, cash bonuses, and other remuneration instruments considered market practice and facilitating obtaining the aforementioned objectives.

In company year 2017, it was agreed by the Board of Directors, at the proposal of the Nominations and Remunerations Committee, to get under way a ROLLING LTIP, which will be applicable during the effective term of this Remuneration Policy, consisting of a series of three-yearly incentive plans (LTIP Plan 2017-2019, LTIP Plan 2018-2020, LTIP Plan 2019-2021), in order to retain and foster the involvement of the CEO and of certain key personnel in the Group.

The aims included in the different ROLLING LTIP Plans will be determined in due course by the Board of Directors, at the proposal of the Nominations and Remunerations Committee, and will involve the price of the share and/or economic indicators of the Company.

The final valuation of the objectives set in each of the Plans of the ROLLING LTIP will be made by the Nominations and Remunerations Committee after its effective term is over, and its settlement, if appropriate, will take place after holding the General Shareholders' Meeting approving the annual accounts for the last financial year included in the Plan.

The expected remuneration of the CEO in the event of the targets set in the relevant plan being attained is as follows:

- LTIP Plan 2017-2019 (consists of two stages: 2017-2018 and 2018-2019):

The expected remuneration of the CEO in the event of the Company's strategic objectives being accomplished is of one year of his fixed pay for the 2017-2018 stage and one year of his fixed pay for the 2018-2019 stage.

The scale of accomplishment of the targets is from 0% to 125%.

40% of this remuneration will be made by awarding company shares, with the obligation to keep these for at least two years. The delivery of shares of the two phases will be done by applying a discount to offset the fiscal impact. The calculation to determine the number of shares to be delivered is made by dividing the net amount to be paid by the average price of the last month prior to the General Shareholders' Meeting that, if applicable, approves the accounts for the corresponding exercise.

- LTIP Plan 2018-2020

The expected remuneration of the CEO in the event of the Company's strategic objectives being accomplished at the close of 2020 is of one year of his fixed pay. The scale of accomplishment of the targets is from 0% to 125%. 50% of this remuneration will be in the form of company shares, with the obligation to keep these for at least two years. The delivery of shares will be done by applying a discount to offset the fiscal impact. The calculation to determine the number of shares to deliver is made by dividing the net amount to be paid by the average price of the last month prior to the General Meeting that, if applicable, approves the accounts for the corresponding exercise.

The Company will establish other multi-year incentive plans for later periods.

- Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.
- State if the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

Only the CEO is the beneficiary of a Defined Contribution Pension Plan, implemented by a collective insurance policy.

The contingencies covered by the Defined Contribution Pension Plan are:

- (a) Survival at 65 or the legal age of retirement.
- (b) Decease.
- (c) Total permanent incapacity for usual work, absolute incapacity for any kind of work and serious incapability.
- (d) Long-term unemployment: this person will be entitled to collect the full amount of the mathematical provision set up in his favour in the Defined Contribution Pension Plan when, after ceasing to render services for one calendar year, he does not collect earned income as defined in the regulations on Personal Income Tax.

In the event of the CEO leaving the Company prior to the occurrence of any of the contingencies considered in the Pension Plan, the CEO will have the rights concerning the contributions made until that date consolidated, except in the following cases:

- (a) In the event of breaching the obligation not to compete as laid down in commercial legislation at any time during the twelve months following ceasing to render services as CEO, on grounds other than the occurrence of the contingencies, and without having received the survivor's benefit.
- (b) In the event of ceasing to render his services due to breach of contractual good faith.
- (c) In the event of ceasing to render services due to breach of trust in the performance of those services.

The annual contribution for 2018 was 175 thousand euros

- Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration

In financial year 2018, no remuneration whatsoever was paid for this item.

- State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The main features of the commercial contract between the Company and the CEO are as follows:

- a) Duration: fixed-term, from when this is signed until 31 December 2024.
- b) Exclusiveness: the contract covers the obligation to render services to the Company exclusively and full time.

Termination: the CEO's contract establishes that this will be automatically extinguished in the following cases: (i) resignation or dismissal of the CEO in his capacity as such; (ii) non-renewal of his office; and (iii) completion of the established term.

