



## **Cellnex Telecom, S.A.**

*(incorporated as a limited liability company (sociedad anónima) in the Kingdom of Spain)*

**€5,000,000,000**

### ***Euro Medium Term Note Programme***

This base prospectus (the "**Base Prospectus**") has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union ("EU") law pursuant to the Prospectus Directive.

Application has been made to Euronext Dublin for the notes ("**Notes**") issued under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus by Cellnex Telecom, S.A. (the "**Issuer**" or "**Cellnex**") to be admitted to the official list (the "**Official List**") and trading on its regulated market.

Such approval relates only to the issue of Notes under the Programme during the period of 12 months after the date hereof which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU and/or which are to be offered to the public in any Member State of the European Economic Area (the "**EEA**").

The Programme also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

References in the Base Prospectus to "Euronext Dublin" (and all related references) shall mean the regulated market of the Irish Stock Exchange, doing business as Euronext Dublin. In addition, references in the Base Prospectus to the Notes being "listed" (and all related references) shall mean that such Notes have been admitted to listing on the Official List of Euronext Dublin and admitted to trading on its regulated market or, as the case may be, a MiFID II regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). This document may be used to list Notes on the regulated market of Euronext Dublin pursuant to the Programme. The Programme provides for Notes to be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer(s) (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €5,000,000,000 (or its equivalent in other currencies, subject to increase as provided herein). The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency indicated in the applicable Final Terms (as defined below), and save that the minimum denomination of each Note admitted to trading on a regulated market situated or operating within the EEA and/or offered to the public in an EEA state in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notice of the aggregate nominal amount of Notes, interest payable in respect of Notes and the issue price of Notes will be set out in the Final Terms (as defined herein) which will also complete information set out in the terms and

conditions applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*"), as required. With respect to Notes to be listed on Euronext Dublin, the Final Terms will be delivered to the Central Bank on or before the date of issue of the Notes of such Tranche. Copies of the Final Terms relating to Notes which are listed on Euronext Dublin or offered in circumstances which require a prospectus to be published under the Prospectus Directive will be available free of charge, at the registered office of the Issuer and at the specified office of each of the Paying Agents (as defined under "*Terms and Conditions of the Notes*").

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States (the "**U.S.**"), and Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

**MIFID II product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger (as defined in "**Overview**") nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**PRIIPs / IMPORTANT – EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Amounts payable on Floating Rate Notes may be calculated by reference to one of the Euro Interbank Offered Rate ("**EURIBOR**") or the London Interbank Offered Rate ("**LIBOR**") as specified in the relevant Final Terms, which are provided by the European Money Markets Institutes ("**EMMI**") and ICE Benchmark Administration Limited ("**ICE**"), respectively. As at the date of this Base Prospectus, EMMI is not (and ICE is) included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authorities pursuant to Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that EMMI is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

**Arranger**

**NATIXIS**

**Dealers**

**BANCA IMI**  
**BNP PARIBAS**  
**GOLDMAN SACHS**  
**INTERNATIONAL**  
**MORGAN STANLEY**  
  
**NATWEST MARKETS**

**BANCO SABADELL**  
**CAIXABANK**  
**ING**  
**MEDIOBANCA**

**SANTANDER**

**UNICREDIT BANK**

**BARCLAYS**  
**COMMERZBANK**  
**J.P. MORGAN**  
**NATIXIS**

**SOCIÉTÉ GÉNÉRALE**  
**CORPORATE &**  
**INVESTMENT BANKING**

17 May 2019

## IMPORTANT NOTICES

### ***Responsibility for this Base Prospectus***

The Issuer accepts responsibility for the information contained in this Base Prospectus and any applicable Final Terms or Drawdown Prospectus (as defined below) and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### ***Final Terms/Drawdown Prospectus***

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or by a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

### ***Other relevant information***

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue and offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

### ***Unauthorised information***

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any supplement hereto, or any Final Terms or Drawdown Prospectus or any document incorporated herein by reference. Neither the delivery of this Base Prospectus or any Final Terms or Drawdown Prospectus, as case may be, nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### ***Restrictions on distribution***

The distribution of this Base Prospectus and any Final Terms or Drawdown Prospectus, as the case may be, and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S., and Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

Neither this Base Prospectus nor any Final Terms or Drawdown Prospectus, as the case may be, constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

### ***Programme limit***

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €5,000,000,000 and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

### ***Certain definitions***

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the EEA, references to "**U.S. \$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, and references to "**€**", "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### ***Ratings***

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered (or which has applied for registration and not been refused) under the Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified

under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

### ***Language***

The language of the prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### ***Stabilisation***

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## FORWARD-LOOKING STATEMENTS

This Base Prospectus includes forward-looking statements that reflect the Issuer's intentions, beliefs or current expectations and projections about its future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which it operates. The Issuer has tried to identify these and other forward-looking statements by using the words "may", "could", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "guidance", "project", "future", "potential", "believe", "seek", "plan", "aim", "expect", "objective", "goal", "project", "strategy", "target", "continue" and similar expressions or their negatives. These forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business and the environment in which it expects to operate in the future. Forward-looking statements may be found in the sections of this Base Prospectus entitled "Risk Factors" and "Description of the Issuer" and elsewhere in this Base Prospectus.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions and other factors that could cause the Issuer's actual results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- a deterioration in the demand for telecom infrastructure services, broadcasting infrastructure, and other network services that the Issuer provides;
- changes in current or future laws or government regulations affecting the Issuer's business;
- increasing competition in the Issuer's industry;
- customer concentration and loss of customers;
- significant agreements could be modified due change of control clauses;
- unexpected adjustments and cancellations of the Issuer's backlog unfilled orders;
- increasing infrastructure sharing by the Issuer's customers or consolidation or merger of its customers;
- development of new technologies or changes in the Issuer's customers' business;
- a deterioration in the Issuer's reputation derived from its inability to provide uninterrupted or quality services;
- failure of third parties to properly provide the Issuer with key equipment and services negatively affecting the quality of its services;
- factors derived from the expansion or development of the Issuer's business, including through acquisitions or other growth opportunities;
- adverse economic and political conditions in all the jurisdictions in which the Issuer and its consolidated subsidiaries (together, the "**Group**") operate;
- factors derived from the Issuer's status of "significant market power" ("**SMP**") operator in the digital terrestrial television ("**DTT**") market;
- perceived health risks from radio emissions and electromagnetic radiation and additional costs imposed by environmental and health regulations;
- costs derived from environmental and health regulation;

- lack of spectrum;
- coverage obligations imposed on the Issuer's broadcasting clients;
- risks inherent to the distribution of content broadcast by the Group's customers over the Group's network;
- loss of key personnel;
- potential liabilities and costs from litigation;
- inability to protect the Issuer's intellectual property;
- lack of control of certain of the Issuer's subsidiaries;
- liability to third parties in connection Issuer activities;
- effectiveness of business support systems and uniform standards, controls and policies;
- risks derived from the development, expansion and maintenance of the Issuer's infrastructure, including the need for ongoing capital expenditure;
- failure to retain rights and administrative constrains to Issuer's infrastructure;
- natural disasters and other unforeseen events affecting the Issuer's infrastructure for which its insurance may not provide adequate coverage;
- security breaches or other critical disruptions in the Issuer's technical or information infrastructure;
- inability to achieve a successful integration of acquisitions;
- impairment of a significant portion of goodwill and other intangible assets;
- financial information not representative of Issuer's current financial situation due to recent transactions;
- fraud and compliance risk;
- inability to manage financial risks: foreign currency, interest rates, exposure to costumers credit risk, liquidity and inflation; and
- impact of the increasing indebtedness of the Issuer.

