



COMMUNICATION OF OTHER RELEVANT INFORMATION

MASMOVIL GROUP

July 9th, 2020

In accordance with article 227 of the Securities Market Act passed by Legislative Royal Decree 4/2015 of October 23 and concordance rules, we inform the market about the following Other Relevant Information referred to MASMOVIL IBERCOM, S.A. ("**MASMOVIL**" or the "**Company**" o the "**Group**").

Resolutions approved by the Ordinary General Shareholders' Meeting of MASMOVIL, held on July 8th, 2020

The Ordinary General Shareholders' Meeting of MASMOVIL, held on first call, on July 8, 2020, at 12:00 p.m., exclusively through on-line attendance, approved all the resolutions that were subject to vote at said General Meeting.

The quorum, the results of voting and the resolutions approved are hereby attached.

Madrid, July 9th, 2020

D. Meinrad Spenger
CEO MASMOVIL IBERCOM, S.A

QUORUM DE CONSTITUCION DEFINITIVO

JUNTA GENERAL ORDINARIA MASMOVIL IBERCOM, S.A. 08-julio-2020

Celebrada a las 12:00 horas en 1ª Convocatoria

De la lista definitiva de asistentes resulta lo siguiente:

Se encuentran presentes en la Junta, **41** accionistas titulares de **24.040.835** acciones, que suponen un **18,252** % del capital social. De éstos **31** accionistas, titulares de **19.593.116** acciones, representativas del **14,875** % del capital social han emitido su voto por medios de comunicación a distancia antes de la celebración de esta Junta General.

y

Se encuentran representados en la Junta **220** accionistas titulares de **66.723.043** acciones, que suponen un **50,657** % del capital social.

En total, asisten a esta Junta General Ordinaria **261** accionistas titulares de **90.763.878** acciones, que representan un nominal de **1.815.277,56** euros y el **68,910** % del capital social suscrito con derecho a voto, cifrado, como Vds. saben, en 2.634.291,30 euros, dividido en 131.714.565 de acciones ordinarias, de 0,02 euros de valor nominal cada una.

A los efectos de lo dispuesto en el artículo 148 de la Ley de Sociedades de Capital, se hace constar que la autocartera de la Sociedad se ha computado dentro del capital a los efectos de calcular las cuotas necesarias para la constitución y adopción de acuerdos en esta Junta.

Toda vez que la Junta General se celebra en primera convocatoria, el quórum de asistencia definitivo cumple lo prevenido por el artículo 17 de los Estatutos Sociales, el artículo 13 del Reglamento de la Junta General y los artículos 193 y 194 de la Ley de Sociedades de Capital para la válida constitución de la Junta General en esta primera convocatoria.

EMISION									ACCIONES	NOMINAL	CAPITAL
ES0184696104									131.714.565	0,02	2.634.291,30

TOTAL													
ORDEN	A FAVOR		EN CONTRA		ABSTENCION		EN BLANCO		VOTOS VALIDOS		AUTOCARTERA		%
DIA	VOTOS	%	VOTOS	%	VOTOS	%	VOTOS	%	TOTAL	% CAP.SOC.	ACCIONES	%	% CAP.SOC.
1	90.095.280	99,264	130.000	0,143	190.073	0,209	0	0,000	90.415.353	68,645	348.525	0,384	0,265
2	90.095.280	99,264	130.000	0,143	190.073	0,209	0	0,000	90.415.353	68,645	348.525	0,384	0,265
3	90.083.781	99,251	0	0,000	331.572	0,365	0	0,000	90.415.353	68,645	348.525	0,384	0,265
4	90.083.781	99,251	0	0,000	331.572	0,365	0	0,000	90.415.353	68,645	348.525	0,384	0,265
5	89.748.455	98,882	108.385	0,119	558.513	0,615	0	0,000	90.415.353	68,645	348.525	0,384	0,265
6	90.068.050	99,234	15.701	0,017	331.602	0,365	0	0,000	90.415.353	68,645	348.525	0,384	0,265
7.1	79.719.940	87,833	10.363.841	11,418	331.572	0,365	0	0,000	90.415.353	68,645	348.525	0,384	0,265
7.2	88.193.733	97,168	1.875.048	2,066	346.572	0,382	0	0,000	90.415.353	68,645	348.525	0,384	0,265
7.3	86.841.273	95,678	3.227.508	3,556	346.572	0,382	0	0,000	90.415.353	68,645	348.525	0,384	0,265
7.4	89.758.563	98,892	310.218	0,342	346.572	0,382	0	0,000	90.415.353	68,645	348.525	0,384	0,265
8	62.657.198	69,033	27.425.758	30,217	332.397	0,366	0	0,000	90.415.353	68,645	348.525	0,384	0,265
9	68.967.335	75,986	21.115.621	23,264	332.397	0,366	0	0,000	90.415.353	68,645	348.525	0,384	0,265
10	64.658.198	71,238	25.424.758	28,012	332.397	0,366	0	0,000	90.415.353	68,645	348.525	0,384	0,265
11	64.690.090	71,273	25.392.866	27,977	332.397	0,366	0	0,000	90.415.353	68,645	348.525	0,384	0,265
12.1	90.415.353	99,616	0	0,000	0	0,000	0	0,000	90.415.353	68,645	348.525	0,384	0,265
12.2	90.415.353	99,616	0	0,000	0	0,000	0	0,000	90.415.353	68,645	348.525	0,384	0,265
13	90.415.353	99,616	0	0,000	0	0,000	0	0,000	90.415.353	68,645	348.525	0,384	0,265
14	75.413.092	83,087	14.670.689	16,164	331.572	0,365	0	0,000	90.415.353	68,645	348.525	0,384	0,265
16	89.735.366	98,867	347.815	0,383	332.172	0,366	0	0,000	90.415.353	68,645	348.525	0,384	0,265
17	90.083.781	99,251	0	0,000	331.572	0,365	0	0,000	90.415.353	68,645	348.525	0,384	0,265

(*) El Consejo de Administración ha acordado retirar del orden del día el punto decimoquinto.

**PROPOSALS FOR THE AGREEMENTS DRAWN UP
BY THE BOARD OF DIRECTORS TO THE ORDINARY GENERAL
SHAREHOLDERS' MEETING OF MASMOVIL IBERCOM, S.A., OF 8 JULY 2020**

FIRST ITEM ON THE AGENDA

Examination and approval, if appropriate, of the Individual Annual Accounts (Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement, and Annual Report) and the Company's Individual Management Report for the year ended 31 December 2019.

Approve the Individual Annual Accounts (Balance Sheet, Profit and Loss Account, Statement of Changes in Net Equity, Cash Flow Statement, and Annual Report) and the Company's Individual Management Report corresponding to the financial year closed on 31 December 2019, which were duly drawn up by the Company's Board of Directors at its meeting of 27 February 2020.

The aforementioned Company's Individual Annual Accounts have been audited by the Company's auditor, KPMG Auditores, S.L., through its Audit Report dated 27 February 2020.

SECOND ITEM ON THE AGENDA

Examination and approval, if appropriate, of the Consolidated Annual Accounts (Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statements and Consolidated Annual Report) and the Consolidated Management Report of the Company and its subsidiaries for the year ended 31 December 2019.

Approve the Consolidated Annual Accounts (Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statements and Consolidated Annual Report) and the Consolidated Management Report of the Company and its subsidiaries for the year ended 31 December 2019, which were duly formulated by the Company's Board of Directors at its meeting on 27 February 2020.

The aforementioned Company's Consolidated Annual Accounts have been audited by the Company's auditor, KPMG Auditores, S.L., through its Audit Report dated 27 February 2020.

THIRD ITEM ON THE AGENDA

Review and approval, if appropriate, of the Consolidated Non-Financial Information Statement for the year ended 31 December 2019.

Approve the Consolidated Non-Financial Information Statement for the year ended 31 December 2019, which has been verified by KPMG Asesores, S.L. through its Independent Verification Report. The aforementioned documents form part of the Consolidated Management Report for 2019, which is attached to the Consolidated Annual Accounts for the previous year.

FOURTH ITEM ON THE AGENDA

Examination and approval, if appropriate, of the proposed application of the Company's profit for the year ended 31 December 2019.

As the financial result for the year shows a profit of €133,849,615.58, it is agreed that these profits will be used for the following purposes and in this order:

- To offset the losses of previous years in full, amounting to €54,730,576.63.
- To provide the legal reserve until it reaches 20% of the share capital, as established in article 274 of the Spanish Capital Companies Act, for the amount of €407,658.26.
- To provide voluntary reserves for the remaining amount of €78,711,380.69.

FIFTH ITEM ON THE AGENDA

Examination and approval, if appropriate, of the the Board of Directors' management during the financial year closed on 31 December 2019.

Approve the corporate management carried out by the Board of Directors during the financial year ending on 31 December 2019.

SIXTH ITEM ON THE AGENDA

Re-election of KPMG Auditores, S.L. as auditors of the Company and its Consolidated Group for the financial year 2020.

Re-elect KPMG Auditores, S.L. as the auditor of the Company's accounts and those of its consolidated group, to carry out the audit for the year 2020, empowering the Board of Directors, with express authority to delegate it, enter into the corresponding service lease agreement, with the clauses and conditions it deems appropriate, and also empowering it to make the relevant amendments in accordance with the legislation in force at any given time.

This resolution is adopted at the proposal of the Board of Directors and in turn following the proposal of the Audit and Control Committee.

It is noted that KPMG Auditores, S.L., has its registered office in Madrid, Paseo de la Castellana, No. 95, it is the holder of Corporate Tax Id (CIF) B-78510153, and is registered in the Official Register of Account Auditors (ROAC), with number S0702, as well as in the Mercantile Registry of Madrid, in Volume 11.961, Folio 84, Section 8, Page M-188.007, Entry 1.

SEVENTH ITEM ON THE AGENDA

7.1 Re-election of Mr. John Carl Hahn as a Proprietary Director.

Re-elect, Mr. John Carl Hahn as a director of the Company, after a favourable report from the Appointments and Remuneration Committee and at the proposal of the Board of Directors, for the statutory period of four (4) years.

Mr. John Carl Hahn has the category of proprietary director.

7.2 Re-election of Mr. Borja Fernández Espejel as an independent director

Re-elect, Mr. Borja Fernández Espejel as a director of the Company, in accordance with the proposal of the Appointments and Remuneration Committee and following a report from this Committee and the Board of Directors, for the statutory period of four (4) years.

Mr. Borja Fernández Espejel has the category of independent director.

7.3 Re-election of Ms. Pilar Zulueta de Oya as independent director.

Re-elect, Ms. Pilar Zulueta de Oya as a director of the Company, in accordance with the proposal of the Appointments and Remuneration Committee and following a report from this Committee and the Board of Directors, for the statutory period of four (4) years.

Mr. Pilar Zulueta de Oya has the status of independent director.

7.4 Ratification of the appointment as an independent director of Ms. Cristina Aldámiz-Echevarría González de Durana, appointed by cooption by resolution of the Board of Directors of 27 December 2019.

Ratify the appointment by co-option of the shareholder Ms Cristina Aldámiz-Echevarría González de Durana, which took place at the Board of Directors meeting of 27 December 2019, in order to fill the vacancy produced by the resignation of Mr Robert Sudo with effect from 27 December 2019. Ms Cristina Aldámiz-Echevarría González de Durana accepted her appointment on the same date. And, likewise, to appoint her as a new Director of the Company, for the statutory period of four (4) years, with effect from the date of adoption of this resolution.

EIGHTH ITEM ON THE AGENDA

Approval, in accordance with Article 219 of the Spanish Capital Companies Act and Article 38 of the Company's Articles of Association, of the Company's *Shares Appreciation Rights' Plan* in favour of the Chief Executive Officer, management team and employees of the Masmovil Group and amendment of the current Remuneration Policy for Directors.

Approve a medium and long-term remuneration scheme, on an extraordinary and non-consolidated basis, for certain employees and members of the Company's management team, including the Chief Executive Officer, in accordance with the following basic characteristics:

1. Description and purpose

The remuneration scheme to be implemented will consist of an extraordinary variable remuneration in cash based on the increase in value of the Company's shares during a certain period of time, taking as a reference their market value (the "**Plan**", the "**Stock Appreciation Rights**", or the "**rights on the revaluation of the share**").

Under this scheme, the Company will grant each beneficiary, including the Chief Executive Officer, a certain number of rights to be received, after a certain period of time, a cash amount linked to the increase in the share value (the "**Incentive** and provided that certain conditions have been met.").

Duration

The Plan will start on 1 September 2020 and will have a maximum duration of three (3) years and six (6) months. The period of time to be taken into consideration for the purpose of computing the increase in value of the shares shall commence on the aforementioned date of 1 September 2020 and shall end after the expiry of a period of three (3) years and six (6) months, i.e. 29 February 2024 (the "**Revaluation Calculation End Date**"). The settlement and payment to each Beneficiary of the resulting amounts will be carried out during the sixty (60) calendar days following the end date of the revaluation calculation.

3. Beneficiaries:

The beneficiaries of the Plan will be the Company's employees and members of the management team and the investees that make up its consolidated group, as determined by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, and by the Chief Executive Officer, Mr. Meinrad Spenger (the "**Beneficiaries**"). The invitation to participate in the Plan will be made by sending the corresponding letter of invitation from the Company.

The initial estimated number of Beneficiaries is one hundred and eleven (111) managers and employees, including the Chief Executive Officer, without prejudice to the possible new additions of Beneficiaries to the Plan. The Plan will be voluntarily adhered to by the Beneficiaries.