- c) Compensation: in the event of the contractual relationship ending prior to the end of the agreed period, the CEO will not be entitled to receive any compensation for the end of the relationship, except in the following cases: (i) the Company's serious breach of the obligations included in the contract; (ii) unconsented substantial modification of his functions; (iii) change of control of the Company as established in Article 42 of the Code of Commerce; or (iv) dismissal/resignation or non-renewal of the post of director held by him. In these cases, the CEO will be entitled to collect two years of fixed and variable pay (accrued during the last year prior to the termination of the contract) as compensation.
- d) Post-contractual non-competition agreement: for the year after the date of termination of the contract, the CEO shall not be able to compete with the Company by rendering services, directly or indirectly, on his own or others account in his own right or by means of an intermediary, for the Company, for firms or for any other institution that have the purpose of "activities competing with those of the Company".

This agreement has a compensatory economic consideration for this restriction of one year's fixed pay. In the case of the CEO failing to comply with his obligation not to compete, he must return the sum collected and pay a further sum equivalent to another year's fixed remuneration.

This remuneration is compatible with the contingencies covered by the Defined Contribution Pension Plan.

- The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

There is no supplementary pay for services rendered to the Company other than the remuneration already described in this report.

- Other remunerative items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration..

There are no advances or credits granted to directors by the Company based on their status as members of the Board of Cellnex.

- The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

There are no additional remuneration items apart from the ones stated in the previous sections.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

- A new policy or a modification of the policy already approved by the General Meeting.
- Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

The Board resolved to submit for the General Shareholders' Meeting's approval a new Remuneration Policy applicable for the years 2019, 2020 and 2021. That Remuneration Policy aims to provide continuity to the Company's remuneration policy of the previous years and, therefore, most of the previous wording is maintained, except for (i) the amendment to the total maximum annual remuneration to be paid to all the directors in their capacity as such, and (ii) the amendment to the annual fixed, annual variable and multi-year variable remuneration for the CEO.

The Board believes that the proposed Remuneration Policy conforms to the best practices and trends in the market, considering the comparable sectors and companies. The maximum director remuneration amount increases with respect to the previous Policy since the number of Board and Committee members has gone up and there may be a raise in the current remuneration for directors during the years in which the Policy is in force. Moreover, the factors determining the various components of the CEO's remuneration for carrying out his executive functions, as envisaged in the new Policy, are competitive with respect to those applied by the domestic and international comparable entities, as deduced from the comparative study conducted for such purpose by an external independent company.

- A.3 Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

<https://www.cellnextelecom.com/politica-retributiva/>

- A.4 Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.

As a result of the large percentage of votes in favour of the Annual Remuneration Report for 2017 (95.89%), a similar structure has been maintained for the 2018 report, although the information contained in it has been expanded.

B OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

- B.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, as the case may be, the identity and the role of the external advisors whose services have been used

in the process to apply the remuneration policy in the year ended.

The CEO's remuneration mainly reflects the level of responsibility of the post at the organisation as well as his professional experience, attempting to ensure that this proves competitive as compared with comparable organisations both in Spain and abroad.

In order to establish a remuneration that is both appropriate and competitive on the market, the Nominations and Remunerations Committee takes the aforementioned aspects into account for setting this and its possible reviews as well as the studies and salary analyses drawn up by consultancy firms of known repute.

On this basis, the Nominations and Remunerations Committee annually proposes the CEO's remuneration for this to be later passed by the Board of Directors/General Shareholders' Meeting.

With regard to this point, the Company commissioned Talengo with an exhaustive study with comparable companies that was used as a basis for determining the CEO's remuneration.

The companies forming part of the comparison group were: Arqiva, TDF, EI Towers, FPS Towers, Rai Way, Inwit and Telxius.

The following data below show the final results of the study, which had the following conclusions:

1. The relationship between the total remuneration of the CEO and different business indicators at the company (towers, countries, staff, EBITDA and increase in EBITDA) is on average 49% lower in the case of Cellnex.
2. In absolute figures, both the fixed and variable remuneration of the CEO are significantly under the average for comparable companies, taking into account the complexity factor. This difference is particularly significant in the variable remuneration component.

The result of this study was that the CEO continued to be paid the fixed remuneration collected in 2017 (700,000 €) and the variable percentage was raised from 60% to 75% in 2018.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate.