Additional factors that could cause the Issuer's actual results, financial condition, liquidity, performance, prospects, opportunities, achievements or industry results to differ include, but are not limited to, those discussed under "*Risk Factors*". In light of these risks, uncertainties and assumptions, the forward-looking events described in this Base Prospectus may not occur. Additional risks that the Issuer may currently deem immaterial or that are not presently known to the Issuer could also cause the forward-looking events discussed in this Base Prospectus not to occur. These forward-looking statements speak only as of the date on which they are made. Except as otherwise required by applicable securities law and regulations and by any applicable stock exchange regulations, the Issuer undertakes no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Base Prospectus. Given the uncertainty inherent in forward-looking statements, the Issuer cautions prospective investors not to place undue reliance on these statements.

The Dealers assume no responsibility or liability for, and make no representation, warranty or assurance whatsoever in respect of, any of the forward-looking statements contained in this Base Prospectus.



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## OVERVIEW

*This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview.*

<b>Issuer</b>	Cellnex Telecom, S.A.
<b>Risk Factors</b>	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.
<b>Description</b>	Euro Medium Term Note Programme.
<b>Arranger</b>	Natixis
<b>Dealers</b>	Banco de Sabadell, S.A., Banca IMI S.p.A., Banco Santander, S.A., Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, CaixaBank, S.A., Commerzbank Aktiengesellschaft, Goldman Sachs International, ING Bank N.V., J.P. Morgan Securities plc, Mediobanca – Banca di Credito Finanziario S.p.A., Morgan Stanley & Co. International plc, Natixis, NatWest Markets N.V., Société Générale and UniCredit Bank AG and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Fiscal Agent</b>	The Bank of New York Mellon, London Branch
<b>Registrar</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch
<b>Listing Agent</b>	The Bank of New York Mellon SA/NV, Dublin Branch
<b>Final Terms or Drawdown Prospectus</b>	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed by the relevant Final Terms or, as the case may be, as amended in the relevant Drawdown Prospectus.
<b>Listing and Trading</b>	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
<b>Clearing Systems</b>	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.

**Initial Programme Amount**

Up to €5,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

**Issuance in Series**

Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Forms of Notes**

Notes may be issued in bearer form or in registered form. Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note (each, a "**Global Note**"), in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the U.S. Treas. Reg. section 1.163 5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) (the "**TEFRA D Rules**") are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be represented by either:

- (i) Individual Note Certificates; or
- (ii) one or more Global Registered Notes,

in each case as specified in the relevant Final Terms.

Each Note represented by a Global Registered Note will either be: (a) in the case of a certificate which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a certificate to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

**Currencies**

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Status of the Notes**

The Notes constitute direct, general, unconditional and (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and in the event of insolvency (*concurso*) of the Issuer (unless they qualify as subordinated debts under Article 92 of Law 22/2003 (*Ley Concursal*) dated 9 July 2003 or equivalent legal provision which replaces it in the future and subject to any legal and statutory exceptions) will rank *pari passu* without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future. See Condition 4 (*Status*).

**Issue Price**

Notes may be issued at any price, as specified in the relevant Final Terms or Drawdown Prospectus. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions, in accordance with the Terms and Conditions of the Notes.

**Maturities**

Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom ("**UK**") or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the UK, such Notes must: (i) have a minimum redemption value of

£100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

### **Redemption**

Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms or Drawdown Prospectus. Notes may also be redeemable in 2 or more instalments on such dates and in such manner as may be specified in the relevant Final Terms or Drawdown Prospectus.

### **Optional Redemption**

Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms or Drawdown Prospectus, as further described in Conditions 8(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) and 8(g) (*Redemption and Purchase - Redemption at the option of Noteholders (Investor Put)*) respectively.

In addition, if the relevant Final Terms or Drawdown Prospectus so specifies, Noteholders shall have the option, in the event of a Put Event, to require the Issuer to redeem or purchase the relevant Notes at par plus accrued interest, as further described in Condition 8(h) (*Redemption and Purchase - Redemption or Purchase at the option of the Noteholders on a Put Event (Change of Control Put)*).

### **Tax Redemption**

Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons as described in Condition 8(b) (*Redemption and Purchase - Redemption for tax reasons*).

### **Interest**

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate.

### **Denominations**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s). No Notes may be issued under the Programme which have a minimum denomination of less than €100,000 (or nearly equivalent in another currency) in the case of Notes to be admitted to trading on a regulated market as defined in Article 4, paragraph 1, point 21 of Directive 2014/65/EU, or in so far as required by all applicable legal and/or regulatory and/or central bank requirements. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms or Drawdown Prospectus, subject to compliance with all

applicable legal and/or regulatory and/or central bank requirements.

**Cross Default**

The Notes will have the benefit of a cross default as described in Condition 12 (*Events of Default*).

**Negative Pledge**

The Notes will have the benefit of a negative pledge provision as described in Condition 5 (*Negative Pledge*).

**Taxation**

Payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to the exceptions provided in Condition 11 (*Taxation*) and as described below) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required (see "*Taxation – Taxation in Spain – Information about the Notes in connection with Payments*").

**Information requirements under Spanish Tax Law**

Under Spanish Law 10/2014 and Royal Decree 1065/2007 as amended, the Issuer is required to provide the Spanish tax authorities with certain information relating to the Notes in a timely manner.

If the Fiscal Agent fails to provide the Issuer with the required information described under "*Taxation – Taxation in Spain – Information about the Notes in connection with payments*", the Issuer may be required to withhold tax (as at the date of this Base Prospectus, at a rate of 19%).

If this were to occur, affected Noteholders will receive a refund of the amount withheld, with no need for action on their part, if the Fiscal Agent submits the required information to the Issuer no later than the 10<sup>th</sup> calendar day of the month immediately following the relevant payment date. In addition, Noteholders may apply directly to the Spanish tax authorities for any refund to which they may be entitled. The Issuer will not pay additional amounts in respect of any such withholding tax.

Investors should note that none of the Issuer, Arranger, the Dealers or the Clearing Systems accept any responsibility relating to the procedures established for the collection of information concerning the Notes.

**Governing Law**

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law. Condition 4 (*Status*) is governed by Spanish law.

**Enforcement of Notes in Global Form**

In the case of Global Notes, individual investors' rights against the Issuer will be supported by a Deed of Covenant dated 17 May 2019, a copy of which will be available for inspection at the specified office of the Fiscal Agent.

**Selling Restrictions**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the U.S., the EEA, the UK, the Kingdom of Spain, Japan, Italy and France, see "*Subscription and Sale*".

## RISK FACTORS

*Prospective investors should read the entire Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

*The Issuer believes that the following factors may affect their ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme as at the date of this Base Prospectus, but the inability of the Issuer to pay any amounts due on or in connection with any Notes or the Deed of Covenant, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the information set out elsewhere in this Base Prospectus and reach their own view prior to making any investment decision.*

*Investing in Notes issued under the Programme involves certain risks. Prospective investors should consider, among other things, the following:*

### **Risks Relating to the Issuer**

#### **Risks related to the industry and businesses in which the Group operates**

***The business of the Group depends on the demand for telecom infrastructure services, broadcasting infrastructure and equipment and other network services that it provides, which the Group cannot control, and the Group may be adversely affected by any slowdown in such demand***

The business of the Group includes the provision of services through its three different segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure and (iii) Other Network Services.

The Telecom Infrastructure Services segment is highly dependent on the demand for the Group's telecom and broadcast wireless infrastructures and a decrease in such demand may adversely affect the business of the Group. Within the Broadcasting Infrastructure segment, demand for communications depends on the coverage needs from the Group's customers, which, in turn, depend on the demand for TV and radio broadcast by their customers. Likewise, for the Other Network Services segment, demand for connectivity, public protection and disaster relief ("PPDR") networks, operation and maintenance ("O&M"), smart city and Internet of Things ("IoT") services depends on the demand from public administrations as well as entities operating in the private and public sectors. Any factor adversely affecting the demand for such services could potentially have a material adverse effect on the business, prospects, results of operations, financial condition and cash flows of the Group.