4. Conditions for the settlement of the Plan

In order to maintain the rights and receive the incentive, if any, deriving from the Plan, it is essential that (i) the Beneficiary has maintained an uninterrupted full-time employment relationship (common or special senior management) or a commercial relationship in the case of the Chief Executive Officer, with the Company or with any of the companies of the Masmovil Group, on the date of payment of the Incentive, without prejudice to the cases of early settlement that may be established, and that (ii) the "Minimum Objectives" defined for each beneficiary in their letter of invitation to the Plan, referring to the minimum objective of recurrent EBITDA at the end of the financial year 2021, are met.

Both the right to the payment of the incentive and the yield that may be derived from it are not part of the normal or expected remuneration for the purpose of calculating compensation for dismissal, payment for cessation, resignation, severance pay, payment for end of service, bonus, award for length of service, pension or retirement benefit, compensation for damages or any other concept similar to the above.

5. Number of rights on the revaluation of the shares affected by the Incentive

The maximum number of rights on the revaluation of the shares to be assigned to the Beneficiaries of the Incentive will be eight million five hundred thousand (8,500,000). Of this maximum number, the amount not initially allocated will be reserved to cover the possible incorporation of new Beneficiaries to the Incentive, not foreseen at the time of initial allocation or the possible increase in the rights of pre-existing Beneficiaries.

The Chief Executive Officer of the Company will be entitled to two million eight hundred and fifty thousand (2,850,000) rights on the revaluation of the shares.

6. Individual allocation

The individual allocation of the number of rights on the revaluation of the shares to be taken as a reference in favour of each of the Plan's Beneficiaries will be carried out by the Board of Directors at the proposal of the Appointments and Remuneration Committee.

The aforementioned individual allocation shall be made for the sole purpose of calculation and shall not imply the acquisition of the status of shareholder or any other rights linked to such status by the Beneficiary. Likewise, the rights granted shall be non-transferable except in the special cases provided for, where applicable, in the general conditions of the Plan to be approved by the Company's Board of Directors.

7. Value of shares to be taken as reference

For the calculation of the variable remuneration that the Plan consists of, the initial unit value of the Company's shares will be taken as their weighted average price over the last ninety (90) trading sessions in the last ninety (90) trading sessions prior to 1 September 2020 for the initial Beneficiaries or the Grant Date for each Beneficiary if they join the Plan after the Starting Date.

The final value will be taken as the weighted average price of the Company's shares in the ninety (90) stock market sessions prior to the final date for calculating the revaluation.

8. Termination or amendment of the Plan

The Plan may provide for cases of early termination or amendment in the event of capital dilution as determined by the Board of Directors.

Without prejudice to the general provisions, if applicable, to any other item on the agenda, delegate to the Company's Board of Directors the appropriate decisions for the correct management and administration of the Plan as well as for the implementation, development, formalisation, execution and settlement of the Plan when and as it deems appropriate, adopting any resolutions and signing any documents, public or private, that may be necessary or appropriate for its full effect, with the power to correct, rectify, amend or supplement this agreement. And, in general, to adopt as many agreements and carry out as many actions as are necessary or merely convenient for the good purpose of this agreement and the implementation, execution and settlement of the Plan.

9. Justification of the proposed agreement

One of the Company's objectives is to develop a remuneration policy that achieves an adequate balance between (i) the motivation of the best professionals, (ii) the creation of value and, (iii) the alignment of the interests of employees and members of the management team, including the Chief Executive Officer, with those of the Company's shareholders.

The alignment of the interests of the shareholders and of the employees and executives who perform especially qualified functions in the Company makes it advisable to establish a long-term remuneration system, linked to the Company's own evolution, which is competitive and in line with the market.

In this respect, a system linked to the evolution of the Company's shares has been chosen, as it has been concluded that this is the system that best fits the Company's current strategic objectives.

NINTH ITEM ON THE AGENDA

Amendment of the current Directors' Remuneration Policy.

To approve, for the purposes of article 529 *novodecies*, section 3, of the Spanish Capital Companies Act, the amendment of the current Directors' Remuneration Policy for the years 2018, 2019 and 2020, approved by the Ordinary General Shareholders' Meeting of 4 May 2018, in order to introduce the following amendments:

a) Variable remuneration of the Chief Executive Officer:

It is agreed to introduce the following amendments to section 5.2 of the current Remuneration Policy for Masmovil Directors:

- i) In point c), the updated reference that the three-year plan corresponds to the Business Plan 2019-2021, which will be due at the end of the financial year 2021, if applicable.
- ii) A new letter f) in the aforementioned section 5.2, in order to provide that as part of the variable remuneration of the Chief Executive Officer, there is participation in the Company's *Shares Appreciation Rights' Plan*, whose approval is proposed to the Ordinary General Shareholders' Meeting, under the eighth item of the Agenda, through the assignment of 2,850,000 rights on the revaluation of Masmovil shares.

b) Main terms and conditions of the Chief Executive Office's contract:

It is agreed to introduce the following amendments to section 6 of the current Remuneration Policy for Masmovil Directors:

- i) In point e), subheadings ii) and iii), the reference that in the event of termination of the Chief Executive Officer's contract due to company succession, the Chief Executive Officer shall be entitled to receive from the Company an indemnity, consisting of an amount equal to two total gross annual payments (including all remuneration items) that the Chief Executive Officer may be receiving at the time of termination of the contract.

This provision was introduced in the Chief Executive Office's contract in 2019, in order to comply with recommendation 64 of the Code of Good Governance for Listed Companies.

- ii) A new point f), consisting of the provision that the variable remuneration of the Chief Executive Officer will be reduced and/or reimbursed if during the two years following the settlement and payment thereof a very serious sanction is imposed by the National Securities Market Commission against the Company for events related to the performance of his duties as a Company director, or if a material reformulation of the Company's annual accounts occurs for reasons attributable to the Chief Executive Officer and unless such reformulation is due to a change in the applicable accounting rules.

The aforementioned provision has been introduced in the Chief Executive Officer's contract for the financial year 2020, in order to comply with recommendation 63 of the Code of Good Governance for Listed Companies.

Attached as an **Annex** is the Directors' Remuneration Policy in force for 2018, 2019 and 2020, with the amendments indicated above, which have already been introduced, and which have been expressly approved.

Annex
Directors' Remuneration Policy
for the years 2018, 2019 and 2020

DIRECTORS' REMUNERATION POLICY OF MASMOVIL IBERCOM, S.A., FOR THE YEARS 2018, 2019 AND 2020

1. Introduction.

The Board of Directors of Masmovil Ibercom, S.A. (the "**Company**" or "**Masmovil**"), in accordance with the provisions of article 529 novodecies of the current Spanish Capital Companies Act, prepares this Directors' Remuneration Policy (the "**Remuneration Policy**").

2. Internal regulations.

The remuneration system applicable to the members of the Board of Directors is set out in Article 38 of the Articles of Association and Article 25 of the Board of Directors' Regulations.

Furthermore, on 30 June 2017, Masmovil's Board of Directors approved the "Directors' Remuneration Policy", which constitutes an internal policy for the Company's good governance and is based on the regulations contained in the Articles of Association and the Board Regulations.

3. General principles.

This Remuneration Policy for Masmovil's Directors aims to ensure that the Directors' remuneration is appropriate to the dedication and responsibility assumed, and in line with that paid in the market in comparable companies at national level, taking into consideration the long-term interest of all shareholders.

In particular, with regard to executive directors, the fundamental criterion is to offer a remuneration system aimed at retaining and motivating the most outstanding professionals in order to help the Company meet its strategic objectives within the increasingly competitive and internationalised framework in which it carries out its activities. Consequently, the Directors' Remuneration Policy intends to, in relation to executive directors:

- a) Ensure that remuneration, in terms of its structure and overall amount, complies with best practice and is competitive with that of comparable entities.
- b) Establish remuneration with objective criteria in relation to individual performance and the achievement of the Company's business objectives.
- c) Include a significant annual variable component linked to the performance and achievement of specific, predetermined, quantifiable objectives aligned with the Company's social interest and strategic objectives.
- d) Strengthen and encourage the achievement of the Company's strategic objectives by incorporating long-term incentives, reinforcing the continuity of the Masmovil Group's competitive development, promoting a motivating and loyalty effect.

- e) Establish appropriate maximum limits for any short or long-term variable remuneration.

4. Remuneration of Board members in their capacity as Board members.

4.1 The maximum amount of the total annual remuneration that the Company may pay to Board members, as a fixed annual allocation, in their capacity as such, for the financial years 2018, 2019 and 2020, shall be as indicated below:

- a) For the 2018 financial year, the maximum amount of €1,025,000.
- b) For the 2019 financial year, the maximum amount of €1,125,000.
- c) For the 2020 financial year, the maximum amount of €1,225,000.

The determination of the remuneration for each director in their capacity as such shall be the responsibility of the Board of Directors, which shall take into account the duties and responsibilities attributed to each director, membership of Board of Directors' Committees and other objective circumstances it considers relevant.

4.2 The Company has also taken out civil liability insurance for the Board members under market conditions.

5. Remuneration of Board members for the performance of executive duties.

As of this date, Mr. Meinrad Spenger is the only member of Masmovil's Board of Directors who performs executive functions in the Company, being the only existing Chief Executive Officer in the Company.

5.1. Fixed remuneration

The fixed remuneration of the Chief Executive Officer will amount to a gross annual sum of €350,000. Throughout the period of validity of this Remuneration Policy, this amount shall be reviewed annually (and with effect from 1 January each year) by applying the variation in the CPI for each financial year, provided that it is positive.

In addition to the aforementioned fixed remuneration, the Chief Executive Officer will receive remuneration in kind, such as the availability on an individual basis of a company vehicle, medical insurance, fuel, life insurance and restaurant tickets, for a total maximum annual amount of up to €19,000.

5.2. Variable remuneration

The variable remuneration of the Chief Executive Officer includes the following components:

- a) A variable annual remuneration consisting of 50 per cent of his gross annual salary linked to the achievement of 100 per cent of certain corporate operational and financial objectives, up to a maximum of 85 per cent if he exceeds those operational and financial objectives above the maximum range values set for

each of them.

- b) An extraordinary annual bonus linked to the achievement of corporate financial objectives that may not exceed 143 per cent of his fixed gross annual salary.
- c) Variable remuneration of a three-year nature, which will be accrued at the end of 2021, if applicable, and which is linked to the 2019-2021 Business Plan, in particular, the achievement of certain financial and business objectives of the Masmovil Group.

The determination of the objectives referred to in sections a), b) and c) above shall be the responsibility of the Board of Directors each year, following a favourable report from the Appointments and Remuneration Committee.

- d) Participation in the Stock Option Plan, approved by the Board on 30 September 2015 and ratified by the Masmovil Ordinary General Shareholders' Meeting on 23 June 2016, through the allocation of 125,000 options on bonds convertible into the Company's own shares, at a conversion price of €20.42. The aforementioned plan was already settled in May 2018.
- e) Participation in the Company's *Shares Appreciation Rights' Plan*, approved by Masmovil's Extraordinary General Shareholders' Meeting on 1 March 2017, through the allocation of 570,000 rights on the revaluation of the Masmovil share, taking as the initial value of the share the amount of €27.4767 per share (equivalent to 2,850,000 rights, with an initial value of €5.4953, after the execution of the share *split* in the proportion of five new shares for each old one, which was approved by the Ordinary General Shareholders' Meeting on 4 May 2018, executed by the Board of Directors on 28 November of the same year, and which took effect on the Spanish Stock Exchange on 13 December of the same year).
- f) Participation in the Company's *Shares Appreciation Rights' Plan*, approved by Masmovil's Ordinary General Shareholders' Meeting of 8 July 2020, through the allocation of 2,850,000 rights on the revaluation of Masmovil's shares, taking as the initial reference value the final reference value of the Shares Appreciation Rights' Plan approved by the Extraordinary General Shareholders' Meeting of 1 March 2017 (which will be determined as the weighted average price of the Company's shares (to four decimal places) in the last ninety (90) stock market sessions prior to 1 September 2020).

6. Main terms and conditions of the Chief Executive Office's contract.

The essential terms and conditions of the Chief Executive Director's contract are, in addition to those relating to his remuneration, those indicated below:

- a) Duration: the Chief Executive Officer's contract is for an indefinite period.
- b) Exclusivity: while performing executive duties, the Chief Executive Officer may not engage in any other type of paid activity, nor may he directly or indirectly take part in the activities of other companies, unless he has the express prior written authorisation of the Board of Directors, following a favourable report

from the Company's Appointments and Remuneration Committee. Authorisation is not required in the case of the acquisition of shares or other shareholdings for the sole purpose of investing his private assets.

- c) Post-contractual non-competition pact: the Chief Executive Officer may not, for a period of one year following the termination of his relationship with the Company, either by himself or jointly with other persons, and regardless of whether he does so directly or indirectly, in his own name or by providing services for another third-party telecommunications operator, provide his services in or for those territories in which the Company or its investees may, at any time, carry on their business.

By virtue of the inclusion of the agreement referred to in the preceding paragraph, the Company shall pay the Chief Executive Officer a sum equal to the amount received as gross annual remuneration (for all remuneration items) in the year in which his relationship with the Company is terminated.

- d) Notice of termination of his contract: six months. Such notice shall not apply where termination is due to a breach of the obligations of the other party to the contract.
- e) Compensation for termination of his contract: this will depend on the cause of the termination, as indicated below:
 - i) In the event that the contract is terminated by decision of Másmóvil, for reasons other than the failure of the Chief Executive Officer to comply with his contractual obligations, Másmóvil must pay an indemnity consisting of an amount equal to the total gross annual remuneration (including all remuneration items) that the Chief Executive Officer was receiving at the time of the termination of the contract.

For the above purposes, in no case may the gross amount mentioned be less than the amount resulting from applying 45 days per year worked from 16 March 2006 to 12 February 2012 plus 33 days per year worked from 13 February 2012 to the date of the contractual termination.