The different measures taken by the company with regard to the remuneration system in order to reduce the exposure to excessive risks were:

- Remuneration benchmarking to prevent talent drain
- Succession plan to ensure continuity in the posts
- Exclusivity and full-time clause in contracts of the CEO and Senior Management
- Deontological duties clause in contracts of the CEO and Senior Management

B.3 Explain how the remuneration accrued over the year meets the provisions contained in the current remuneration policy.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors and how the latter contribute to the short- and long-term results of the company.

In order to be able to ensure that the Company's performance is associated with the CEO's remuneration in 2018, the short-term indicators of the variable remuneration were:

- Recurring Levered Cash flow. Weight 30%
- Organic Growth (PoPs & Nodes). Weight 25%
- Inorganic Growth. Weight 25%
- Revenue Diversification. Weight 20%

In the long term, the LTIP has the RLFCF per share, the Relative TSR and the Adjusted Ebitda as its indicators, as is detailed in point B7. These factors guarantee the correlation between the company's performance in both the short and the long term and the CEO's remuneration.

B.4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	% of total
Votes cast	193,258,832	83.55

	Number	% cast
Votes against	4,640,793	2.40

Votes in favour	185,311,637	95.89
Abstentions	3,306,402	1.71

Remarks

B.5 Explain how the fixed components accrued during the year by the directors in their capacity as such have been determined and how they have changed with respect to the previous year

<p>The maximum total annual remuneration to be paid to the Directors as a whole in their status as such, as laid down in the Remuneration Policy, cannot exceed 1,500,000 euros. In 2018, there was a slight modification, raising the remuneration for each post by 10,000 euros in order to adapt this to the market without exceeding the maximum limit established in the Director Remuneration Policy.</p> <p>In 2018, this was distributed as follows:</p> <table> <tr> <td>Chair of the Board</td> <td>150,000 € per year</td> </tr> <tr> <td>Directors chairing committees</td> <td>150,000 € per year</td> </tr> <tr> <td>Directors members of committees</td> <td>130,000 € per year</td> </tr> <tr> <td>Other members of the Board</td> <td>100,000 € per year</td> </tr> </table> <p>The directors are only paid the remuneration linked with the greater responsibility that they have.</p> <p>The directors do not collect attendance allowances.</p> <p>In 2017, the distribution was as follows:</p> <table> <tr> <td>Chair of the Board</td> <td>140,000 per year</td> </tr> <tr> <td>Directors chairing committees</td> <td>40,000 per year</td> </tr> <tr> <td>Directors members of committees</td> <td>120,000 per year</td> </tr> <tr> <td>Other members of the Board</td> <td>90,000 per year</td> </tr> </table>	Chair of the Board	150,000 € per year	Directors chairing committees	150,000 € per year	Directors members of committees	130,000 € per year	Other members of the Board	100,000 € per year	Chair of the Board	140,000 per year	Directors chairing committees	40,000 per year	Directors members of committees	120,000 per year	Other members of the Board	90,000 per year
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Directors members of committees	120,000 per year															
Other members of the Board	90,000 per year															

B.6 Explain how the salaries accrued by each one of the executive directors over the past financial year for the performance of management duties were determined, and how they have changed with respect to the previous year.

<p>Taking into account the Talengo study, the fixed remuneration was kept and the variable percentage changed from 60% to 75%.</p>
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B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued in the year ended.

In particular:

- Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated

In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (consolidation) and to exercise these options or financial instruments, including the price and term to exercise them

- Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of remunerations systems or plans that include variable remuneration.
- As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

Explain the short-term variable components of the remuneration systems

The Board of Directors set the sum of the CEO's variable remuneration for financial year 2018 at 525,000 euros, in the event of accomplishing 100% success. This amount represents 75% of his fixed remuneration, as laid down in the Cellnex remuneration policy, and is in line with usual practice on the Spanish market for jobs of a similar responsibility level.

Explain the long-term variable components of the remuneration systems

- **LTIP Plan 2017-2019** (consists of two stages: 2017-2018 and 2018-2019):
The expected remuneration for the CEO in the event of achieving the Company's strategic objectives is of one year's fixed remuneration for the 2017-2018 stage and one year's fixed remuneration for the 2018-2019 stage. 40% of that remuneration will be made in the form of Company shares, with the obligation to keep these for at least two years. The amount actually paid and the shares effectively delivered to the CEO will take into account the corresponding tax obligations.