The willingness of the Group's customers to use the Group's communications infrastructures, contract its services, or renew or extend existing contracts on its communications infrastructures on the same terms, can be affected by numerous factors, including, among others:

- increased use of network sharing, roaming or resale arrangements by mobile network operators ("MNOs");
- mergers or consolidations among the Group's customers, such as MNOs;
- the ability and willingness of MNOs to maintain or increase capital expenditures on network infrastructure;
- the financial condition of the Group's customers, including the availability or cost of capital;



- governmental licensing of spectrum or restrictions on or revocations of spectrum licenses;
- changes in electromagnetic emissions' regulations;
- changes in demand for TV and radio services and consumption habits (channels, etc.) by end consumers, including the level of multimedia content consumption;
- significant increases in the attrition rate of customers or decreases in overall demand for broadcast space and services, caused by, amongst others, the adoption of new digital patterns by customers and the obsolescence of the products and services rendered by the Group;
- a decrease in consumer demand for wireless telecom and broadcasting services due to economic, political and market/regulatory conditions, disruptions of financial and credit markets or other factors, including inflation, zoning, environmental, health or other existing government regulations or changes in the application and enforcement thereof, as well as taxes/customs duties levied on the Group's services;
- the evolution of the advertising business' revenue in the media sector, and especially, TV, internet and radio;
- changes in the connectivity to the internet;
- an increase in demand for private networks;
- the evolution of public internet;
- changes in the data traffic demand worldwide as well as changes in data transmission prices and speed;
- the availability or capacity of the Group's infrastructure or associated land interests where the infrastructure is located;
- the location of the Group's wireless infrastructure;
- changes in, or the success or failure of, the Group's customers' business models;
- delays or changes in the deployment of next generation wireless technologies or the failure by the Group to anticipate the development of new wireless technologies;
- technological advances and development of alternative technologies that the Group does not currently use, such as the development of satellite-delivered and optical fiber-delivered radio and video services and internet TV;
- the existence of alternative providers of the Group's services or, alternatively, the self-provision of services by the Group's customers;
- the willingness of the Group's current or future customers to make contractual arrangements with the Group under the current terms and conditions; and
- the constant exercise of renegotiating the existing agreements with the Group's customers' or their desire for such renegotiation or to adversely amend current contractual arrangements (especially those relating to broadcasting services and other network services).

As a result of these factors the customers of the Group may scale back their need or demand for its services which could materially and adversely affect the degree of utilisation of the capacity of its communications infrastructures and its network and connectivity development services, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***The Group is subject to regulations that govern the way it conducts its businesses and changes in current or future laws or regulations could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows***

The business of the Group and those of its customers are subject to the national, regional and local regulations of all jurisdictions in which the Group operates as well as the regulatory framework applicable in the European Union (the "EU"). The existing laws or regulations under which the Group operates may be repealed, amended or overruled, and new regulations may be promulgated at any time. Such regulations could be applied or enforced retroactively or the interpretation of such regulations by the competent authority may differ from that of the Group. The Group cannot guarantee that existing or future laws or regulations, including national, regional and local tax laws, will not adversely affect the Group's business, generate delays in its projects or result in additional costs.

Failure to comply with applicable regulations may lead to civil penalties or require the Group to assume indemnification obligations or result in the Group breaching certain of its contractual provisions. Furthermore, if such laws and regulations are not enforced equally against its competitors in a particular market, the compliance with such laws and regulations may put the Group at a competitive disadvantage vis-à-vis competitors who do not have to comply with such requirements.

Moreover, the Group cannot guarantee that the interpretation of applicable laws or regulations will coincide with the one of the governmental agencies or courts enforcing such laws or regulations. These factors may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group depends on the obtaining, maintaining and periodically renewing of several licenses, authorisations, and administrative and regulatory permits in all jurisdictions where the Group operates. The Group is unable to assure that such licenses, authorisations and permits will be fully granted at all times or renewed upon their expiration. This may lead to the impossibility of carrying out the activities of the Group in such jurisdictions where the application for or renewal of such licenses, authorisations and permits is denied, which may materially and adversely affect the business, prospects, results of operations, financial condition and cash flows of the Group.

Moreover, in certain locations, the Group may be required to pay annual license fees, and these fees may be subject to increases by the government or administrations at any time. Jurisdictions in which the Group currently operates or may operate in the future that do not currently require it to pay license fees may enact new regulations which may impose on the Group the obligation to pay license fees.

In addition, the Group's customers are also subject to a wide-ranging regulatory regime, both at the EU and domestic level, which may indirectly affect the Group's business. This includes certain rules on the disposal of assets and rules limiting electromagnetic emissions by MNOs, which are particularly strict in Italy and Switzerland, two countries where the Group operates.

Most of the industries in which the Group's customers operate also require the application for licenses or authorisations, as well as adjudication/concession and renewal processes beyond the Group's control. For instance, the Group's clients on the telephone and internet service industry are subject to the granting of the right to use frequencies for carrying out their activities. Such licenses or adjudications have a limited duration, making its customers subject to periodic renewals. There is no certainty that the Group's customers will be able to retain or renew the right of use of such frequencies. In the event of loss of any of such rights, the Group may be subject to a reduction in the demand for its services, which will have a material adverse effect on the business, prospects, results of operations, financial condition and cash flows of the Group. See "*Risks related to the Group's assets—If the Group fails to retain rights to its infrastructure, its business may be adversely affected*".

### ***Increasing competition in the industry may materially and adversely affect the Group***

The Group may experience at any time increased competition in certain areas of activity from established and new competitors. The industry is competitive and customers have access to alternatives in telecom infrastructure services and other network services, whereas for broadcasting TV the alternatives are more limited. Where the Group acts as a provider of services, competitive pricing from competitors could affect the rates and services income. In addition, competition in infrastructure services could also increase the cost of acquisition of assets and limit the Group's ability to grow its business. Moreover, the Group may not be able to renew existing services agreements or enter into new ones. The higher prices for assets, combined with the competitive pricing pressure on services agreements, could make it more difficult for the Group to achieve its return on investment criteria.

Increasing competition for the acquisition of infrastructure assets or companies in the context of the Group's business expansion could make the acquisition of high quality assets significantly more costly and could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. Some competitors are larger than the Group and may have greater financial resources (such as KKR or MS Infrastructure Fund), while other competitors may apply investment criteria with lower return on investment requirements. In addition, some of the Group's customers have set up their own infrastructure companies (such as Telxius Telecom, S.A. or Infrastrutture Wireless Italiane S.p.A.), and if the Group is unable to compete effectively with such customers and other competitors or effectively anticipate or respond to customer needs or consumer sentiment, it could lose existing and potential customers, which could reduce the Group's operating margins and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

### ***A substantial portion of the revenue of the Group is derived from a small number of customers***

In the Telecom Infrastructure Services segment its main clients are telecom operators (mostly MNOs); in the Broadcasting Infrastructure segment its main clients are media broadcasters (TV channels and radio stations); and in the Other Network Services segment its main clients are (i) a small number of public administrations, at national, regional and/or local levels, (ii) safety and emergency response organisations, (iii) companies operating in the utility sector, and (iv) certain telecom operators. The ongoing consolidation process in the telecom and broadcasting sectors may result in a decrease in the number of MNOs or media broadcasting operators in the future, which could potentially have a negative impact on the main segments of the Group (see "*Description of the Issuer*" for further information).