- ii) For reasons of company succession, the Chief Executive Officer is entitled to receive a compensation from the Company, consisting of an amount equal to two total gross annual payments (including all remuneration items) received by the Chief Executive Officer at the time of termination of the contract.

If the gross annual remuneration for all remuneration items exceeds €300,000, the additional compensation referred to will become two gross annual remunerations (all items included).

- iii) In the event that the termination of the contract is instigated by the Chief Executive Officer for breach of the Company's contractual obligations, the Company shall be obliged to pay the Chief Executive Officer an indemnity consisting of an amount equal to the total gross annual remuneration (all remuneration items included) that the Chief Executive Officer was receiving at the time of the termination of the contract.

In addition, if as a result of a company succession, the working conditions of the Chief Executive Officer are substantially altered, the Chief Executive Officer may request the termination of his contract with Másmóvil and would be entitled to a compensation equivalent to twice the total annual remuneration (all remuneration items included).

f) Reduction and/or reimbursement of variable remuneration:

The variable remuneration of the Chief Executive Office will be reduced and/or reimbursed if, during the two years following the settlement and payment thereof, a very serious penalty is imposed by the National Securities Market Commission on the Company for events related to the performance of his duties as a director of the Company, or if a material restatement of the Company's financial statements is made for reasons attributable to the Chief Executive Officer, and unless such restatement is due to a change in the applicable accounting rules.

7. Application of the Remuneration Policy.

Masmovil's Appointments and Remuneration Committee will ensure compliance with this Remuneration Policy, review it periodically and propose to the Board of Directors, for submission to the General Meeting, its amendment and updating, all in accordance with the provisions of the Regulations of the Board of Directors and its Committees.

8. Period of validity.

Masmovil's Remuneration Policy will be applicable during the financial years 2018, 2019 and 2020, unless the Masmovil's General Shareholders' Meeting agrees to its amendment or replacement during said period, all in accordance with the provisions of article 529 novodecies, section 3, of the current Spanish Capital Companies Act.

In Madrid, on 25 March 2020.

TENTH ITEM ON THE AGENDA

Approval of the Directors' Remuneration Policy for the years 2021, 2022 and 2023.

For the purposes of article 529 *novodecies* of the Spanish Capital Companies Act, to approve the Directors' Remuneration Policy for 2021, 2022 and 2023, which is described and set out in the attached document as an **Annex**.

Annex
Directors' Remuneration Policy
for the financial years 2021, 2022 and 2023

DIRECTORS' REMUNERATION POLICY OF MASMOVIL IBERCOM, S.A. FOR THE YEARS 2021, 2022 AND 2023

1. Introduction.

The Board of Directors of Masmovil Ibercom, S.A. (the "Company" or "Masmovil"), in accordance with the provisions of article 529 novodecies of the current Spanish Capital Companies Act, prepares this Directors' Remuneration Policy (the "Remuneration Policy").

2. Internal regulations.

The remuneration system applicable to the members of the Board of Directors is set out in Article 38 of the Articles of Association and Article 25 of the Board of Directors' Regulations.

Furthermore, on 30 June 2017, Masmovil's Board of Directors approved the "Directors' Remuneration Policy", which constitutes an internal policy for the Company's good governance and is based on the regulations contained in the Articles of Association and the Board Regulations.

3. General principles.

This Remuneration Policy for Masmovil's Directors aims to ensure that the Directors' remuneration is appropriate to the dedication and responsibility assumed, and in line with that paid in the market in comparable companies at national level, taking into consideration the long-term interest of all shareholders.

In particular, with regard to executive directors, the fundamental criterion is to offer a remuneration system aimed at retaining and motivating the most outstanding professionals in order to help the Company meet its strategic objectives within the increasingly competitive and internationalised framework in which it carries out its activities. Consequently, the Directors' Remuneration Policy intends to , in relation to executive directors:

- a) Ensure that remuneration, in terms of its structure and overall amount, complies with best practice and is competitive with that of comparable entities.
- b) Establish remuneration with objective criteria in relation to individual performance and the achievement of the Company's business objectives.
- c) Include a significant annual variable component linked to the performance and achievement of specific, predetermined, quantifiable objectives aligned with the Company's social interest and strategic objectives.
- d) Strengthen and encourage the achievement of the Company's strategic objectives by incorporating long-term incentives, reinforcing the continuity of the Masmovil Group's competitive development, promoting a motivating and loyalty effect.

- e) Establish appropriate maximum limits for any short or long-term variable remuneration.

4. Remuneration of Board members in their capacity as Board members.

4.1 The maximum amount of the total annual remuneration that the Company may pay to Board members, as a fixed annual allocation, in their capacity as such, for the financial years 2021, 2022 and 2023, shall be as indicated below:

- a) For the 2021 financial year, the maximum amount of €1,283,000.
- b) For the 2022 financial year, the maximum amount of €1,339,000.
- c) For the 2023 financial year, the maximum amount of €1,394,000.

The determination of the remuneration for each director in their capacity as such shall be the responsibility of the Board of Directors, which shall take into account the duties and responsibilities attributed to each director, membership of Board of Directors' Committees and other objective circumstances it considers relevant.

4.2 The Company has also taken out civil liability insurance for the Board members under market conditions.

5. Remuneration of Board members for the performance of executive duties.

As of this date, Mr. Meinrad Spenger is the only member of Masmovil's Board of Directors who performs executive functions in the Company, being the only existing Chief Executive Officer in the Company.

5.1. Fixed remuneration

The fixed remuneration of the Chief Executive Officer will amount to a gross annual sum of €400,000. Throughout the period of validity of this Remuneration Policy, this amount shall be reviewed annually (and with effect from 1 January each year) by applying the variation in the CPI for each financial year, provided that it is positive.

In addition to the aforementioned fixed remuneration, the Chief Executive Officer will receive remuneration in kind, such as the availability on an individual basis of a company vehicle, medical insurance, fuel, life insurance and restaurant tickets, for a total maximum annual amount of up to €19,000.

5.2. Variable remuneration

The variable remuneration of the Chief Executive Officer includes the following components:

- a) A variable annual remuneration consisting of 50 per cent of his gross annual salary linked to the achievement of 100 per cent of certain corporate operational and financial objectives, up to a maximum of 85 per cent if he exceeds those operational and financial objectives above the maximum range values set for each of them.

- b) An extraordinary annual bonus linked to the achievement of corporate financial objectives that may not exceed 143 per cent of his fixed gross annual salary.
- c) Variable remuneration of a three-year nature, which will be accrued at the end of 2021, if applicable, and which is linked to the 2019-2021 Business Plan, in particular, the achievement of certain financial and business objectives of the Masmovil Group.

The determination of the objectives referred to in sections a), b) and c) above shall be the responsibility of the Board of Directors each year, following a favourable report from the Appointments and Remuneration Committee.

- d) Participation in the Company's *Shares Appreciation Rights' Plan*, approved by Masmovil's Ordinary General Shareholders' Meeting of 8 July 2020, through the allocation of 2,850,000 rights on the revaluation of Masmovil's shares, taking as the initial reference value the final reference value of the Shares Appreciation Rights' Plan approved by the Extraordinary General Shareholders' Meeting of 1 March 2017 (which will be determined as the weighted average price of the Company's shares (to four decimal places) in the last ninety (90) stock market sessions prior to 1 September 2020).

6. Main terms and conditions of the Chief Executive Office's contract.

The essential terms and conditions of the Chief Executive Director's contract are, in addition to those relating to his remuneration, those indicated below:

- a) Duration: the Chief Executive Officer's contract is for an indefinite period.
- b) Exclusivity: while performing executive duties, the Chief Executive Officer may not engage in any other type of paid activity, nor may he directly or indirectly take part in the activities of other companies, unless he has the express prior written authorisation of the Board of Directors, following a favourable report from the Company's Appointments and Remuneration Committee. Authorisation is not required in the case of the acquisition of shares or other shareholdings for the sole purpose of investing his private assets.
- c) Post-contractual non-competition pact: the Chief Executive Officer may not, for a period of one year following the termination of his relationship with the Company, either by himself or jointly with other persons, and regardless of whether he does so directly or indirectly, in his own name or by providing services for another third-party telecommunications operator, provide his services in or for those territories in which the Company or its investees may, at any time, carry on their business.

By virtue of the inclusion of the agreement referred to in the preceding paragraph, the Company shall pay the Chief Executive Officer a sum equal to the amount received as gross annual remuneration (for all remuneration items) in the year in which his relationship with the Company is terminated.

- d) Notice of termination of his contract: six months. Such notice shall not apply where termination is due to a breach of the obligations of the other party to the

contract.

e) Compensation for termination of his contract: this will depend on the cause of the termination, as indicated below:

i) In the event that the contract is terminated by decision of Másmóvil, for reasons other than the failure of the Chief Executive Officer to comply with his contractual obligations, Másmóvil must pay an indemnity consisting of an amount equal to the total gross annual remuneration (including all remuneration items) that the Chief Executive Officer was receiving at the time of the termination of the contract.

For the above purposes, in no case may the gross amount mentioned be less than the amount resulting from applying 45 days per year worked from 16 March 2006 to 12 February 2012 plus 33 days per year worked from 13 February 2012 to the date of the contractual termination.

ii) For reasons of company succession, the Chief Executive Officer is entitled to receive a compensation from the Company, consisting of an amount equal to two total gross annual payments (including all remuneration items) received by the Chief Executive Officer at the time of termination of the contract.

If the gross annual remuneration for all remuneration items exceeds €300,000, the additional compensation referred to will become two gross annual remunerations (all items included).

iii) In the event that the termination of the contract is instigated by the Chief Executive Officer for breach of the Company's contractual obligations, the Company shall be obliged to pay the Chief Executive Officer an indemnity consisting of an amount equal to the total gross annual remuneration (all remuneration items included) that the Chief Executive Officer was receiving at the time of the termination of the contract.

In addition, if as a result of a company succession, the working conditions of the Chief Executive Officer are substantially altered, the Chief Executive Officer may request the termination of his contract with Másmóvil and would be entitled to a compensation equivalent to twice the total annual remuneration (all remuneration items included).

f) Reduction and/or reimbursement of variable remuneration:

The variable remuneration of the Chief Executive Office will be reduced and/or reimbursed if, during the two years following the settlement and payment thereof, a very serious penalty is imposed by the National Securities Market Commission on the Company for events related to the performance of his duties as a director of the Company, or if a material restatement of the Company's financial statements is made for reasons attributable to the Chief Executive Officer, and unless such restatement is due to a change in the applicable accounting rules.

7. Application of the Remuneration Policy.

Masmovil's Appointments and Remuneration Committee will ensure compliance with this Remuneration Policy, review it periodically and propose to the Board of Directors, for submission to the General Meeting, its amendment and updating, all in accordance with the provisions of the Regulations of the Board of Directors and its Committees.

8. Period of validity.

Masmovil's Remuneration Policy will be applicable during the financial years 2021, 2022 and 2023, unless the Masmovil's General Shareholders' Meeting agrees to its amendment or replacement during said period, all in accordance with the provisions of article 529 *novodecies*, section 3, of the current Spanish Capital Companies Act.

In Madrid, on 25 March 2020.

ELEVENTH ITEM ON THE AGENDA

Voting, on a consultative basis, on the Annual Report on Directors' Remuneration for the financial year ended 31 December 2019.

To approve, on a consultative basis, the Annual Report on Directors' Remuneration for the year ended 31 December 2019, which is attached as an **Annex**.

Annex
Annual Report on Directors' Remuneration for 2019

**ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED
PUBLIC LIMITED COMPANIES**

IDENTIFICATION DATA OF THE ISSUER

END DATE OF REFERENCE YEAR 31/12/2019

Corporate Tax Id (C.I.F.)
A20609459

Corporate Name: **MASMOVIL IBERCOM, S.A.**

Registered Address: Parque Empresarial Zuatzu, Edificio Easo, 2ª Planta, 20018 San Sebastián (Guipúzcoa).

**ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED
PUBLIC LIMITED COMPANIES**

A COMPANY REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

A.1 Explain the current policy on directors' remuneration applicable to the current year. To the extent that it is relevant, certain information may be included referring to the remuneration policy approved by the General Shareholders' Meeting, provided that the incorporation is clear, specific and particular.

A description must be given of the specific determinations for the current year, both of the remuneration of directors due to their status as such and for the performance of executive functions, which the board would have made in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the general meeting.

In any case, at least the following aspects should be reported:

- Description of the company's procedures and bodies involved in determining and approving the remuneration policy and its conditions.
- Indicate and, if appropriate, explain whether comparable companies have been taken into account in establishing the company's remuneration policy.
- Information on whether any external advisors have been involved and, if so, their identity.

With regard to the remuneration policy applicable to Masmovil Ibercom, S.A. ("**Másmóvil**" or the "**Company**") for the financial year from 1 January to 31 December 2020, the resolution contained in item nine of the Agenda of the Ordinary General Shareholders' Meeting of Másmóvil of 4 May 2018, approved by the aforementioned Meeting in compliance with the provisions of article 529 novodecies of the current Spanish Capital Companies Act (the "**Remuneration Policy**, shall apply.”).

Másmóvil's Remuneration Policy includes the following remuneration scheme:

1. Remuneration of Board members in their capacity as Board members: the maximum limit of remuneration for all members of the Board for the financial year 2020, in their capacity as such, shall be €1,225,000.

The determination of the remuneration of each director in their capacity as such shall be the responsibility of the Board of Directors, which shall take into account the duties and responsibilities attributed to each director, membership of Board Committees and other objective circumstances it considers relevant.

The Company has also taken out civil liability insurance for the members of the Board under market conditions with the insurance companies QBE Insurance

(Europe), Ltd., Branch in Spain, XL Insurance Company, Branch in Spain (AXA) and AIG Urope, Branch in Spain.