1st Phase 2017 - 2018

The indicators for the 1st phase are:

50%; the recurring levered free cash flow per share ("RLFCF per share") determined according to market consensus and with a constant consolidation perimeter. The percentage

of accomplishment of this goal will be 50% if an amount greater than the target minus 5% is achieved, 100% if an amount equal to the target is achieved, and 125% if the target is exceeded by at least 5%.

30%; the revaluation of the Company's share from the start of the period to the end of 2018, taking into account a weighting by volume of the last quarter. The percentage of achievement of this target will be from 75% to 125% depending on the revaluation compared with the IBEX 35 index and with certain European and American competitors.

20%; the operative result before adjusted EBITDA determined according to market consensus and with a constant consolidation perimeter. The percentage of accomplishment of this goal will be 50% if an amount greater than the target less 5% is achieved, 100% if an amount equal to the target is achieved and 125% if the target is exceeded by at least 5%.

In this 1st phase (2017-2018), the average achievement of the three targets was 125%. In the first target, which refers to the RLFCF per share, the percentage achievement was 125%. For the second target, which refers to the revaluation of the share, the percentage of accomplishment was 125%, and for the third objective, referred to the adjusted EBITDA, the percentage of accomplishment was 125%.

In the case of the CEO, for this 1st Stage 2017 – 2018, in 2017, 496,000 euros were accrued, and, in financial year 2018, the amount due was 496,000 euros.

In accordance with the accomplishment in this stage, the CEO will receive 992,000 euros 15 days after holding the General Shareholders' Meeting passing the annual accounts for 2018. This remuneration includes the compensation for tax impact of 25% in the part of the remuneration given in the form of company shares.

2nd Stage 2018 – 2019

The indicators for the 2nd stage are:

50%; the recurring levered free cash flow per share ("RLFCF per share") determined according to market consensus and with a constant consolidation perimeter. The percentage of accomplishment of this goal will be 50% if an amount greater than the target minus 5% is achieved, 100% if an amount equal to the target is achieved, and 125% if the target is exceeded by at least 5%.

50%; the revaluation of the Company's share from the start of the period to the end of 2018, taking into account a weighting by volume of the last quarter. The percentage of achievement of this target will be from 75% to 125% depending on the revaluation compared with the IBEX 35 index and with certain European and American competitors.

In the case of the CEO, for this 2nd Stage (2018 – 2019), 397,000 euros were accrued at the close of financial year 2018.

- **LTIP Plan 2018-2020**

The expected remuneration for the CEO in the event of achieving the Company's strategic objectives at the close of financial year 2020 is of one year's fixed remuneration. 50% of that remuneration will be made in the form of Company shares, with the obligation to keep these for at least two years. The amount actually paid and the shares effectively delivered to the CEO will take into account the corresponding tax obligations.

The indicators for the LTIP 2018 - 2020 are:

50%; the recurring levered free cash flow per share ("RLFCF per share") determined according to the market consensus and with a constant consolidation perimeter. The percentage of accomplishment of this goal will be 50% if an amount greater than the target minus 5% is achieved, 100% if an amount equal to the target is achieved, and 125% if the

target is exceeded by at least 5%.

50%; the revaluation of the Company's share from the start of the period to the end of 2018, taking into account a weighting by volume of the last quarter. The percentage of accomplishment of this target will be from 75% to 125% depending on the revaluation compared with the IBEX 35 index and with certain European and American competitors.

In the case of the CEO, 389,000 euros were accrued according to the LTIP Plan 2018 – 2020.

- B.8 Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been consolidated and deferred or, in the case of the latter, consolidated and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer

In 2018, no sum for any variable component has been claimed as a clawback or reduced.

- B.9 Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to consolidate economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

Explained in subsection A.1

- B.10 Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended.

In financial year 2018, no remuneration was accrued or paid to the Directors for these items.

- B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

Explained in subsection A.1

B.12 Explain any supplementary remuneration accrued by directors as consideration for services rendered outside of their post.