The Group has one customer that contributed 23% of its total operating income for the year ended 31 December 2018 (26% for the year ended 31 December 2017). The total operating income from this customer for the year ended 31 December 2018 amounted to €205,992 thousand (€207,131 thousand for the year ended 31 December 2017). The agreement reached with this one customer has a long term initial maturity and its renewal is only possible for the entire portfolio and not for a portion thereof. For the year ended December 31, 2016, the Group had three customers that each exceed 10% of its operating income, which amounted to €339,752 thousand in aggregate.

The Group's reliance on a small group of customers may adversely affect the development of its business. As such, the loss of one or more of any of the Group's main customers, resulting from, amongst others, a merger, bankruptcy, insolvency, network sharing, loss of licenses, roaming, joint development, resale agreements or contract early termination may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Likewise, even though most of the Group's business relationships have been long-lasting to date, the Group cannot guarantee that contracts with its major customers will not be terminated or that these customers will renew their contracts with the Group on the same terms or at all. Further, the Group is exposed to constant renegotiation and renewal processes of its contracts with its customers (especially those related to Broadcasting Infrastructure

and Other Network Services due to the contracts relating to such segments generally having shorter maturity periods), which may result in the current contractual arrangements being adversely amended, which could in turn affect the total value of its contracts. In particular, some contracts entered into by the Group provide that certain expenses are passed through to the Group's customers, such as energy costs, and the Group cannot guarantee that the pass through mechanism will protect 100% of the energy cost borne by the Group during all the term of the contract, which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, Cellnex could potentially be exposed to fines if Cellnex were found to be engaged in the electricity resale business simply because energy costs are included in the charges for which it bills its customers. Electricity supply is a regulated activity in countries where Cellnex operates.

In the ordinary course of its business, the Group experiences disputes with its customers, generally regarding the interpretation of terms in the Group's commercial agreements. It is possible that such disputes could lead to a termination of the Group's contracts with customers or a material modification of the terms of those agreements, either of which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. If the Group is forced to resolve any of these disputes through litigation, its relationship with the relevant customer could be terminated or damaged, which could lead to decreased revenue or increased costs, resulting in a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Additionally, in relation to Telecom Infrastructure Services, the Group currently differentiates from its competitors through the neutrality of its position in the market. The loss or weakening of such neutral position as a result of one customer becoming a reference or controlling shareholder of the Issuer could lead to the termination of contracts or to a loss of customers and hence, to a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***The triggering of a change of control clause contained in the contracts entered into by the Group may result in an obligation to repay debt early or to sell back assets***

Certain material contracts entered into by the Group could be modified or terminated if a change of control clause is triggered. A change of control clause may be triggered if a third party, either alone or in conjunction with others, obtains "control" (which is generally defined as having (i) more than 50% of shares with voting rights or (ii) the right to appoint or dismiss the majority of the members of the board of directors) of the relevant Group company. A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction.

With regards to the material contracts entered into by the Group with anchor customers, the triggering of a change of control provision is generally limited to the events where the acquiring company is a competitor of the anchor customer. In such circumstances, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). In addition, such buy back option can also be granted in the event that a direct competitor of the anchor customer acquires a significant portion of the Shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests. Finally, buy back options can also be exercised in circumstances not involving a change of control in case of an explicit breach by a Group company of the contractual obligations under the services agreement with its customers.

Additionally, the Notes issued under the Programme, the convertible bonds and the bank financing contracts of the Group include certain change of control clauses which could trigger an early repayment under the respective debt arrangement. See "*Description of the Issuer*" for more information.

If a change of control clause included in any of the Group's material contracts is triggered, it may materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

***The Group's backlog estimates are based on certain assumptions and are subject to unexpected adjustments and cancellations and thus may not be timely converted to revenues in any particular fiscal period, if at all, or be a fully accurate indicator of the Group's future revenue or earnings***

Expected contracted service revenues from service agreements (backlog) represent management's estimate of the amount of contracted service revenues that the Group expects will result in future revenue from certain existing contracts. Backlog, as included in this Base Prospectus, is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date, but does not include adjustments for inflation. One of the main assumptions for calculating backlog is the automatic renewal of contracts for services with the Group's anchor customers. Such contracts have renewable terms including, in some cases, 'all or nothing' clauses that only allow the renewal of a contract for the entire portfolio (not the renewal of a portion thereof) on terms that are generally pre-agreed and the application of which may result in an increase or a decrease in price of the service, within certain parameters. In some instances, the contracts for services may be cancelled under certain circumstances by the customer at short notice without penalty.

The Group's definition and calculation of backlog may not necessarily be the same as that used by other companies engaged in activities similar to that of the Group. As a result, the amount of its backlog may not be comparable to the backlog reported by such other companies. The realisation of the Group's backlog estimates is further affected by its performance under contracts. The Group's ability to execute its backlog is dependent on its ability to meet its clients' operational needs, and if it is unable to meet such needs, the Group's ability to execute its backlog could be adversely affected, which could materially affect the Group's business, prospects, results of operations, financial condition and cash flows. There can be no assurance that the revenue projected in the Group's backlog will be realized or, if realized, will result in profit. Contracts for services are occasionally modified by mutual consent. Because of potential changes in the scope or schedule of the services the Group provides to its clients, it cannot predict with certainty when or if the Group's backlog will be realized. Even where a project proceeds as scheduled, it is possible that the client may default and fail to pay amounts owed to the Group. Delays, payment defaults or cancellations could reduce the amount of backlog currently estimated, and consequently, could inhibit the conversion of that backlog into revenues, which would in turn materially affect the Group's business, prospects, results of operations, financial condition and cash flows.

***If the Group's customers share infrastructure to a significant degree, or consolidate or merge, the Group's growth, revenue and ability to generate positive cash flows could be materially and adversely affected***

While the Group believes the neutral operator model (without an MNO as a shareholder having (i) more than 50% of the voting rights or (ii) the right to appoint or dismiss the majority of the members of the board) presents certain advantages and there is a growing trend of externalisation of the provision of wireless communications infrastructure, extensive sharing of infrastructure, roaming or resale arrangements among MNOs as an alternative to using the Group's services may slow down the entering into new service agreements. Moreover, if MNOs utilize shared equipment (either active or passive) rather than deploy new equipment, it may result in the decommissioning of equipment on certain existing infrastructures because parts of the customers' networks may become redundant.

Any potential merger, integration or consolidation of the Group's customers would likely result in duplicate or overlapping networks, which may result in the termination or non-renewal of customer contracts (for example where they are co-customers on an infrastructure) and in the loss of commercial opportunities resulting in a lower number of potential customers for the Group. These two scenarios could materially and adversely affect revenues from the Group's wireless infrastructure and its commercial prospects.

In addition, customers' consolidation may result in a reduction in their total future capital expenditures because their expansion plans may be similar. Both MNOs' and broadcasters' consolidation could decrease the demand for the Group's wireless infrastructure, which in turn could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

Finally, the framework agreements signed with anchor customers may include agreements for the further acquisition or construction of infrastructures over a defined period of time or for the acquisition or construction of a maximum number of infrastructures (such as in the Group's acquisition of Bouygues Telecom S.A. ("**Bouygues Telecom**")). Such framework agreements may or may not be implemented, either in whole or in part, due to a potential integration or consolidation of the Group's customers or due to a change in their business strategy. If these circumstances occurred, there is no guarantee that the Group may have enough contractual protection in order to be compensated for such changes, which in turn could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***New technologies, or changes in the business model of the Group's customers, could make the business of the Group less desirable and result in decreasing revenues***

The Group develops its activities in a sector which is characterized by a rapid technological change and it is essential to be able to offer the products and services demanded by the market and to select the appropriate investments.