2. Remuneration of the executive director: the remuneration of the Chief Executive Officer, Mr. Meinrad Spenger, established in his commercial contract, comprises the following systems:

a) Fixed remuneration: This amounts to a gross annual amount of €350,000.

In addition to the aforementioned fixed remuneration, the Chief Executive Officer will receive remuneration in kind, such as the individual availability of a company vehicle, medical insurance, fuel, life insurance and restaurant tickets, for a total maximum annual amount of up to €19,000.

The Chief Executive Officer does not receive any remuneration solely in his capacity as a director, i.e. derived from section 1 above.

(b) Variable remuneration: this remuneration comprises the following components for the financial year 2020:

i) An annual variable remuneration consisting of 50 per cent of his annual gross salary linked to the achievement of certain corporate operational and financial objectives, up to a maximum amount of 85 per cent of the annual gross fixed remuneration if these exceed the maximum range values set for each of them.

ii) An extraordinary annual bonus linked to the achievement of corporate financial objectives that may not exceed 143 per cent of his fixed gross annual salary.

iii) Participation in the Company's *Shares Appreciation Rights' Plan*, approved by the Extraordinary General Shareholders' Meeting of Másmóvil on 1 March 2017, through the assignment of 570,000 rights on the revaluation of the Másmóvil share, taking as the initial value of the share the amount of €27.4767 per share.

The Company's Board of Directors, following the execution of the *split* of the Company's shares in the proportion of five new shares for each old one, which took effect on the Spanish stock exchanges on 13 December 2018, and in exercise of clause 15 of the General Conditions of the Plan, approved at its meeting of 18 December 2018, to make the necessary adjustments (i) increasing the number of rights to participate in the increase in the value of the Company's shares, in relation to those initially granted on the date of granting, and (ii) adapting the initial reference value, so that the economic value to be received, on settlement of the rights, would be equivalent to that which would have corresponded to the beneficiaries had the Company's shares not been *split*.

Consequently, the number of rights assigned to the Chief Executive Officer and the initial reference value of the share under the aforementioned Rights Plan, duly updated, would be as follows:

- Number of rights assigned to the Chief Executive Officer: $570,000 \times 5 = 2,850,000$ rights

- Initial reference value of the share: $\text{€}27.4767 / 5 = \text{€}5.4953$

iv) In addition to the three aforementioned components, a variable remuneration of a three-year nature will be added, which will be accrued at the end of the 2021 financial year, if applicable, and which is linked to the 2019-2021 Business Plan, in particular, to the achievement of certain financial and business objectives of the Másmóvil Group.

It is expected that a proposal will be made to the Ordinary General Shareholders' Meeting in 2020 for the approval of a new long-term remuneration plan for the Chief Executive Officer and the management team of the Másmóvil Group, which will be based on the increase in the value of the Company's shares on the Spanish Continuous Market. This plan will also be included in the Remuneration Policy, in force for the financial year 2020, for which an amendment will be proposed. The aforementioned plan was approved by the Board of Directors at its meeting held on 18 December 2019, at the proposal of the Appointments and Remuneration Committee held on 17 December of that year.

The main terms and conditions of the Chief Executive Officer's contract are as follows:

i) Duration: the Chief Executive Officer's contract is for an indefinite period.

ii) Exclusivity: while performing executive duties, the Chief Executive Officer may not engage in any other type of paid activity, nor may he directly or indirectly take part in the activities of other companies, unless he has the express prior written authorisation of the Board of Directors, following a favourable report from the Company's Appointments and Remuneration Committee. Authorisation is not required in the case of the acquisition of shares or other shareholdings for the sole purpose of investing his private assets.

iii) Post-contractual non-competition pact: the Chief Executive Officer may not, for a period of one year following the termination of his relationship with the Company, either by himself or jointly with other persons, and regardless of whether he does so directly or indirectly, in his own name or by providing services for another third-party telecommunications operator, provide his services in or for those territories in which the Company or its investees may, at any time, carry on their business.

By virtue of the inclusion of the agreement referred to in the preceding paragraph, the Company shall pay the Chief Executive Officer a sum equal to the amount received as gross remuneration (for all remuneration items) in the year in which his relationship with the Company is terminated.

iv) Notice period for termination of the Chief Executive Officer's contract: six months. Such notice shall not apply where termination is due to a breach of the obligations of the other party to that which terminates the contract.

v) Compensation for termination of the Chief Executive Officer's contract: This will depend on the cause of the termination, as indicated below:

- In the event that the contract is terminated by decision of Másmóvil, for reasons other than the failure of the Chief Executive Officer to comply with his contractual obligations, Másmóvil must pay an indemnity consisting of an amount equal to the total gross annual remuneration (including all remuneration items) that the Chief Executive Officer was receiving at the time of the termination of the contract.

For the above purposes, in no case may the gross amount mentioned be less than the amount resulting from applying 45 days per year worked from 16 March 2006 to 12 February 2012 plus 33 days per year worked from 13 February 2012 to the date of the contractual termination.

- For reasons of company succession, the Chief Executive Officer is entitled to receive from the Company an indemnity, consisting of an amount equal to two total gross annual payments (including all remuneration items) received by the Chief Executive Officer at the time of termination of the contract.

It is noted that in the financial year 2019 the contract of the Chief Executive Officer was amended to provide that in this case the compensation would consist of an amount equal to two total gross annual payments, instead of the three to which he was previously entitled (as set forth in section 6.e.ii) of the current Remuneration Policy and in the Annual Report on the Remuneration of Directors for the financial year 2018), in order to comply with recommendation no. 64 of the Code of Good Governance of Listed Companies.

An amendment of the Remuneration Policy will be proposed to the Company's Ordinary General Shareholders' Meeting, to be held in 2020, in order to reflect the aforementioned amendment of the Chief Executive Officer's contract.

- In the event that the termination of the contract is ordered by the Chief Executive Officer for breach of the Company's contractual obligations, the Company shall be obliged to pay the Chief Executive Officer an indemnity consisting of an amount equal to the total gross annual remuneration (all remuneration items included) that the Chief Executive Officer was receiving at the time of the termination of the contract.

In addition, if as a result of a company succession, the working conditions of the Chief Executive Officer are substantially altered, the Chief Executive Officer may request the termination of his contract with Másmóvil and would be entitled to an indemnity equivalent to twice the total annual remuneration (all remuneration items included).

Finally, the information relating to the specific issues in this section A.1 is provided below:

Description of the company's procedures and bodies involved in determining and approving the remuneration policy and its conditions.:

At its meeting on 30 June 2017 (i.e. prior to the admission of the Company's shares to trading on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, which took place on 14 July 2017), the Board of Directors of Másmóvil approved the Company's Policy on the Remuneration of Directors. This internal policy of Másmóvil establishes that the Board of Directors, at the proposal of the Appointments and Remuneration Committee, is the competent body to set, within the overall limit established in the Articles of Association and in accordance with the law, the remuneration of the directors, except for remuneration consisting of the delivery of Company shares or options on these or which is referenced to the value of the Company shares, which must be approved by the General Shareholders' Meeting.

Also, in accordance with Article 511. Bis of the Spanish Capital Companies Act, the approval of the Remuneration Policy is reserved for the General Shareholders' Meeting. The remuneration paid to the members of the Company's Board of Directors may not contravene the provisions of this remuneration policy. Within this framework, the Board of Directors will subsequently be the body that:

- a) Determines the remuneration of each director in their capacity as such, taking into account the duties and responsibilities attributed to each director, membership of board committees and any other objective circumstances it deems relevant
- b) Sets the remuneration of directors for the performance of executive duties and the terms and conditions of their contracts, in accordance with the directors' remuneration policy approved by the General Meeting.

Finally, Masmóvil's internal policy contains the Board's commitment to make effective the principle of full transparency of all remuneration items received by all directors, providing transparent, sufficient and timely information in line with generally accepted good governance recommendations in the markets regarding directors' remuneration.

Indicate and, if appropriate, explain whether comparable companies have been taken into account in establishing the company's remuneration policy:

Yes, a group of companies with a similar market capitalisation and level of dedication to Másmóvil have been taken into account.

Information on whether any external advisors have been involved and, if so, their identity:

Yes, the Appointments and Remuneration Committee and the Board of Directors itself were advised by the firm SpencerStuart in relation to the determination of the

Remuneration Policy to be proposed to the Ordinary General Shareholders' Meeting on 4 May 2018, in particular with regard to the remuneration of independent directors.

- Relative importance of variable versus fixed remuneration items (remuneration mix) and what criteria and objectives have been taken into account in their determination and to ensure an appropriate balance between the fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risk and to align it with the company's long-term objectives, values and interests, including, where appropriate, a reference to measures foreseen to ensure that the remuneration policy takes into account the long-term performance of the company, measures taken in relation to those categories of staff whose professional activities have a material impact on the company's risk profile and measures foreseen to avoid conflicts of interest, where appropriate.

Also indicate whether the company has established a period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a period for deferral in the payment of amounts or delivery of financial instruments already accrued and consolidated, or whether a clause has been agreed for the reduction of deferred remuneration or which obliges the director to return the remuneration received, when such remuneration has been based on data whose inaccuracy has subsequently been clearly demonstrated.

Relative importance of the variable remuneration items with respect to the fixed ones.

The remuneration of non-executive directors in their capacity as such is entirely made up of fixed components, which are calculated according to the position held on the Board itself and membership of the various committees.

The remuneration of the Chief Executive Officer for his executive functions consists of the following elements:

- a) A fixed remuneration, the purpose of which is to compensate for the level of responsibility and performance
- b) A variable annual remuneration linked to the achievement of pre-established, specific and quantifiable objectives, taking business and financial objectives as a reference;
- c) A variable remuneration of a three-year nature, which will be accrued at the end of the 2021 financial year, if applicable, and which is linked to the 2019-2021 Business Plan, in particular, to the achievement of certain financial and business objectives of the Másmóvil Group.
- d) A long-term incentive consisting of the granting of rights under the Company's *Shares Appreciation Rights' Plan*).

e) Remuneration in kind (use of vehicle, medical insurance, fuel, life insurance and restaurant tickets).

All of them aim to guarantee an adequate and competitive total compensation for the Chief Executive Officer, giving a relevant weighting to the total variable remuneration (annual and that corresponding to the long-term incentive).

Actions and measures implemented by Másmóvil in relation to the remuneration system of its directors.

With regard to the questions raised concerning the actions and measures implemented in the Company in relation to the remuneration system for Board members, it should be firstly said that the variable remuneration of the Chief Executive Officer (as well as that of other non-director executives of Másmóvil) is linked, as mentioned above, to compliance with various operational and financial business values, details of which are given below. In addition, the incentive plan described above is linked to the increase in the share price on the Continuous Market, thus aligning the interests of the Chief Executive Officer and the other beneficiaries of the plan with the interests of the Company's shareholders.

In addition, and in general, the Company's internal policy on the remuneration of directors, which was approved by a Board of Directors' resolution of 30 June 2017, seeks to ensure that the remuneration of directors is appropriate to the dedication and responsibility assumed, and in line with that paid on the market in comparable companies at national level, taking into account the long-term interest of all shareholders. In any case, the directors do not receive any other remuneration than that indicated below.

It should also be noted that the Board of Directors of Másmóvil approved, at its meeting of 22 May 2017, the Procedure for Conflicts of Interest and Related Operations with Directors, Significant Shareholders and Senior Management, in order to establish a regulated procedure for reporting any conflict of interest and also to prevent persons affected by a conflict of interest from taking decisions on the aforementioned matter, and to abstain from participating in the deliberation and voting on the matter in question.

Finally, in terms of good corporate governance with regard to remuneration, the Appointments and Remuneration Committee respects the criteria of independence in its composition and deliberations.

Establishment of periods of consolidation or deferral of the payment of the remuneration of the members of the Board or inclusion of clauses of return or reduction of the remuneration.

The consolidation of the rights assigned to the Chief Executive Officer under the *Shares Appreciation Rights' Plan* is linked to the fact that the Chief Executive Officer (as well as the other beneficiaries-managers of the Company) has an employment relationship (common or special senior management relationship) or a commercial relationship in the case of the Chief Executive Officer, with the

Company, on the date of payment of the aforementioned incentive. No other director receives remuneration other than that described below.

At the date of preparation of this report, the Company's Appointments and Remuneration Committee is evaluating with its advisors the best way to introduce variable remuneration clauses in the Chief Executive Officer's contract.

- Amount and nature of the fixed components that the directors are expected to earn in the year in their capacity as directors.

The maximum amount of the total annual remuneration that the Company may pay to the members of the Board, as a fixed annual allocation, in their capacity as such, for the financial year 2020, shall be €1,225,000

The distribution of the fixed remuneration among the members of the Board, by agreement of this body, will be as follows:

- Board member: €90,000
- Chairman of the Board: €72,000
- Chairman of the Audit Committee: €40,000
- Chairman of the Appointments and Remuneration Committee: €30,000
- Member of the Audit Committee: €14,000
- Member of the Appointments and Remuneration Committee: €10,000

It is noted that the independent director Mr. Eduardo Díez-Hochleitner Rodríguez, who was appointed as Chairman of the Appointments and Remuneration Committee by resolution of the Board of Directors on 26 September 2019, waived the remuneration he would have received for chairing this Committee. The aforementioned appointment was made in compliance with the provisions of Article 17.4 of the Regulations of the Board of Directors, which provides for the replacement of the Chairman of the Appointments and Remuneration Committee every four years.

- Amount and nature of the fixed components that will be accrued in the exercise of senior management functions of the executive directors.

The Chief Executive Officer will receive a fixed remuneration of €350,000 gross per year during the financial year 2020.