There are no supplementary remunerations additional to the ones stated in the above subsections.

B.13 Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

There have been no advances or credits granted to directors by the Company based on their status as members of the Board of Directors of Cellnex in 2018.

B.14 Itemise the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

Explained in subsection A.1

B.15 Explain the remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

Not applicable.

B.16 Explain any other items of remuneration other than those mentioned in the previous sections, whatever their nature or the group company that settles the payment, particularly when this is a related operation or its settlement distorts the true image of the total remuneration accrued by the director.

There are no remuneration items additional to the ones stated in the above subsections.

C**ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR**

Name	Type	Period of accrual in year t
Mr MARCO PATUANO	Chairman proprietary	From 13/07/2018 to 31/12/2018
Mr TOBIÁS MARTINEZ GIMENO	CEO	From 01/01/2018 to 31/12/2018
Mr BERTRAND BOUDEWIJN KAN	Deputy Chairperson independent	From 01/01/2018 to 31/12/2018
Mr GIAMPAOLO ZAMBELETTI	Coordinating Director	From 01/01/2018 to 31/12/2018
Mr CARLO BERTAZZO	Director proprietary	From 13/07/2018 to 31/12/2018
Mr PIERRE BLAYAU	Director independent	From 01/01/2018 to 31/12/2018
Ms ANNE BOUVEROT	Director independent	From 31/05/2018 to 31/12/2018
Ms ELISABETTA DE BERNARDI DI VALSERRA	Director proprietary	From 13/07/2018 to 31/12/2018
Ms MARIETA DEL RIVERO BERMEJO	Director independent	From 01/01/2018 to 31/12/2018
Ms MARÍA LUISA GUIJARRO PIÑAL	Nominations and Remunerations Committee	From 31/05/2018 to 31/12/2018
Mr JOHN BENEDICT MCCARTHY	Director proprietary	From 16/10/2018 to 31/12/2018
Mr LEONARD PETER SHORE	Director independent	From 01/01/2018 to 31/12/2018
Mr LUIS DEULOFEU FUGUET	Director proprietary	From 01/01/2018 to 15/02/2018
Mr FRANCISCO REYNÉS MASSANET	Chairman proprietary	From 01/01/2018 to 15/02/2018

Mr. FRANCISCO JOSÉ ALJARO NAVARRO	Director proprietary	From 01/01/2018 to 12/07/2018
Mr JOSEP MARIA CORONAS GUINART	Director proprietary	From 01/01/2018 to 12/07/2018
Mr DAVID ANTONIO DIAZ ALMAZÁN	Director proprietary	From 15/02/2018 to 12/07/2018
Mr CARLOS FRANCISCO DEL RIO CARCAÑO	Director proprietary	From 15/02/2018 to 12/07/2018
Mr ANDREA PEZZANGORA	Director proprietary	From 13/07/2018 to 12/10/2018

C. 1 Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the year.

a) **Remuneration from the reporting company:**

i) **Remuneration in cash (thousand euros)**

Name	Fixed Remuneration	Per diem allowance	Remuneration for membership of Board's committees	Salary	Short term variable remuneration	Long term variable remuneration	Severance pay	Other grounds	Total in year t	Total in year t-1
Mr Marco Patuano			71						71	
Mr Tobías	120			700	525	1,282			2,627	2,478

Martínez Gimeno										
Mr Bertrand Boudewijn Kan			147						147	130
Mr Giampaolo Zembeletti			147						147	135
Mr Carlo Bertazzo			65						65	
Mr Pierre Blayau			128						128	120
Ms Anne Bouverot			58						58	
Ms Elisabetta de Bernardi Di Valserra			65						65	
Ms Marieta del Rivero Bermejo			128						128	73
Ms María Luisa Guijarro Piñal			58						58	
Mr John Benedict McCarthy										
Mr Leonard			128						128	115

Peter Shore										
Mr Luis Deulofeu Fuguet	11								11	85
Mr Francisco Reynés Massanet			18						18	135
Mr Francisco José Aljaro Navarro			62						62	115
Mr Josep Maria Coronas Guinart			62						62	115
Mr David Antonio Diaz Almazán			36						36	
Mr Carlos Francisco del Río Carcaño			36						36	
Mr Andrea Pezzangora			33						33	

Remarks
John Benedict McCarthy has waived his remuneration. The remuneration through belonging to Committees includes the remuneration for being a member of the

Board.