The development and implementation of new technologies designed to enhance the efficiency of wireless networks or new technologies developing alternative network solutions (either broadcasting infrastructure or alternative technologies to the network services the Group provides), or changes in customers' business models, could reduce the need for infrastructure-based wireless services, reduce the need for broadcasting or network services, decrease demand for the infrastructure space or reduce rates or other fees that were obtained in the past. In this regard, the Group faces the risk that its customers may not adopt the technologies the Group invests in or that the technologies and infrastructure the Group currently uses become obsolete. The Group's business and growth prospects could be jeopardized if it was not able to promptly identify and adapt to shifting technological solutions and/or if it failed to acquire or develop the necessary capabilities and expertise to meet its clients' changing needs. The development and implementation of new services with a significant technological component, is also subject to inherent risks that the Group may not be able to overcome.

The development and commercialisation of new technologies designed to improve and enhance the range and effectiveness of wireless telecom networks, either by the Group's competitors or the Group itself, could significantly decrease demand for existing infrastructure. Also, competitors may be able to offer wireless telecom infrastructure products and services that are, or that are perceived to be, substantially similar to or better than those the Group offers, or offer technologies that provide similar functionality with competitive prices and with comparable or superior quality. A decrease in demand for the Group's existing infrastructure or technology, either as a result of new technologies or increased demand for services provided by the Group's competitors, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, customers of the Group's services may reduce the budgets they may have allocated to telecom infrastructure, broadcasting infrastructure or other services, as the industry constantly invests in the development and implementation of new technologies or because of changes in their business model. Examples of these technologies include spectrally efficient technologies, which could reduce the Group's customers' network capacity needs and as a result could reduce the demand for infrastructure-based wireless services.

Moreover, certain small cell-based complementary network technologies, in which the Group actively works, could shift a portion of the Group's customers' investments away from the traditional infrastructure-based networks, which may reduce the need for MNOs to add more equipment at communication infrastructures.

Moreover, the emergence of alternative technologies could reduce the need for infrastructure-based broadcast or network services. For example, the growth in the delivery of wireless communications, radio and video services by direct broadcast satellites could materially and adversely affect demand for the Group's infrastructure services.

In the Telecom Infrastructure Services segment, the Group cannot be certain that technologies such as the "Small Cells", distributed antenna system ("DAS", a network of spatially separated antenna nodes connected to a common source via a transport medium that provides wireless service within a geographic area or structure) 5G and wide spectrum radio, will not become dominant in the future and render the technologies and infrastructure the Group currently uses obsolete.

In the Broadcasting Infrastructure segment, digital terrestrial television ("DTT") is the method most widely used to transmit TV signals in Europe but an eventual unexpected increase in Spain of the use of alternative distribution platforms (such as satellite, cable or internet protocol television, "IPTV") or the growth and deployment of Wi-Fi networks could reduce the Group's current business volume.

In the Other Network Services segment the Group uses, amongst other technologies, terrestrial trunked radio ("TETRA") services technology or radio links to deliver its services, and the use of alternative technologies could reduce its revenues and limit potential future growth.

The development and implementation of any of these or similar technologies, as well as of new products and technologies, may render some of the products and services offered by the Group obsolete which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***The reputation of the Group may be negatively affected if it is unable to provide uninterrupted or quality services, which could in turn result in the loss of important contracts***

The success of the Group's business depends on the efficient, uninterrupted and high quality operation of its systems and the satisfaction of its customers. Its service offerings are often complex, depend on the successful integration of sophisticated in-house and third-party technology and services, and on occasions on the decommissioning by the Group of infrastructures, which adds complexity, and must meet stringent quality requirements. For example, in the Broadcasting Infrastructure segment, national broadcasters to which the Group provides its services have certain coverage obligations and they rely on the Group's capacity to meet their coverage obligations (see "*Coverage obligations imposed on the Group's broadcasting clients may affect its business*" below). Additionally, if any of its services have reliability or quality problems, its customers might be reluctant to employ the Group's services again in the future, which could result in a decline in revenues.

***The Group relies on third parties for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of its services***

The Group relies on third-party suppliers to provide key equipment and services that are essential for the Group's operations. Some of these are only available from a limited number of third parties. For example, the Group relies on transmission capacity and other critical facilities that are owned by third parties. The Group does not have operational or financial control over these partners, and it has no influence with respect to the manner in which these suppliers conduct their business. If these suppliers fail to provide equipment or services on a timely basis or in accordance with the agreed terms, the Group may be unable to provide services to its customers until an alternative supplier can be found. In addition, existing or new competitors in the markets where the Group operates may compete for services from the Issuer's existing suppliers and such competitors may obtain more favorable terms than those the Group currently benefits from. Additionally, it is possible that current suppliers of services could become competitors, therefore competing as consumers of services they provide. Either of these occurrences could result in upward pricing pressure on these contracts and the Group may not be able to renew its contracts at all or at the same rate as in the past, and could lose market share. If any of these contracts are

terminated or the Group is unable to renew them on favorable terms or negotiate agreements for replacement services with other providers at comparable terms, this could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Likewise, any commercial dispute with a supplier, the termination of a relationship, as well as insolvency, bankruptcy, end of or curtailing business, so forth, of any supplier, including such situations in which the supplier is forced to cease the provision of services to the Group for any reason or fails to provide the services or goods deemed necessary for the Group to carry out its activities, the Group may be exposed to additional costs and may not be able to comply in full with all the contracts with its customers. If this circumstance occurred, it could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***The Group's strategy includes the acquisition of businesses which it may be unable to source, complete or successfully integrate***

The Group's strategy is aimed at strengthening and expanding its operations, including through the acquisition of assets, entities or minority interests, joint ventures, mergers and other arrangements in the countries where the Group currently operates or elsewhere, which could require, among other matters, new debt and the issuance of Shares to finance such growth opportunities. This strategy of growth exposes the Group to operational challenges and risks, such as the need to identify potential acquisition opportunities on favorable terms, the diversion of management's attention from existing business, the potential impairment of acquired intangible assets, including goodwill, or the acquisition of liabilities or other claims from acquired businesses.

The Group may face delays and contingencies in the implementation of its growth through acquisitions strategy (including due to the lack of suitable acquisitions, the failure to negotiate and agree acceptable purchase agreements or the failure to satisfactorily complete due diligence). In addition, necessary regulatory or administrative authorisations or approvals may be refused, including antitrust approvals, or only be granted on onerous terms, and any such refusal, or the imposition of onerous terms, may result in significant delays and/or significant unexpected costs in relation to a particular acquisition. Market conditions and other factors, such as our competitors' willingness to also expand their businesses through the acquisition of the same assets, entities or minorities that the Group seeks to acquire, may also adversely affect the Group's ability to identify and execute acquisitions. As a result, the Group is unable to predict the timeline for the successful execution of its growth strategy and there is no guarantee that the Group will be successful in identifying such acquisitions or making any investments in a timely manner or at all, any of which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Prior to entering into an acquisition agreement, the Group generally performs due diligence with respect to the target or the relevant assets, but such inspection is limited by its nature. Any assets acquired by the Group may be subject to hidden material defects that were not apparent or that otherwise the Group failed to discover or consider at the time of the acquisition. To the extent the Group or other third parties underestimated or failed to identify risks and liabilities associated with an acquisition, the Group may incur, directly or indirectly, in unexpected liabilities, such as defects in title, an inability to obtain permits enabling the Group to use the underlying infrastructure as intended, or other environmental, structural or operational defects or liabilities requiring remediation. Failure to identify any such defects, liabilities or risks could result in the Group having acquired assets which are not consistent with its investment strategy, which are difficult to integrate within its portfolio, which fail to perform in accordance with expectations, and/or which adversely affect the Group's reputation, which, in turn, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Generally, if the Group cannot identify, implement or integrate attractive acquisition opportunities on favorable terms or at all, it could adversely affect its ability to execute its growth strategy.