- Amount and nature of any component of remuneration in kind to be accrued in the financial year including, but not limited to, insurance premiums paid in favour of the director.

During the financial year 2020, the Chief Executive Officer will receive remuneration in kind (availability of a company vehicle for individual use, medical insurance, fuel, life insurance and restaurant tickets) for a maximum total annual amount of up to €19,000.

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

Indicate the range in monetary terms of the different variable components according to the degree of compliance with the established objectives and parameters, and whether there is a maximum monetary amount in absolute terms.

Amount and nature of the variable components, differentiating between those established in the short and long term

As regards the short-term variable remuneration of the Chief Executive Officer, this includes the following elements:

a) An annual variable remuneration consisting of 50 per cent of his gross annual salary linked to the achievement of certain corporate operational and financial objectives, up to a maximum amount of 85 per cent of the gross annual fixed salary if they exceed these operational and financial objectives above the maximum range values set for each of them.

b) An extraordinary annual bonus linked to the achievement of corporate financial objectives that may not exceed 143 per cent of its fixed gross annual salary.

In relation to the long-term variable remuneration of the Chief Executive Officer, it consists of the following elements:

a) The Company's *Shares Appreciation Rights' Plan* (the "**Plan**"). The Plan was approved by the Extraordinary General Shareholders' Meeting on 1 March 2017. The Plan, of which certain executives selected by the Board on the proposal of the Appointments and Remuneration Committee are also beneficiaries (in addition to the Chief Executive Officer), began on 1 March 2017 and has a maximum duration of three (3) years and six (6) months. The Plan has the following characteristics:

- Description and purpose: the Plan consists of granting a certain number of rights that may give rise to extraordinary variable cash remuneration based on the increase in value of the Company's shares during a certain period of time, taking their market value as a reference. The Company's Shares Appreciation Rights Plan is not an option plan.

- Duration: from its approval on 1 March 2017 to a maximum duration of three (3) years and six (6) months. The period of time that will be taken into consideration for the purposes of computing the increase in the value of the shares began on 1 March 2017 and will end when the period of three years and six months has elapsed.

- Beneficiaries: the Company's Chief Executive Officer, among other executives.

- Number of rights on the revaluation of shares affected by the Plan: the number of rights on the revaluation of the shares to be assigned to all the beneficiaries amounts to a maximum of 1,700,000 rights, with 570,000 rights being assigned by the Meeting to the Chief Executive Officer.

It is noted that the total number of rights under the Plan and those corresponding to the Chief Executive Officer, after the share *split* referred to in the first section of Section A.1 of this report, amount to 8,500,000 and 2,850,000, respectively.

- Value of the shares to be taken as reference: for the calculation of the variable remuneration in which the Plan consists, the initial unit value of the Company's shares is taken as their weighted average price in the last ninety stock market sessions prior to the date of granting to each beneficiary, i.e. €27.4767 per share (€5.4953 after the execution of the share *split*). The final unit value will be taken as the weighted average listed price in the last ninety stock market sessions prior to the final date for calculating the revaluation, thus generating a differential between the initial price assigned and the final price calculated. This differential multiplied by the number of rights will give rise to the extraordinary variable remuneration in cash to be received by the beneficiaries of this Plan.

Therefore, for the purposes of calculating the variable remuneration of the aforementioned Plan in favour of the Chief Executive Officer, the initial value will be taken to be €27.4767 (€5.4953 after the execution of the share *split*), and the final value will be the weighted average price of the Company's shares in the ninety (90) stock market sessions prior to the final date for calculating the revaluation. The difference between the initial price and the final price, if any, multiplied by the number of rights granted to the Chief Executive Officer, will determine his variable remuneration under this Plan.

- Consolidation of rights: the rights will be consolidated according to the following schedule: (i) between the start date and the first year of the Plan, no rights will be consolidated; (ii) from the completion of the first year of the Plan until the final date for calculating the revaluation, between 20% and 70% of the rights initially granted will be consolidated on a straight-line basis according to the months that have elapsed during this period; (iii) once the final date for the revaluation computation has passed, and up to the date of payment, 100% per cent of the rights granted shall be deemed to be consolidated.

However, if the total growth of Másmóvil's EBITDA between 2017 and 2019 is less than 10%, then 30% of the rights granted to each beneficiary will be extinguished.

- Conditions for the settlement of the Plan: the beneficiaries will be entitled to the incentive, provided that (i) the objective for EBITDA growth between 2017 and 2019 is met, in accordance with the Group's consolidated financial statements, and (ii) certain minimum objectives for 2017 are met, as set out for each beneficiary in the corresponding letter of invitation to the Plan.

In addition, in order to be entitled to the payment of the incentive derived from the Plan, the beneficiary must maintain an employment relationship (common or special senior management) or a commercial relationship in the case of the Chief Executive Officer, with the Company on the date of payment of the incentive, without prejudice to the cases of early settlement that may be established.

It is expected that a proposal will be made to the Ordinary General Shareholders' Meeting in 2020 for the approval of a new long-term remuneration plan for the Chief Executive Officer and the management team of the Másmóvil Group, which will be based on the increase in the value of the Company's shares on the Spanish Continuous Market. This plan will also be included in the Remuneration Policy, in force for the financial year 2020, for which an amendment will be proposed.

(b) Three-year plan 2019-2020: the three-year plan is linked to the 2019-2021 Business Plan, in particular, to the achievement of certain financial and business objectives of the Másmóvil Group.

Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration in the current year, explanation of the extent to which these parameters are related to the performance of both the director and the company and its risk profile, and the methodology, time frame and techniques foreseen to be able to determine, at the end of the year, the degree of compliance with the parameters used in the design of variable remuneration.

The criteria taken into account to determine compliance with the objectives to which the aforementioned variable remuneration is subject are corporate operational and financial objectives, in addition to the increase in the share price value; in the case of the Company's Shares Appreciation Rights Plan, which allows the contribution of the effort, dedication and value creation of the Chief Executive Officer in favour of the Company and its shareholders to be objectively established.

The parameters used to determine the short-term variable remuneration for 2020 refer to objectives for the number of customers in different categories, income from services, EBITDA, percentage of deregistration of customers in different categories, number of new real estate units with fibre optics, and customer satisfaction. Likewise, the social, environmental and climate change criteria,

although they are not objective elements expressly provided for in the variable remuneration of the Chief Executive Officer, are assessed by the Appointments and Remuneration Committee and by the Board of Directors in the overall evaluation of his performance.

The degree of compliance with these objectives is analysed by the Board of Directors, following a favourable report by the Appointments and Remuneration Committee and with the collaboration and advice of the different departments of the Company (mainly commercial and financial).

Range in monetary terms of the different variable components according to the degree of compliance with the established objectives and parameters, and whether there is a maximum monetary amount in absolute terms.

a) Variable annual remuneration consisting of 50 per cent of gross annual salary linked to the achievement of certain corporate operating and financial objectives: a maximum of this remuneration is set at 85% of their gross fixed annual salary, if the operational and financial objectives exceed the maximum values set.

b) Extraordinary annual bonus: a maximum for this remuneration is set at 143% of his gross fixed annual salary.

c) Shares Appreciation Rights' Plan: The aforementioned Plan is linked to the increase in the share price of Másmóvil on the Continuous Market, and there is no maximum or minimum amount of remuneration. It is not linked to the fulfilment of objectives, but to the criterion of maintenance by the beneficiaries of an employment (common or special senior management) or commercial relationship in the case of the Chief Executive Officer, with the Company, on the date of payment of the incentive. However, if the total growth of Másmóvil's EBITDA between 2017 and 2019 is less than 10%, then 30% of the rights granted to each beneficiary will be extinguished.

d) Three-year plan linked to Business Plan 2019-2021: a maximum of 150% of their gross annual remuneration accrued for all items in the financial year 2021 is set.

- Main characteristics of long-term savings systems. Among other information, it will indicate the contingencies covered by the system, if it is a defined contribution or benefit, the annual contribution to be made to defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions of consolidation of the economic rights in favour of the directors and their compatibility with any type of payment or compensation for early termination or cessation, or arising from the termination of the contractual relationship, under the terms provided, between the company and the director.

It must be indicated whether the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the short and long-term performance of the director.

There is no remuneration in the form of savings schemes for directors, in their capacity as directors, or for the Chief Executive Officer, for his executive functions.

- Any type of payment or compensation for early termination or cessation of the contractual relationship under the terms provided for between the company and the director, whether the termination is at the will of the company or the director, as well as any type of agreed arrangements, such as exclusivity, non-contractual concurrence and permanence or loyalty, which entitle the director to any type of payment.

The compensation that would correspond to the Chief Executive Officer in the event of termination of his contract with Másmóvil and the compensation corresponding to the post-contractual non-competition agreement are set out below:

Compensation for termination of the Chief Executive Officer's contract: the amount of such compensation will depend on the cause of termination of his contract, as set out below:

- In the event that the contract is terminated by decision of Másmóvil, for reasons other than the failure of the Chief Executive Officer to comply with his contractual obligations, Másmóvil must pay an indemnity consisting of an amount equal to the total gross annual remuneration (including all remuneration items) that the Chief Executive Officer was receiving at the time of the termination of the contract.

For the above purposes, in no case may the gross amount mentioned be less than the amount resulting from applying 45 days per year worked from 16 March 2006 to 12 February 2012 plus 33 days per year worked from 13 February 2012 to the date of the contractual termination.

- For reasons of company succession, the Chief Executive Officer is entitled to receive from the Company an indemnity, consisting of an amount equal to two total gross annual payments (including all remuneration items) received by the Chief Executive Officer at the time of termination of the contract.

It is noted that in the financial year 2019 the contract of the Chief Executive Officer was amended to provide that in this case the compensation would consist of an amount equal to two total gross annual payments, instead of the three to which he was previously entitled (as set forth in section 6.e.ii) of the current Remuneration Policy and in the Annual Report on the Remuneration of Directors for the financial year 2018), in order to comply with recommendation no. 64 of the Code of Good Governance of Listed Companies.

An amendment of the Remuneration Policy will be proposed to the Company's Ordinary General Shareholders' Meeting, to be held in the year 2020, to provide for the aforementioned change, among others.

- In the event that the termination of the contract is ordered by the Chief Executive Officer for breach of the Company's contractual obligations, the Company shall be obliged to pay the Chief Executive Officer an indemnity consisting of an amount equal to the total gross annual remuneration (all remuneration items included) that the Chief Executive Officer was receiving at the time of the termination of the contract.

In addition, if as a result of a company succession, the working conditions of the Chief Executive Officer are substantially altered, the Chief Executive Officer could request the termination of his contract with Másmóvil and would be entitled to an indemnity equivalent to three times the total annual remuneration (all remuneration items included).

Post-contractual non-competition pact: the Chief Executive Officer may not, for a period of one year following the termination of his relationship with the Company, either by himself or jointly with other persons, and regardless of whether he does so directly or indirectly, in his own name or by providing services for another third-party telecommunications operator, provide his services in or for those territories in which the Company or its investees may, at any time, carry on their business.

By virtue of the inclusion of the agreement referred to in the preceding paragraph, the Company shall pay the Chief Executive Officer a sum equal to the amount received as gross annual remuneration (for all remuneration items) in the year in which his relationship with the Company is terminated.

The Chief Executive Officer is not entitled to any other type of remuneration due to his exclusive agreement with the Company, nor is he the beneficiary of any permanence or loyalty programme.

- Indicate the conditions that must be respected in the contracts of those who exercise senior management functions as executive directors. Among other things, information shall be provided on the duration, limits on the amounts of compensation, permanence clauses, notice periods, as well as payment as a substitute for the aforementioned notice period, and any other clauses relating to contract premiums, as well as compensation or protection in the event of early termination or termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreements of non-competition, exclusivity, permanence or loyalty and post-contractual non-competition, unless they have been explained in the previous section.

Duration: indefinite.

Limits to the amounts of compensation: these are indicated in the previous section.

Permanence clauses: there are no permanence obligations in the Chief Executive Officer's contract.

Notice period in case of termination of contract: six months. Such notice shall not apply where termination is due to a breach of the obligations of the other party to the contract. No provision is made for payment in lieu of such notice.

There are no clauses regarding contracting bonuses, indemnities or golden parachutes in the event of early termination of the contractual relationship between the Company and the Chief Executive Officer.

Exclusivity agreement: While performing executive duties, the Chief Executive Officer may not engage in any other type of paid activity or take any other direct or indirect interest in the activities of other companies, unless he has the express prior written consent of the Board of Directors, following a unanimous favourable report from the Company's Appointments and Remuneration Committee. Authorisation is not required in the case of the acquisition of shares or other shareholdings for the sole purpose of investing his private assets.

Post-contractual non-competition agreement and payment of compensation: this is indicated in the previous section.

- The nature and estimated amount of any additional remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent to their position.

It is noted that the director Mr. Josep María Echarri Torres (who has the category of proprietary, representing the Inveready Group, formed by the shareholders Inveready Seed Capital, S.C.R. S.A., Inveready Evergreen, S.C.R. S.A., Inveready Capital Company, S.L., The Nimo's Holding, S.L.), through his company The Nimo's Holding, S.L. signed a contract on 1 January 2018 to provide strategic, corporate and financial consultancy and advisory services to Másmóvil, which was renewed through a new contract with the same purpose by agreement of the Board of Directors on 18 December 2019.

This contract includes, for the year 2020, the following remuneration:

a) Fixed component: €276,000 gross/per year plus recurrent expenses (€14,400)

b) Variable component: this includes the following bonuses:

- Annual bonus (2020) up to a maximum of €300,000, subject to compliance with the objectives to be defined by the Company's Board of Directors.