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year t		Financial instruments granted at start of year t		Financial instruments consolidated during the year				Instrument matured but not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Plan 1											
	Plan 2											

Remarks

iii) Long term saving systems

	Remuneration from consolidation of rights to savings system
Director 1	

Nombre	Contribution over the year from the Company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
	Tobías Martínez Gimeno			175	175		650	

Remarks

iv) Details of other items

Name	Item	Amount remunerated
Tobías Martínez Gimeno	Life insurance premium	5
Tobías Martínez Gimeno	Medical insurance premium	2

Remarks

b) Remuneration of the Company directors for seats on the boards of other group companies:

i) Remuneration in cash (thousand euros)

Nombre	Remuneración fija	Dietas	Remuneración por pertenencia a comisiones del consejo	Sueldo	Retribución variable a corto plazo	Retribución variable a largo plazo	Indemnización	Otros conceptos	Total ejercicio t	Total ejercicio t-1
Consejero 1										
Consejero 2										

Remarks

ii) **Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments**

Nombre	Denominación del Plan	Instrumentos financieros al principio del ejercicio t		Instrumentos financieros concedidos durante el ejercicio t		Instrumentos financieros consolidados en el ejercicio				Instrumentos vencidos y no ejercidos	Instrumentos financieros al final del ejercicio t	
		Nº instrumentos	Nº acciones equivalentes	Nº instrumentos	Nº acciones equivalentes	Nº instrumentos	Nº acciones equivalentes / consolidadas	Precio de las acciones consolidadas	Beneficio Bruto de las acciones o instrumentos financieros consolidados (miles €)	Nº instrumentos	Nº instrumentos	Nº acciones equivalentes
Consejero 1	Plan 1											
	Plan 2											

Remarks

iii) **Long term saving systems**

	Remuneración por consolidación de derechos a sistemas de ahorro
Consejero 1	

Nombre	Aportación del ejercicio por parte de la sociedad (miles €)				Importe de los fondos acumulados (miles €)			
	Sistemas de ahorro con derechos económicos consolidados		Sistemas de ahorro con derechos económicos no consolidados		Ejercicio t		Ejercicio t-1	
	Ejercicio t	Ejercicio t-1	Ejercicio t	Ejercicio t-1	Sistemas con derechos económicos consolidados	Sistemas con derechos económicos no consolidados	Sistemas con derechos económicos consolidados	Sistemas con derechos económicos no consolidados
	Consejero 1							

Remarks

iv) **Details of other items**

Nombre	Concepto	Importe retributivo
Consejero 1		

Remarks

c) Summary of remunerations (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €).

Name	Remuneration accrued in the company					Remuneration accrued in group companies				
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	Total year t company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	Total year t group
Mr Marco Patuano	71				71					
Mr Tobías Martínez Gimeno	2,627		175	7	2,809					
Mr Bertrand Bopudewijn Kan	147				147					
Mr Giampaolo Zambelletti	147				147					
Mr Carlo Bertazzo	65				65					

Mr Pierre Blayau	128				128					
Ms Anne Bouverot	58				58					
Ms Elisabetta De Bernardi Di Valserra	65				65					
Ms Marieta del Rivero Bermejo	128				128					
Ms María Luisa Guijarro Piñal	58				58					
Mr John Benedict McCarthy										
Mr Leonard Peter Shore	128				128					
Mr Luis Deulofeu Fuguet	11				11					
Mr Francisco Reynés Massanet	18				18					

Mr Francisco José Aljaro Navarro	62				62					
Mr Josep Maria Coronas Guinart	62				62					
Mr David Antonio Díaz Almazán	36				36					
Mr Carlos Francisco del Río Carcaño	36				36					
Mr Andrea Pezzangora	33				33					
Total:	3,880		175	7	4,062					

Remarks

D OTHER INFORMATION OF INTEREST

If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly

This annual remuneration report has been approved by the Board of Directors of the company on 21/02/2019 .

State whether any director has voted against or abstained from approving this report.

Yes

No

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non- attendance)	Explain the reasons