***The expansion or development of the business of the Group, including through acquisitions or other growth opportunities, involves a number of risks and uncertainties that could adversely affect its operating results or disrupt its operations***

It is an integral part of the Group's strategy, as mentioned above, to continue driving growth through the acquisition of assets, entities or minority interests, joint ventures, mergers and other arrangements in the countries where the Group currently operates or elsewhere, which could require, among other, having to issue debt or equity in order to finance such growth opportunities. The Group's growth strategy is linked, among other factors, to the capacity to successfully decommission and build new infrastructures. In the ordinary course of the business, the Group reviews analyzes and evaluates potential transactions, assets, interests, activities or potential arrangements that the Group believes may add value to its business or its scope of services. Failure to timely identify growth opportunities may adversely affect the expansion or development of the Group's business.

Moreover, anti-trust or similar legislation may preclude the Group's ability to grow the portfolio of assets in a particular market or jurisdiction. Even if compliant with anti-trust legislation, the Group may not be able to consummate such transactions, undertake such activities or implement new services successfully due to disruptions in its activities, increased risk of operations or other consequences which could negatively impact the Group's business. In particular, sellers of infrastructure assets may be reluctant to enter into joint ventures, mergers, disposals or other arrangements with the Group due to, among other reasons, the accounting impact of the transaction in their financial statements or the rating impact on their financing structure.

There are additional risks associated with doing business internationally, including changes in a specific country's or region's political or economic conditions, inflation or currency devaluation, expropriation or governmental regulation restricting foreign ownership or requiring reversion or divestiture, increases in the cost of labor (as a result of unionisation or otherwise), power and other goods and services required for the Group's operations and changes in consumer price indexes in foreign countries. See "*The business of the Group may be affected by adverse economic and political conditions in the countries where the Group carries out its activities and globally*".

Achieving the benefits of new acquisitions depends in part on the timely and efficient integration of the acquired business operations, communications infrastructure portfolio and personnel. Integration may be difficult and unpredictable for many reasons, including, among other things, differing systems and processes, cultural differences, customary business practices and conflicting policies, procedures and operations. In addition, integrating businesses may significantly burden management and internal resources, including the potential loss or unavailability of key personnel. See also "*Risks related to the Group's assets— The Group's strategy includes the acquisition of businesses which it may be unable to source, complete or successfully integrate*".

The potential acquisition of minority interests in other companies that manage telecom infrastructure or similar companies or the entry by the Group into joint ventures or other arrangements where the Group does not have control over the investment vehicle, could result in not achieving the expected rate of return on the relevant investment. This may occur because the interests of other shareholders may not be the same as the ones of the Group, because the underlying business does not perform as expected, because of an impairment in the value of such investment or for other reasons.

As a result, the Group's foreign operations and expansion initiatives may not succeed as expected which may materially and adversely affect its business, prospects, results of operations, financial condition and cash flows.

***The business of the Group may be affected by adverse economic and political conditions in the countries where the Group carries out its activities and globally***

Despite actively pursuing the internationalisation of the business as a means of risk exposure diversification, the Group cannot assure that the countries where it operates will not experience economic or political difficulties in the future.

Customers in Spain and Italy represent a significant portion of the operating income of the Group (for the year ended 31 December 2018, approximately 52% (€467,787 thousand) and 28% (€254,393 thousand) of the Group's operating income was generated in Spain and Italy, respectively) thus, exposing it to risks specific to these countries. Adverse economic conditions may have a negative impact on demand for the services the Group provides and on its customers' ability to meet their payment obligations. In periods of recession, such as the one experienced by Spain and Italy in previous years (e.g. 2008 to 2013), the demand for services provided by the Group tends to decline, with a potential adverse impact on the Group's results of operations.

Likewise, as the Group has expanded its business in other countries, it is directly exposed to each of such countries political and economic situations (e.g. France or Switzerland), and may be adversely affected by their potential instability, while at the same time a more geographically diversified revenue source allows a lower risk exposure to specific country related issues. The Group cannot make concrete predictions on how the economic and political cycle in such locations will develop in the short-term or the coming years or whether there will be a deterioration in political stability.

In addition, global factors –macroeconomics as well as political—may have an influence on the economical and political framework of those countries in which Cellnex operates. Geopolitical tensions in the Middle East, trade tensions between the United States and China coupled with the economic effects of the sanctions that could be either extended or imposed, growth of anti-EU political parties as well as emerging political forces in member states of the EU with alternative economic, public and territorial policies and priorities, concerns about military and terrorist actions in Europe and elsewhere in the world could affect the economic situation in the EU and elsewhere, and could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Because of the Group's growing presence in the United Kingdom, the Group faces the risk of political and economic uncertainty derived from the United Kingdom's decision to leave the EU, moreover in the event of a withdrawal from the European Union with few or no agreements in place regarding the prospective relationship between the United Kingdom and the EU (economic, trading, legal or otherwise) after withdrawal of the first from the latter (popularly known as a "hard Brexit" or a "no-deal Brexit").

The timing of, and process for, the negotiations and the resulting terms of the United Kingdom's future economic, trading and legal relationships continue to be uncertain. The withdrawal of the United Kingdom from the EU with no agreements in place to regulate the relationship between them, may have an adverse effect in the United Kingdom's financial services industry, which in turn can materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. As the Notes are governed by English law, there is also a risk that following Brexit (should a suitable treaty in respect of the matter not be concluded between Spain and the United Kingdom) the enforcement of an English court's judgment by a Spanish court could require compliance with additional procedural requirements.

Changes in the international financial markets' conditions pose a challenge to the Group's ability to adapt to them as they may have an impact on its business. Growing public debt, reduced growth rates and any measures of monetary policy that may be implemented in the future in the credit markets all could affect the Group's business. A change in any of these factors could affect the access of the Group to the capital markets and the terms and conditions under which it can access such capital, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition to the abovementioned risks related to carrying out its activities globally, the Group may also be exposed to the following risks in the different countries where it operates:

- changes to existing or new tax laws or international tax treaties, methodologies impacting the Group's international operations, or fees directed specifically at the ownership and operation of communications infrastructures or the Group's international acquisitions, which may be applied or enforced retroactively;
- laws or regulations that tax or otherwise restrict repatriation of earnings or other funds or otherwise limit distributions of capital;
- changes in a specific country's or region's political or economic conditions, including changes in the government in place, political goals, inflation, deflation or currency devaluation;
- changes in governmental priorities, including subsidies offered by one or more jurisdictions; expropriation or governmental regulation restricting foreign ownership or requiring reversion or divestiture;
- material infrastructure security issues;
- increases in the cost of labor (as a result of unionisation or otherwise), power and other goods and services required for its operations;
- price setting or other similar laws for the sharing of active and passive infrastructure;
- uncertain rulings or results from legal or judicial systems, including inconsistencies among and within laws, regulations and decrees, and judicial application thereof, which may occasionally be enforced retroactively, and delays in the judicial process;
- changes in consumer price indexes in foreign countries; and
- force majeure events affecting any or several countries in which it carries out activities.