- Biannual bonus (2020-2021): €1.2 million (that, is, 600,000 per year), subject to meeting 100% of the (i) EBITDA and (ii) EBITDA less Capex targets set out in the Group's *Guidance* 2021.

As indicated above, the Board of Directors approved the renewal of the aforementioned contract with The Nimo's Holding, S.L., at its meeting on 18 December 2019, having been favourably informed by the Audit and Control Committee held on the same date, which was advised by BDO Auditores, S.L.P., which issued a *Fairness Opinion*, in which it analysed the remuneration scheme in favour of The Nimo's Holding, S.L., having concluded that the fixed and variable remuneration provided for in the aforementioned contract are consistent with both

the market policies (external equity) and the internal bonus policies (internal equity) of Másmóvil.

- Other remuneration items such as those arising, where applicable, from the granting by the company to the director of advances, loans and guarantees and other remuneration.

There is no remuneration of any kind in favour of the directors, in their capacity as such, nor in favour of the Chief Executive Officer, which will accrue in this financial year 2020, by way of advances, loans or guarantees.

- The nature and estimated amount of any other supplementary remuneration foreseen not included in the previous sections, whether paid by the entity or another entity of the group, which will be accrued by the directors in the current financial year.

There is no other type of remuneration in favour of the directors, in their capacity as such, nor in favour of the Chief Executive Officer, which will accrue in this financial year 2020.

It is noted that the Chief Executive Officer is a director or representative of the sole director, Masmovil Ibercom, S.A., of the subsidiaries belonging to the Másmóvil Group, although he does not receive any remuneration for these positions.

A.2 Explain any relevant changes in the remuneration policy applicable in the current year arising from:

- A new policy or an amendment to a policy already approved by the Board.
- Relevant changes in the specific determinations established by the Board for the current year of the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the Board of Directors has agreed to present to the General Shareholders' Meeting to which this annual report will be submitted and which are proposed to apply to the current year.

Changes resulting from a new policy or a change in policy already approved by the Board.

In 2020, the Board of Directors is going to propose to the Ordinary General Shareholders' Meeting, an amendment of the current Remuneration Policy, approved by the Ordinary General Shareholders' Meeting on 4 May 2018, which is in force for the years 2018, 2019 and 2020, in order to incorporate (i) a new long term remuneration plan for the Chief Executive Officer and the management team, and (ii) certain changes in the contract of the Chief Executive Officer

Relevant changes in the specific determinations established by the Board for the current year of the remuneration policy in force with respect to those applied in the previous year.

The only change that will be implemented in the 2020 financial year in relation to the remuneration of the members of the Board of Directors, in their capacity as such, is the increase, by €10,000, of the remuneration per member of the Board, which is therefore fixed, in total, at €90,000. The aforementioned change will be carried out within the maximum annual remuneration for Board members, in their capacity as such, provided for in the Remuneration Policy, amounting to €1,225,000 for the 2020 financial year.

- Proposals that the Board of Directors has agreed to present to the General Shareholders' Meeting to which this annual report will be submitted and which are proposed to apply to the current year.

It is expected that a new long-term remuneration plan for the Chief Executive Officer and the management team will be submitted to the shareholders at the Ordinary General Shareholders' Meeting in 2020, based on the increase in the value of the Company's shares in the Spanish Continuous Market. This plan will have the following basic characteristics:

a) Nature: this is an extraordinary variable remuneration in cash based on the increase in value of the Company's shares during a certain period of time, taking their share price as a reference.

(b) Duration: it will start at the end of the current *Shares Appreciation Rights' Plan*, i.e. 1 September 2020 and will last for three and a half years (i.e. until 28 February 2024).

c) Beneficiaries: the Chief Executive Officer, the employees and executives of the Másmóvil Group as determined by the Board of Directors, on the proposal of the Appointments and Remuneration Committee.

d) Conditions for the settlement of the plan: it will be a necessary condition for entitlement to the payment of the incentive, if any, arising from the plan that (i) the beneficiary maintains an employment relationship (common or special senior management) or a commercial relationship in the case of the Chief Executive Officer, with the Company, on the date of payment of the incentive, without prejudice to the cases of early settlement that may be established, and (ii) that the minimum objectives established by the Board of Directors are met.

e) Number of rights on the revaluation of shares: 8,500,000, of which 2,850,000 shall be for the Chief Executive Officer.

f) Value of the shares to be taken as reference: the initial unit value of the Company's shares will be taken as the weighted average price of the shares in the last ninety (90) stock market sessions prior to 1 September 2020 or the date of granting to each beneficiary if the latter is incorporated into the plan after the start date.

The final value will be taken as the weighted average price of the Company's shares in the ninety (90) stock market sessions prior to 28 February 2024 or the date of the event of early settlement or the date of the change of control, if this takes place.

- A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

https://www.grupomasmovil.com/wp-content/uploads/2018/04/180403_MMI_Politica-de-Remuneraciones-de-los-Consejeros.pdf

- A.4 Explain, taking into account the data provided in section B.4, how the shareholders' vote was taken into account at the general meeting at which the annual remuneration report for the previous year was submitted to a consultative vote

After the Ordinary General Shareholders' Meeting held on 8 May 2019, the Board of Directors analysed, in the light of the voting report drawn up by the counting agent at that meeting, the votes against cast by the shareholders on the Annual Report on Directors' Remuneration for 2018, and also assessed the improvements to be made to the report for 2019.

Likewise, at the end of 2019 and the beginning of 2020, the Chairman of the Board, Mr. Eduardo Díez-Hochleitner, the Secretary, Mr. Alberto Castañeda González, and the Director General of Investor Relations and Corporate Finance, Mr. Javier Marín de la Plaza, met with the representatives of the *proxy advisors*, Glass Lewis and ISS, in order to hear first-hand their concerns and impressions on various aspects of the Company, as well as to improve its good corporate governance.

B OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE FINANCIAL YEAR

- B.1 Explain the process followed to implement the remuneration policy and determine the individual remunerations reflected 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, where appropriate, the identity and role of external advisors whose services have been used in the process of implementing the remuneration policy in the year ended.

The Appointments and Remuneration Committee met 11 times during the 2019 financial year to analyse and propose resolutions to the Board on matters within its competence, in particular, the remuneration of the members of the Board of Directors and changes in its composition.

With regard to remuneration, at its meeting of 21 February 2019, the Committee proposed the distribution among the members of the Board of Directors of the maximum annual remuneration for the 2019 financial year, approved by the Ordinary General Shareholders' Meeting of 4 May 2018, in application of the

provisions of article 529 septdecies of the Spanish Capital Companies Act. The Board of Directors of Másmóvil approved this distribution at its meeting held on 27 February 2019.

Furthermore, at the meeting of the Appointments and Remuneration Committee held on 27 March 2019, the Committee proposed to the Board (i) the approval of the payment of the bonus for the year 2018 for the managers and the Chief Executive Officer, (ii) the approval of the objectives of the variable remuneration for the year 2019 in favour of the employees of the MASMOVIL Group, (iii) the approval of the payment of the variable bonus in favour of the Chief Executive Officer, corresponding to the Business Plan 2015-2018, and (iv) the approval of the variable bonus in favour of the Chief Executive Officer, corresponding to the Business Plan 2019-2021. The four proposed resolutions mentioned above were approved by the Board of Directors at its meeting of 28 March 2019.

On the other hand, the Committee has informed the Board about the recommendations, principles or practices of good corporate governance that affect large cap companies, since the Company, from Monday 24 June 2019, became part of the IBEX-35 stock exchange index.

With regard to the renewal of the contract with the company The Nimo's Holding, S.L. (which is reflected in section B.16 of this report), the Board of Directors held on 18 December 2019 approved the signing of a new contract, at the proposal of the Appointments and Remuneration Committee of 17 December.

Finally, it should be noted that the professional services firm EY has provided advice in relation to the study and assessment of the new long-term incentive plan in favour of the management team and the Chief Executive Officer, referred to in section A.2 of this report.

- 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 risk and adjusting it to the company's long-term objectives, values and interests, including a reference to the measures that have been adopted to ensure that the remuneration accrued has taken into account the company's long-term results and achieved an appropriate balance between the fixed and variable components of remuneration, what measures have been adopted in relation to those categories of staff whose professional activities have a material impact on the company's risk profile, and what measures have been adopted to avoid conflicts of interest, where applicable.

The long-term remuneration plans for the Chief Executive Officer have been linked to the increase in the share price of Másmóvil, which substantially aligns the growth and good performance of the Company with the interests of the shareholders and the beneficiaries of these plans.

Furthermore, top-level executives (not members of the Board) are also part of the long-term remuneration plans implemented to date, and therefore their interests are

aligned with those of the shareholders.

Finally, with regard to conflicts of interest, it should be noted that the Board of Directors of Másmóvil approved at its meeting of 22 May 2017 the Procedure for Conflicts of Interest and Related Operations with Directors, Significant Shareholders and Senior Management, in order to establish a regulated procedure for reporting any conflict of interest and also to prevent the persons affected by a conflict of interest from taking decisions on the aforementioned matter, abstaining from participating in the deliberation and voting on the matter in question.

There is also a register of related-party transactions and conflicts of interest, both for directors and executives of the Másmóvil Group.

B.3 Explain how the remuneration accrued during the financial year complies with the provisions of the remuneration policy in force.

Report also on the relationship between the remuneration obtained by the directors and the company's results or other measures of performance, in the short and long term, explaining, where appropriate, how variations in the company's performance may have influenced the variation in directors' remuneration, including accruals whose payment has been deferred, and how these contribute to the company's short and long term results.

The remuneration accrued in the 2019 financial year was strictly in line with the provisions of the Directors' Remuneration Policy for the 2018, 2019 and 2020 financial years, and it should be stressed that the maximum amounts established in each case were not exceeded (in particular, with regard to the fixed remuneration of the members of the Board, in their capacity as such, for the 2019 financial year, and the remuneration in kind of the Chief Executive Officer).

The members of the Board do not receive any variable remuneration, but only fixed remuneration, which is allocated by the Board of Directors each year, in accordance with the maximum limit set by the General Meeting.

In relation to the Chief Executive Officer, part of his remuneration accrued in the 2019 financial year was of a variable nature, linked to financial and business objectives, which, once verified by the Appointments and Remuneration Committee, were met, with the approval of the Board of Directors. As a result, the payment of this remuneration met the objectives that led to the Group's growth last year.

B.4 Report on the result of the consultative vote of the general meeting on the annual report on remunerations for the previous year, indicating the number of negative votes cast, if any:

	Number	% of the total
Votes cast	103,715,118	99.929%

	Number	% on those cast
Negative votes	24,973,957	24.062%
Votes for	78,457,114	75.593%
Abstentions	284,047	0.274%

Comments
It is noted that the total number of votes corresponding to all the shares issued on the date of the Ordinary General Meeting of 8 May 2019 was 103,715,118. The 73,583 treasury stock shares were taken into account for the purposes of calculating the quorum and the majorities required for the adoption of resolutions, although the voting rights thereof were left in abeyance, as indicated in Article 148 of the Spanish Capital Companies Act.

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

The distribution of the maximum annual remuneration of the members of the Board, in their capacity as such, among them, was approved by resolution of the Board of Directors on 27 February 2019, at the proposal of the Appointments and Remuneration Committee on 21 February 2019, taking into account the functions and responsibilities attributed to each director, membership of Board Committees and other relevant objective circumstances.
The variation (increase) in the remuneration received by the members of the Board during the 2019 financial year, with respect to that of 2018, was 9.76%.

B.6 Explain how the salaries accrued during the year by each of the executive directors for the performance of management duties were determined and how they varied with respect to the previous year.

The fixed remuneration of the Chief Executive Officer in 2019, which has not changed with respect to that received in 2018 (therefore, it continues to be set at the amount of €350,000 gross per year) was approved by the Ordinary General Shareholders' Meeting of 4 May 2018 as part of the Directors' Remuneration Policy for the years 2018, 2019 and 2020. In determining the specific amount, the Appointments and Remuneration Committee and the Board of Directors of

Másmóvil assessed the functions carried out by Mr. Meinrad Spenger and his contribution to the creation of value for the Company and its shareholders. It was fair and appropriate to remunerate him in accordance with market standards and those of companies similar to Másmóvil, taking into account the business sector, turnover data and future growth.

B.7 Explain the nature and main characteristics of the variable components of the remuneration systems accrued during the financial year.

In particular:

- Identify each of the remuneration plans that have determined the various variable payments accrued by each of the directors during the year, including information on their scope, approval date, implementation date, accrual periods and validity, criteria used to evaluate performance and how this has impacted on the setting of the variable amount accrued, as well as the measurement criteria used and the time required to be able to adequately measure all the conditions and criteria stipulated.

In the case of plans for options on shares or other financial instruments, the general characteristics of each plan will include information on the conditions both for acquiring unconditional ownership (consolidation) and for being able to exercise these options or financial instruments, including the price and period of exercise.

- Each of the directors, and their category (executive directors, external proprietary directors, external independent directors or other external directors), who are beneficiaries of remuneration systems or plans that incorporate variable remuneration.
- Where applicable, information shall be provided on any established accrual or deferral periods applied and/or periods of retention/disposal of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems

The short-term variable remuneration received by the Chief Executive Officer in 2019 was as follows:

- a) An annual variable remuneration consisting of 50% of his gross annual salary linked to the achievement of certain operational and financial objectives, up to a maximum amount of 85% of the gross annual fixed salary if these exceed the maximum range values set for each of these objectives.

It should be noted that in the 2018 financial year, the degree of achievement of the operational and financial objectives to which the variable remuneration of the Chief Executive Officer received in 2019 is subject to and reflected in this section a) was 152%, so that this corresponded to an amount of €266,000 (350,000x50%x152%).

b) An extraordinary annual bonus linked to the achievement of corporate financial objectives which may not exceed 143% of his fixed gross annual salary.