***The Group's status as a "significant market power" ("SMP") operator in the DTT market in Spain imposes certain detrimental obligations on it compared to its competitors***

In 2006, when the Spanish terrestrial TV broadcast market was articulated, the Group was classified as a SMP operator by the competition authorities. Given its dominant market position, the National Commission of Markets and Competition (*Comisión Nacional de los Mercados y de la Competencia*, or "CNMC", the former *Comisión del Mercado de las Telecomunicaciones*, or "CMT") imposed certain conditions (regulatory remedies) on it to allow it to operate in the broadcasting market, which are summarized as follows:

- access obligation to third parties to its infrastructures, which in turn requires the Group to grant access at regulated prices based on its costs of production, keep separate accounting of costs and revenue for individual services, and notify the agreements reached with national TV broadcasters to the CNMC;
- non-discrimination obligation on access conditions, which requires the Group to provide resources to third-party operators equivalent to those provided to itself; and
- transparency obligation in the access conditions whereby the Issuer must publish access reference orders.

Additionally, if the Group is not able to reach a voluntary commercial agreement with an operator, the CNMC will dictate the commercial conditions of the agreements. See "*Regulation*" for more details.

The competitors of the Group in the market who are not considered to be a SMP operator because of their low market share and limited coverage capacity are not subject to these obligations. These obligations and potential additional obligations imposed on the Group by the competition authorities vis-à-vis its competitors could

materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

***Perceived health risks from radio emissions and electromagnetic radiation may affect the Group's results of operations, especially if these perceived risks are substantiated***

Public perception of possible health risks associated with cellular and other wireless communications technologies could affect the growth of wireless companies, which could in turn slow down the growth of the Group. In particular, negative public perception of these health risks could undermine the market acceptance of wireless communications services, increase opposition to the development and expansion of telecom infrastructures and lead to price increases of the infrastructure services where the infrastructures are located. The potential connection between radio frequency emissions and certain negative health or environmental effects has been the subject of substantial study by the scientific community in recent years and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers. If a scientific study or court decision in the jurisdictions in which the Group operates or elsewhere resulted in a finding that radio frequency emissions pose health risks to consumers, it could negatively impact its customers and the market for wireless services, which could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. The Group's insurance coverage may not be sufficient to cover all or a substantial portion of any liability the Group may have.

***Environmental and health regulations impose additional costs and may affect the Group's results of operations***

In the countries in which the Group operates, it is subject to environmental laws and regulations, as well as to the EU laws and regulations, concerning issues such as damage caused by air emissions, noise emissions and electromagnetic radiation. These laws, which can impose liability for non-compliance, are increasingly stringent and may in the future create substantial environmental compliance liabilities and costs.

The Group's services are affected by the current electromagnetic emission rules applicable in terms of limiting the emissions coming from equipment of the Group's customers hosted by the Group. Despite the fact that the radio emitting equipment is hosted by the Group in its infrastructures, the Group's customers are liable for the emissions of their own equipment. In the event such rules were amended against the Group's interests, they could limit its growth capacity and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

While the Group intends to comply with applicable environmental legislation and regulatory requirements, such compliance may have an adverse effect on the Group's business or prove to be costly. In addition to potential clean-up liability, the Group may become subject to monetary fines and penalties for any violations of applicable environmental laws, regulations or administrative orders. This may also result in the closure or temporary suspension or the placement of adverse restrictions on the Group's operations. The Group may also, in the future, become involved in proceedings with various environmental authorities that may require it to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. In addition, third parties may sue the Group for damages and costs resulting from environmental contamination emanating from its properties, or for damages arising on its properties.

The Group believes that it materially complies with applicable environmental and health requirements. Nevertheless, in many jurisdictions these laws are complex, subject to frequent change and are increasingly becoming more stringent. Further, there can be no assurance that new environmental taxes are passed affecting its assets. Any breach of any relevant environmental law or regulation could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Although the Group is currently not subject, and has not within the three-year period ended 31 December 2018, been subject, to any material litigation in respect of health, environmental or safety matters, there can be no assurance that breaches of these laws have not occurred or will not occur or be identified or that these laws will not change in the future in a manner that could have a material adverse effect on the business, prospects, results of operations, financial condition and cash flows of the Group. Environmental laws and regulations may also impose obligations to investigate and remediate or pay for the investigation and remediation of environmental contamination, and compensate public and private parties for related damages.

***Spectrum may not be secured in the future, which would prevent or impair the plans of the Group or limit the need for the Group's services and products***

The Group and its customers are highly dependent on the availability of sufficient spectrum for the provision of certain services. The amount of spectrum available is limited and the process for obtaining it is highly complex and costly.

In the Broadcasting Infrastructure segment, the Group owns the infrastructures and equipment that TV and radio broadcasters use to compress and distribute their signals in Spain. In particular, the Group distributes and transmits signals for DTT, the leading TV platform in Spain. The evolution of technology standards, formats and coding technologies is likely to influence the future spectrum demand for broadcasting services. Even if the Group currently uses "multiplexing", a method by which multiple analogue signals or digital data streams are combined into one signal over a shared medium, with the aim of maximizing the limited capacity of the spectrum, the Group cannot guarantee that it, its customers or DTT broadcasters will have sufficient access to spectrum in the long-term to maintain and develop its services.

The Spanish government is responsible for the allocation of spectrum in Spain. On September 24, 2014 Royal Decree 805/2014, of September 19, was published in the Official Gazette approving the National Technical Plan for DTT (the "**National Technical Plan for DTT**"). Under the so-called "Digital Dividend", in line with all EU countries, the Spanish government released the 800 megahertz ("**MHz**") band of frequencies previously used by DTT, to the benefit of the deployment of fourth generation mobile telecommunications technology ("**LTE**" (long-term evolution), a communication standard for high-speed data mobile devices) used by MNOs. The release of the 800 MHz band as a result of the reallocation of spectrum to MNOs represented a loss of 72 MHz of spectrum originally allocated to broadcasting. The digital migration was completed on March 31, 2015. The National Technical Plan for DTT reduced the number of private multiplex, a system of transmitting several messages or signals simultaneously on the same circuit or channel ("**MUX**") from eight to seven at a national level, and on a general basis, from two to one at the regional level. A second "Digital Dividend" is envisaged to occur in 2020, under the EU Decision 2017/899, which will constrain the amount of spectrum available for DTT broadcasting while increasing the spectrum for mobile broadband services (see "*Regulation—Broadcasting Infrastructure—Digital Dividend and UHF band*"). There can be no assurance that the Spanish government will not re-allocate the spectrum in the future and further reduce the number of MUXs.

Since the allocation of spectrum is decided by the Spanish government, the Group is highly dependent on political decisions for the future of its DTT broadcasting business, which decisions are outside of its control. In the event that the number of MUXs available for DTT is further reduced, the Group's customers could lose some of its current DTT multiplex spectrum currently licensed. See "*Regulation—Broadcasting Infrastructure*" for more details.

The Group depends upon spectrum allocation for many other wireless services that it provides, either in the Broadcast Infrastructure segment, Telecom Infrastructure Services or Other Network Services segment, such as Frequency Modulation ("**FM**"), Digital Audio Broadcasting ("**DAB/DAB+**"), TETRA, IoT and radio links. The Group cannot guarantee that the spectrum needed to appropriately render its services or the spectrum needed by

its customers will be available in the future, and any change in spectrum allocation could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The licenses and assigned frequency usage rights that the Group uses for services such as connectivity have a finite maturity. The Group could be unable to renew or obtain its licenses and frequency usage rights necessary for its business upon expiration of their terms or it may have to make significant investments to maintain its licenses, either of which could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

***Coverage obligations imposed on the Group's broadcasting clients may affect its business***

Under the terms of the Spanish Audiovisual Communication Act, Law 7/2010 of March 31 (the "LGCA"), audiovisual licenses granted to national DTT broadcasters in Spain require nearly complete coverage on a population basis as it imposes a 96% population coverage requirement for commercial operators and a 98% population coverage requirement for public operators. See "*Regulation—Broadcasting Infrastructure—Spanish Audiovisual Communication Act*". Although these coverage obligations are imposed on the Group's customers (the TV and radio broadcasters) and not on the Group, the Group's failure to provide its customers with the required coverage levels could result in the loss of such customers, which in turn could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The current coverage obligation imposed by the LGCA may change in the future. If the coverage obligations of the audiovisual licenses were reduced, the Group's revenues would be negatively affected, which in turn could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