It should be noted that in the 2018 financial year, the degree of achievement of the corporate financial objectives to which the variable remuneration of the Chief Executive Officer corresponding to the extraordinary annual bonus is subject was 100%, so that in the 2019 financial year he was entitled to receive an amount of €220,000. Therefore, the weight of the aforementioned extraordinary annual bonus, with respect to the variable remuneration (€486,000) received in the past financial year 2019, is 45.27%, and 62.86% with respect to its fixed gross annual salary.

The verification of compliance with the objectives indicated in sections a) and b) above was carried out by the Board of Directors at its meeting of 27 February 2019, at the proposal of the Appointments and Remuneration Committee of 26 February.

It is noted that the objectives to which the above-mentioned variable remuneration is referenced include purely individual factors of the Chief Executive Officer's performance, together with others of a collective nature.

In the particular case of the extraordinary annual bonus, this is exceptional because the ratios of compliance with the financial objectives to which it is referenced are exceptional, and if they are only achieved and not exceeded, the aforementioned remuneration is not accrued. That is, there is a direct link between this extraordinary variable remuneration and the achievement of achievements and results for the Company above the objectives set.

This variable remuneration is set out in the Remuneration Policy for Board Members, which was approved by the Ordinary General Shareholders' Meeting on 4 May 2018.

No accrual or deferral period has been applied. Notwithstanding the foregoing, the above-mentioned remuneration was paid once the Board of Directors, at its meeting of 27 February 2019, had ascertained that the requirements for each remuneration had been met.

Explain the long-term variable components of the remuneration systems

The long-term variable remuneration received by the Chief Executive Officer in 2019 consisted of remuneration linked to the 2015-2018 Business Plan.

This variable remuneration is set out in the Remuneration Policy for Board Members, which was approved by the Ordinary General Shareholders' meeting on 4 May 2018.

No accrual or deferral period has been applied. Notwithstanding the foregoing, the above-mentioned remuneration was paid once the Board of Directors, at its meeting of 27 February 2019, had ascertained that the

requirements for such remuneration had been met.

B.8 Indicate whether certain variable components have been reduced or refunded when payment has been consolidated and deferred in the first case, or consolidated and paid in the second case, based on data that have subsequently been proven to be manifestly inaccurate. Describe the amounts reduced or refunded by the application of the clawback clauses, why they have been implemented and the years to which they correspond.

No amount has been reduced or claimed from the Chief Executive Officer or any other member of the Board of Directors, since the remuneration received has been strictly adjusted to comply with the parameters to which it was subject.

B.9 Explain the main characteristics of the long-term savings systems whose amount or equivalent annual cost is shown in the tables in Section C, including retirement and any other survivor's benefits, which are financed, partially or totally, by the company, whether they are provided internally or externally, indicating the type of plan, whether it is a contribution or a defined benefit plan, the contingencies it covers, the conditions for consolidating the economic rights in favour of the directors and their compatibility with any type of compensation for early termination of the contractual relationship between the company and the director.

There are no savings systems in favour of the Chief Executive Officer or the other members of the Board.

B.10 Explain, if applicable, the compensation or any other type of payment deriving from early termination, whether the termination is at the will of the company or of the director, or from the termination of the contract, under the terms set out therein, accrued and/or received by the directors during the financial year.

No compensation or other remuneration has been accrued by the members of the Board for termination of their contracts, either for their mere status as directors or for their executive functions, in the case of the Chief Executive Officer.

B.11 Indicate if there have been significant changes in the contracts of those who perform senior management functions as executive directors and, if so, explain them. Likewise, explain the main conditions of the new contracts signed with executive directors during the year, unless they have already been explained in section A.1.

It is noted that in the financial year 2019 the contract of the Chief Executive Officer was amended to provide that in the event of termination of his contract due to company succession, the compensation would consist of an amount equal to two total gross annual payments, instead of the three to which he was previously entitled (as set forth in section 6.e.ii) of the current Remuneration Policy and in the Annual Report on the Remuneration of Directors for the financial year 2018), in order to comply with recommendation no. 64 of the Code of Good Governance of Listed Companies.

An amendment of the Remuneration Policy will be proposed to the Company's Ordinary General Shareholders' Meeting, to be held in the year 2020, to provide for

the aforementioned change, among others.

No other changes were made to the Chief Executive Officer's contract in 2019.

B.12 Explain any additional remuneration accruing to directors in consideration for services rendered other than those inherent to their position.

An explanation is given in section B.16. There is no supplementary remuneration for services other than those inherent to the post of director, other than that indicated in section B.16.

B.13 Explain any remuneration resulting from the granting of advances, loans and guarantees, indicating the interest rate, their essential characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

There is no remuneration of any kind in favour of the directors, in their capacity as such, or in favour of the Chief Executive Officer, which has accrued during the financial year 2019, by way of advances, loans or guarantees.

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

The only director who has earned remuneration in kind, as provided for in his business contract with the Company, has been the Chief Executive Officer, Mr. Meinrad Spenger. The amount accrued under this heading last year was €16,454.07, which is lower than the annual maximum initially envisaged in the Remuneration Policy approved by the Ordinary General Shareholders' Meeting on 4 May 2018, which was €19,000.

The above-mentioned remuneration in kind consisted of the use of a company vehicle, fuel, medical insurance, life insurance and restaurant tickets.

B.15 Explain the remuneration accrued by the director by virtue of payments made by the listed company to a third party in which the director provides services, when such payments are intended to remunerate the director's services in the company.

No director has received any remuneration under the item indicated in this section.

B.16 Explain any other remuneration item other than the above, regardless of its nature or the group entity that pays it, especially when it is considered a related-party transaction or when its issuance distorts the true image of the total remuneration accrued by the director.

The director Mr. Josep María Echarri Torres (who has the category of proprietary, representing the Inveready Group, formed by the shareholders Inveready Seed Capital, S.C.R. S.A., Inveready Evergreen, S.C.R. S.A., Inveready Capital Company, S.L. and The Nimo's Holding, S.L.), through his company, The Nimo's Holding, S.L., has received, in consideration for his financial and business advisory services in favour of the Company, as stated in the contract for the provision of strategic, corporate and financial advisory and consultancy services, signed with the Company on 1 January 2018, a fixed remuneration during the 2019

financial year of €290,400. Likewise, his variable remuneration accrued in the 2019 financial year amounted to €300,000.

It is noted that the Board of Directors of Másmóvil approved the signing of the aforementioned contract as a related party transaction, with the favourable report of the Company's Audit and Control Committee, and with the opinion, through a *Fairness Opinion*, issued by BDO Auditores SLP, that the remuneration terms of the aforementioned contract were reasonable from a financial point of view for the shareholders of Másmóvil.

C **DETAIL OF THE INDIVIDUAL REMUNERATIONS CORRESPONDING TO EACH OF THE DIRECTORS**

Name	Type	Accrual period 2019
Eduardo Díez-Hochleitner Rodríguez	Independent	From 01/01/2019 to 31/12/2019
Meinrad Spenger	Executive	From 01/01/2019 to 31/12/2019
Key Wolf, S.L. (José Eulalio Poza Sanz)	Proprietary	From 01/01/2019 to 31/12/2019
Josep María Echarri Torres	Proprietary	From 01/01/2019 to 31/12/2019
Felipe Fernández Atela	Independent	From 01/01/2019 to 31/12/2019
John Carl Hahn	Proprietary	From 01/01/2019 to 31/12/2019
Robert Sudo	Proprietary	From 01/01/2019 to 26/12/2019
Borja Fernández Espejel	Independent	From 01/01/2019 to 31/12/2019
Pilar Zulueta de Oya	Independent	From 01/01/2019 to 31/12/2019
Aldebarán Riesgo, S.C.R., S.A. (Antonio García Ortiz)	Proprietary	From 01/01/2019 to 07/05/2019
Ángel Manuel García Altozano	Proprietary	From 01/01/2019 to 14/03/2019
Cristina Aldámiz-Echevarría González de Durana	Proprietary	From 01/01/2019 to 14/03/2019
	Independent	From 27/12/2019 to 31/12/2019
Nathalie-Sophie Picquot	Independent	From 15/03/2019 to 31/12/2019
Rafael Canales Abaitua	Proprietary	From 15/03/2019 to 31/12/2019
Rafael Domínguez de la Maza	Proprietary	From 08/05/2019 to 31/12/2019

C.1 Complete the following tables regarding the individual remuneration of each of the directors (including remuneration for the exercise of executive functions) accrued during the year.

a) Remunerations of the company that is the subject of this report:

i) Remuneration earned in cash (in € thousand)

Name	Fixed remuneration:	Allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for financial year 2019	Total for financial year 2018
Eduardo Díez-Hochleitner Rodríguez	152	0	24	0	0	0	0	0	176	157
Meinrad Spenger	350	0	0	0	486	836	0	16.5	1,688.5	973
Key Wolf, S.L. (José Eulalio Poza Sanz)	80	0	0	0	0	0	0	0	80	64
Josep María Echarri Torres	80	0	14	0	0	0	0	590.4	684.4	366
Felipe Fernández Atela	80	0	26	0	0	0	0	0	106	92
John Carl Hahn	80	0	10	0	0	0	0	0	90	73
Robert Sudo	79.1	0	13.9	0	0	0	0	0	92.9	76
Borja Fernández Espejel	80	0	40	0	0	0	0	0	120	100
Pilar Zulueta de Oya	80	0	14	0	0	0	0	0	94	76
Aldebarán Riesgo, S.C.R., S.A.	28.4	0	0	0	0	0	0	0	28.4	37
Ángel Manuel García Altozano	16.6	0	0	0	0	0	0	0	16.6	64
Cristina Aldámiz-Echevarría González de Durana	17.9	0	0	0	0	0	0	0	17.9	64

Nathalie-Sophie Picquot	63.3	0	0	0	0	0	0	0	63.3	n.a.
Rafael Canales Abaitua	63.3	0	0	0	0	0	0	0	63.3	n.a.
Rafael Domínguez de la Maza	51.8	0	0	0	0	0	0	0	51.8	n.a.

(ii) Table of movements in share-based remuneration systems and gross profit on consolidated shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of year t		Financial instruments granted during year t		Consolidated financial instruments in the year				Expired and non-exercised instruments	Financial instruments at year-end t	
		No. of instruments	No. of Equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / consolidated shares	Consolidated share price	Gross profit on consolidated shares or financial instruments (€ thousand)	No. of Instruments	No. of instruments	No. of equivalent shares
Meinrad Spenger	Masmovil Shares Appreciation Rights Plan approved by the Extraordinary General Meeting of 1 March 2017	2,850,000	0	0	0	0	0	0	0	0	2,850,000	0

Comments
The Masmovil Shares Appreciation Rights Plan is explained in section A.1.

iii) Long-term savings systems

There are none.

iv) Breakdown of other items

Name	Item	Amount of remuneration
Josep María Echarri Torres	The total remuneration accrued by the director Mr. Josep María Echarri Torres, by virtue of the contract for the provision of strategic, corporate and financial consultancy and advisory services to Másmóvil, signed between Masmovil Ibercom, S.A. and The Nimo's Holding, S.L. in 2019, is explained in section B.16 of this report.	€590,400

Comments

b) Remunerations to the company's directors due to their membership of the boards of other companies in the group:

i) Remuneration earned in cash (in € thousand)

There are none.

(ii) Table of movements in share-based remuneration systems and gross profit on consolidated shares or financial instruments

There are none.

(iii) Long-term savings systems

There are none.

iv) Breakdown of other items

There are none.

- c) **Summary of remuneration (in € thousand):** The summary must include the amounts corresponding to all the remuneration items included in this report that have been accrued by the director, in € thousand.

Name	Remuneration earned in the Company					Remuneration earned in group companies				
	Total Cash Remuneration	Gross profit on consolidated shares or financial instruments	Remuneration for savings systems	Remuneration Other items	Total year 2019 company	Total Cash Remuneration	Gross profit on consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total year t group
Eduardo Díez-Hochleitner Rodríguez	176	0	0	0	176	0	0	0	0	0
Meinrad Spenger	1,688.5	0	0		1,688.5	0	0	0	0	0
Key Wolf, S.L. (José Eulalio Poza Sanz)	80	0	0	0	80	0	0	0	0	0
Josep María Echarri Torres	684	0	0	0	684	0	0	0	0	0
Felipe Fernández Atela	106	0	0	0	106	0	0	0	0	0
John Carl Hahn	90	0	0	0	90	0	0	0	0	0
Robert Sudo	92.9	0	0	0	92.9	0	0	0	0	0
Borja Fernández Espejel	120	0	0	0	120	0	0	0	0	0
Pilar Zulueta de Oya	94	0	0	0	94	0	0	0	0	0
Aldebarán Riesgo, S.C.R., S.A.	28.4	0	0	0	28.4	0	0	0	0	0
Ángel Manuel García Altozano	16.6	0	0	0	16.6	0	0	0	0	0
Cristina Aldámiz-Echevarría González de	17.9	0	0	0	17.9	0	0	0	0	0

Durana										
Nathalie-Sophie Picquot	63.3	0	0	0	63.3	0	0	0	0	0
Rafael Canales Abaitua	63.3	0	0	0	63.3	0	0	0	0	0
Rafael Domínguez de la Maza	51.8	0	0	0	51.8	0	0	0	0	0
Total:	3,373	0	0	0	3,373	0	0	0	0	0

Comments

D OTHER INFORMATION OF INTEREST

If there is any relevant aspect regarding the remuneration of the directors that could not be included in the rest of the sections of this report, but which it is necessary to include in order to gather more complete and reasoned information on the structure and remuneration practices of the company in relation to its directors, please give a brief description.

It is noted that the Chief Executive Officer, Mr. Meinrad Spenger, has not received any remuneration in 2019 simply because he is a director (in his capacity as such), nor will he receive any in 2020.

This annual remuneration report was approved by the company's board of directors at its meeting on 27 February 2020.

Indicate whether any directors voted against or abstained from voting on the approval of this report.

Yes

No

Name or company name of the member of the board of directors who did not vote in favour of the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons
-	-	-

TWELFTH ITEM ON THE AGENDA

Amendment of the Articles of Association, in order to provide for telematic attendance at General Meetings, of shareholders and members of the Board.

12.1 Amendment to Article 22 ("*Attendance at meetings*").

Amend article 22 of the Articles of Association which, from now on and with derogation of its previous version, will be worded as follows:

"ARTICLE 22.- ATTENDANCE AT MEETINGS.

All shareholders who appear as holders in the corresponding accounting record of book entries five (5) days prior to the General Meeting may attend, which they may prove by means of the appropriate attendance card, certificate issued by one of the entities legally authorised to do so or by any other form admitted by law.

The members of the Board of Directors must attend the General Meetings held in person (either in person, at the place where the General Meeting is held, or remotely, by videoconference or another technically equivalent system), although the fact that any of them does not attend for any reason will not in any way prevent the valid constitution of the General Meeting. The Chairman of the General Meeting may authorise the attendance of directors, managers and technicians of the Company and other persons who have an interest in the proper conduct of the Company's business, and may also extend invitations to such persons as he may deem appropriate."

12.2 Amendment of Article 23 ("*Representation*")

Amend article 23 of the Articles of Association which, from now on and with derogation of its previous version, will be worded as follows:

"ARTICLE 23.- REPRESENTATION.

Shareholders may attend the General Meetings in person or duly represented by another person, even if not a shareholder. Whenever the Board of Directors so decides, shareholders may attend the General Meeting by means of videoconference or another technically equivalent system, and cast their vote, all in real time. Those attending the General Meeting by these means shall be considered, for all purposes, as being present at the meeting and in a single meeting. The invitation shall indicate the possibility of attendance by videoconference or equivalent technical means, specifying how this can be done, noting the connection system and the places where the technical means necessary to attend and participate in the meeting are available.

Without prejudice to the attendance of the legal entities that are shareholders through the individuals who are their representatives, any shareholder who has the right to attend may be represented at the General Meeting by another person, even if that person is not a shareholder.

Proxies must be granted in writing and specifically for each General Meeting. This requirement will not be necessary when the representative is the spouse, ascendant or descendant of the represented party; nor when the representative holds a general power of attorney conferred by public deed with the authority to administer all the assets that the represented party has in the territory.

Entities which appear as legitimate shareholders by virtue of the register of book entries for the shares but which act on behalf of several persons, may in any case split the vote and exercise it in a different direction in compliance with different voting instructions, if they have received them.

The intermediary entities referred to in the previous paragraph may delegate the vote to each of the indirect holders or to third parties designated by them, without the number of delegations granted being limited.

The Chairman of the General Meeting, and the Secretary, unless otherwise indicated by the Chairman, shall have the broadest powers in law to admit the document accrediting the representation. Proxies may always be revoked, with the value of revocation being the personal attendance at the Shareholders' Meeting of the person represented or the casting of the vote using remote means.

In any case, both in cases of voluntary representation and in cases of legal representation, only one representative may be present at the General Meeting.

The proxy may include those items which, although not included on the agenda of the call, may be dealt with at the General Meeting as permitted by law.”

THIRTEENTH ITEM ON THE AGENDA

Approval of the inclusion of a new article 12 bis ("*Attendance at the General Meeting through real-time remote communication means*") in the Regulations of the General Shareholders' Meeting.

Include new Article 12 bis of the Regulations of the General Shareholders' Meeting, which will be worded as follows:

"ARTICLE 12 BIS.- ATTENDANCE AT THE GENERAL MEETING THROUGH REAL-TIME REMOTE COMMUNICATION MEANS.

1. In accordance with the provisions of article 23 of the Articles of Association and independently of the right of shareholders to be represented at the General Meeting and the right to vote remotely prior to the General Meeting, shareholders may attend using electronic or telematic means of remote communication when the Board of Directors has so agreed in view of the state of the art and having verified the appropriate conditions of security and simplicity. The Board of Directors shall indicate in the notice of call, the means that may be used for these purposes, since they meet the required security conditions that allow the identification of the shareholders, the correct exercise of their rights and the adequate development of the meeting.

Therefore, in the event that remote attendance by electronic or telematic means is permitted, the shareholders who exercise the right provided for in this article in accordance with the provisions herein and with the provisions implemented by the Board of Directors for such purposes, shall be deemed to be present for the purposes of constituting the General Shareholders' Meeting in question. Consequently, delegations previously held shall be deemed to have been revoked.

2. Remote attendance of shareholders at the General Meeting by electronic or telematic means shall be subject to the following provisions, which may be implemented and supplemented by the Board of Directors:

- a) The connection to the monitoring system of the General Shareholders' Meeting must be made in advance of the time scheduled for the beginning of the meeting, as indicated in the notice of call. After the deadline set for this purpose, the shareholder who starts the connection at a later date will not be considered present.*
- b) Any shareholder wishing to attend the General Shareholders' Meeting remotely and exercise their rights must identify themselves by means of a recognised electronic signature or other type of identification under the terms established by the Board of Directors in the resolution adopted to that effect and with adequate guarantees of authenticity and identification of the shareholder in question.*

Voting and information rights must be exercised through the electronic means of distance communication considered suitable in accordance with the provisions of these Regulations.

- c) *Shareholders attending remotely in accordance with this article may exercise their right to information by asking questions or requesting clarifications as they deem appropriate, provided that they refer to matters included on the agenda of the meeting. The Board of Directors may determine in the notice of call that the interventions and proposed resolutions that, in accordance with the law, are made by the shareholders attending by telematic means, be sent to the Company prior to the time of the constitution of the General Shareholders' Meeting. Replies to those shareholders who attend the General Shareholders' Meeting in this way and who exercise their right to information during the meeting shall be made in writing, where appropriate, within seven days of the General Shareholders' Meeting.*
- d) *The interruption of the communication, due to technical circumstances or for security reasons arising from supervening circumstances, may not be invoked as an illegitimate deprivation of the shareholder's rights, or as a cause for contesting the resolutions adopted by the General Shareholders' Meeting.*

3. The Board of Directors may establish and update the means and procedures appropriate to the state of the art means to implement remote attendance and remote electronic voting during the holding of the General Shareholders' Meeting, adjusting, if necessary, to the legal rules that this system implements and to the provisions of the Articles of Association and these Regulations. These means and procedures will be published on the Company's corporate website."

FOURTEENTH ITEM ON THE AGENDA

Delegation to the Board of Directors of the power to carry out capital increases, in accordance with Articles 297.1.b) and 506 of the Spanish Capital Companies Act, for a maximum amount of up to 20% of the currently issued capital, within the legal period of five years from the date of this Meeting, with the power to execute the increase on one or more occasions and with the power to exclude pre-emptive subscription rights. To revoke the authorisation granted by the Ordinary General Shareholders' Meeting on 22 June 2017 in respect of the part not used.

1. To delegate to the Board of Directors, pursuant to the provisions of article 297.1.b) of the Spanish Capital Companies Act and in compliance with Recommendation 5 of the Code of Good Governance for Listed Companies, the power to increase the Company's share capital by a maximum amount of up to 20% of the capital on the date of this authorisation, without prior consultation of the General Meeting, on one or more occasions and at any time, within a period of five years from the date of this General Meeting.

Capital increases under this authorisation will be carried out, once or more times, through the issue and putting into circulation of new shares, with or without a premium, whose countervalue will consist of monetary contributions. In relation to each increase, it will be up to the Board of Directors to decide whether the new shares to be issued are ordinary, privileged, redeemable, non-voting or any other type of shares permitted by law. Likewise, the Board of Directors may set, in all circumstances not provided for, the terms and conditions of the capital increases and the characteristics of the shares, as well as freely offer the new shares that are not subscribed within the period or periods for exercising the right of preferential subscription.

The Board of Directors may also establish that, in the event of incomplete subscription, the capital shall be increased only by the amount of the subscriptions made, in accordance with the provisions of Article 311 of the Spanish Capital Companies Act, and may redraft the articles of association relating to capital and number of shares. The shares issued under this authorisation may be used to attend to the conversion of convertible securities issued or to be issued by the Company or companies in its group.

2. Also, in relation to capital increases carried out under this authorisation, to authorise the Board of Directors to exclude, in whole or in part, pre-emptive subscription rights under the terms of Article 506 of the Spanish Capital Companies Act.

3. To request, where appropriate, the admission to trading on official or unofficial, organised or non-organised, national or foreign secondary markets of the shares issued by the Company by virtue of this delegation, empowering the Board of Directors to carry out the necessary procedures and actions for admission to trading on the competent bodies of the various national or foreign stock markets. Likewise, the resolution to increase the share capital will expressly state, for the appropriate legal purposes, that, should it be subsequently requested that the Company's shares be delisted, it will be adopted with the formalities required by the applicable regulations and, in this case, the interest of the shareholders who oppose or do not vote for the resolution will be guaranteed, complying with the requirements established in the Spanish Capital Companies Act, in the Securities Market Act and other concordant provisions or those implementing them.

4. To expressly authorise the Board of Directors so that it may, in turn, sub-delegate, under the provisions of Article 249 bis, section (l) of the Spanish Capital Companies Act, the delegated powers referred to in this resolution.

5. To revoke, in the part not used, the authorisation granted by the Company's General Meeting of Shareholders held on 22 June 2017.

SIXTEENTH ITEM ON THE AGENDA

Ratification, for the purposes of article 160.f) of the Spanish Capital Companies Act, of the pledge of shares granted over the wholly-owned subsidiary of Masmovil Ibercom, S.A., i.e. Masmovil Phone & Internet, S.A.U., as well as all extensions of the aforementioned pledge, and approval of dispensation from self-dealing, multiple representation and conflict of interest in all those irrevocable powers of attorney granted and to be granted in connection with the aforementioned pledge of shares.

To the right in rem of pledge of shares that the Company constituted on the totality of its shareholding in Masmovil Phone & Internet, S.A.U. on 7 May 2019, by virtue of recording the share pledge agreement in a public deed and the granting of irrevocable power of attorney granted on that date before the notary of Madrid Mr. Andrés de la Fuente O'Connor under number 866 of his protocol (the "**Pledge of Shares**"), to guarantee the obligations assumed by various companies of the Group under a financing agreement for up to €1,700,000,000, signed by, among others, MasMovil Holdphone, S.A.U, Xfera Móviles, S.A.U. and other Group companies as borrowers), MasMovil Phone & Internet, S.A.U., MasMovil Holdphone, S.A.U., Xfera Móviles, S.A.U., XTRA Telecom, S.A.U, Pepeworld, S.L., Pepemobile, S.L., Masmovil Broadband, S.A.U., MasMovil Infrastructures, S.L.U., MasMovil Investments, S.L.U., Neutra Network Services, S.L.U, The Bymovil Spain, S.L. and Embou Nuevas Tecnologías, S.L.U. as guarantors, certain financial entities designated as Coordinating Entities and the Original Accrediting Entities as accreditors, the Agent Entity and the Guarantee Agent, subject to English law, drafted in English and called "*Senior Facilities Agreement*", recorded in a public deed on 7 May 2019 before the notary of Madrid Mr. Andrés de la Fuente O'Connor (hereinafter, as novated, amended and/or consolidated at any time, including, without limitation, the novation and consolidated version signed on 6 June 2019 as well as the novation signed on 21 November 2019, the "**Financing Agreement**"), as the Pledge of Shares may also be extended at any time for the purpose of guaranteeing other *Finance Documents* and new lines of financing agreed at any time under the Financing Agreement by novating the Agreement or by subscribing to *incremental facilities* or in any other way, as well as new financial instruments (e. g. bonds) that may share this Pledge of Shares guarantee in equal rank or with the next rank, for all legal purposes and, in particular, for the purposes of article 160. f) of the Spanish Capital Companies Act, expressly authorising the constitution, novation, extension and ratification of the Pledge of Shares and the eventual disposal of the assets and rights subject to the Pledge of Shares in the event of its enforcement by the creditors benefiting from such guarantees, as well as any transactions described under the Pledge of Shares, and expressly excluding any possible case of multiple representation, self-contracting or potential collision of interest, and without any limit in relation to any of the irrevocable powers granted in order to ensure compliance with the Pledge of Shares.

SEVENTEENTH ITEM ON THE AGENDA

Delegation of powers for the formalization, correction, registration, interpretation, development and execution of the resolutions adopted by the General Meeting and power of attorney to formalize the filing of the annual accounts.

To empower all members of the Board of Directors, including the Non-Director Secretary, Mr. Alberto Castañeda González, so that any of them, jointly and severally, may (i) appear before a Notary for the purpose of recording the above resolutions in a public deed, as well as to grant the corresponding public deed, with the agreements, declarations and statements that may be appropriate and are derived, directly or indirectly, from such resolutions; (ii) to make any clarifications or corrections that may be necessary or appropriate and, in general, to issue any private and/or public documents required for the execution of the foregoing agreements, as well as the acts required for the registration of such agreements in the corresponding public registers; and, in particular, (iii) to file with the Mercantile Registry, for its filing, the certification of the agreements for the approval of the annual accounts and the allocation of the profit, attaching the documents that may be legally required, as well as to issue any public or private documents that may be necessary until the corresponding registration of the agreements adopted in the Mercantile Registry is obtained, including the request for partial registration, with powers, including, for correction or rectification in view of the oral or written qualification of the Mercantile Registry.