***The Group is subject to risks inherent to the distribution of content broadcast by its customers over the Group's network***

As an operator of audiovisual content, the Group's contracts with its customers typically provide that customers are fully responsible for the content of their programming, for ensuring that the content conforms to all applicable governmental regulations and for obtaining any local regulatory approvals relating to their broadcasting segment. While the Group does not believe that it is subject to any liability derived from governmental or third-party proceedings resulting from such content, and the Group attempts to reduce any possible liability through contractual indemnification from its customers and disclaimers, there is no guarantee that the Group would be successful in protecting itself against liability for such content arising from obscenity, defamation, negligence, copyright infringement, trademark infringement or otherwise. The Group may also be forced to implement measures, with or without additional investment requirements, to alter the way its services are provided to avoid any further liability, which in turn could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***Failure to attract and retain high quality personnel could negatively affect the Group's ability to operate its business***

The Group's ability to operate its business, grow and implement its strategies depends, in part, on the continued contributions of its senior executive officers and other key employees. The loss of any of its key senior executives, especially if lost to a competitor, could have an adverse effect on its business unless and until a replacement is found. The Group may not be able to locate or employ qualified executives on acceptable economic terms. Moreover, if the relationship with one or more of the Group's key employees ends for any reason, there is no assurance that the Group will be able to replace them in the short term with people of comparable experience and qualifications. Any material delay in replacing such individuals may have an adverse effect on the public perception of the strength of the Group's business, prospects, results of operations, financial condition and cash flows. In addition, the Group believes that its future success, including the ability to internationally expand the Group's business, will depend on its continued ability to attract and retain highly skilled personnel with

experience in its key business areas. Demand for these persons is intense and the Group may not be able to successfully recruit, train or retain qualified managerial personnel, especially in new markets where the Group may operate.

Any failure by the Group to attract and retain skilled and experienced employees or the loss of any of its key employees, could harm its business and growth prospects and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***The Group may be subject to litigation or other legal proceedings***

The Group is subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of its business and otherwise. The results of legal and regulatory proceedings cannot be predicted with certainty. The Group cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm the Group's business, prospects, results of operations, financial condition and cash flows, nor can it guarantee that it will not incur losses in connection with current or future legal or regulatory proceedings or actions that exceed any provisions that it may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage, which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. As of 31 December 2018 the Group's provisions for labor-related lawsuits and civil proceedings did not change significantly with regards to the previous year 2017 (€1,908 thousand, and €1,526 thousand as of 31 December 2017 and 2016, respectively).

The Group is exposed to certain unforeseeable events, potentially entailing third party liability, arising out of its activities. Unanticipated claims may also be brought against the Group based on the interference on someone else's rights. When a third-party claim is initiated against the Group, it may opt to settle the conflict out of court, or to litigate. See "*Business—Legal proceedings*".

***The Group may not be able to protect its intellectual property effectively from copying and use by others, including potential competitors, and may infringe intellectual property rights of others***

The Group protects its logo, brand name, websites' domain names and content and proprietary technology by relying on domain names, trademarks, trade secret laws and confidentiality agreements.

However, not all of its industrial or intellectual property can be protected by registration, like the Master Service Agreement contract that the Group offers to its Telecom Infrastructure Services' customers. If someone else were to copy or otherwise obtain and use the Group's proprietary knowledge, technology or content without its authorisation or to develop similar knowledge or technology independently, the Group's competitive advantage based on its knowledge or technology could be reduced or even be eliminated. In addition, effective trademark and trade secret protection may not be available in every jurisdiction, and policing unauthorized use of the Group's proprietary information is difficult and expensive.

In addition, the Group may face claims for the infringement of patents, copyrights, trademarks or other intellectual property rights of others. Moreover, to the extent that its employees, contractors or other third parties with whom the Group does business use intellectual property owned by others in their work for the Group, disputes may arise as to the rights in related know-how and inventions. The Group endeavors to defend its intellectual property rights diligently, but intellectual property litigation is expensive and time-consuming and may divert managerial attention and resources from the Group's business objectives. Successful infringement claims against the Group could result in significant monetary liability. The Group could be required to obtain licenses to use the intellectual property that is the subject of such infringement claims, which may be expensive to obtain, and resolution of these matters may not be available on acceptable terms within a reasonable time frame or at all. Intellectual property claims against the Group could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows, and such claims may result in a loss of intellectual property protections that relate to certain parts of its business.

### ***The Issuer does not control certain of its subsidiaries***

Although the Issuer has full control and a 100% stake in the vast majority of its subsidiaries, it has made and may continue to make equity investments, which may include minority investments, in certain strategic assets managed by or together with third parties, including public and private entities.

Investments in assets over which the Issuer has partial, joint or no control are subject to the risk that the other holders of interest in the assets, who may have different business or investment strategies than the Group or with whom the Group may have a disagreement or dispute, may have the ability to independently make or block business, financial or management decisions. Subject to the minority shareholders' rights granted by applicable laws and regulation, such holders of interest may be able to make or block decisions, among others, concerning the distribution of dividends or the appointment of members of management, which may be crucial to the success of the project or the Group's investment in the project, or they may otherwise implement initiatives which may be contrary to the Group's interests, creating impasses on decisions and affecting the Group's ability to implement its strategy. Additionally, the approval of other shareholders or partners may be required to sell, pledge, transfer, assign or otherwise convey the Group's interest in such assets. Alternatively, other shareholders may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of the Group's interests in such assets. These restrictions may limit the price or interest level for its interests in such assets, in the event the Group wants to sell such interests.

Other holders of interest in the Group's assets may become insolvent or file for bankruptcy at any time, or fail to fund their share of any capital contribution that might be required. Finally, they may be unable, or unwilling, to fulfil their obligations under the relevant shareholder or joint investment agreements or may experience financial or other difficulties that may adversely affect the Group's investment in a particular joint venture. This may result in litigation or arbitration procedures generating costs and diverting the Group's management team from their other managerial tasks. In certain of its joint ventures, the Group may also be reliant on the particular expertise of other holders of interest and, as a result, any failure by such holders to perform their obligations in a diligent manner could also adversely affect the relevant joint venture. If any of the foregoing were to occur, the Group's business, prospects, results of operations, financial condition and cash flows could be materially and adversely affected.

### ***The Group depends on effective information systems and programs and uniform standards, controls and policies***

The Group depends on its ability to effectively manage information systems and programs, which may be sub-contracted to third parties. This requires significant resources and expertise, along with the development of uniform standards, controls, procedures and policies. Likewise, managing information systems and programs requires a periodic review of such systems and programs and the elimination of those not useful for the Group's business.

Effective information systems and programs are necessary, among others, for:

- managing the collection of payments from the Group's service agreements;
- managing and allocating costs between the Group's customers or providers and the Group;
- quoting, accepting and inputting customer orders for services;
- provisioning, installing and delivering services;
- billing for services; and



- establishing an organized and updated inventory of the Group's infrastructures, the conditions of the Group's agreements with its customers and the conditions of the contracts for the land/rooftop which are particularly important under IFRS16 accounting standards.

Any failure to keep effective unified information systems and programs could materially and adversely affect the Group's ability to implement its business plan, leading to a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

### **Risks related to the Group's assets**

#### ***The Group is exposed to risks derived from the development, expansion and maintenance of its infrastructure, including the need for ongoing capital expenditure***

The Group's ability to maintain a high level of service depends on its ability to develop, expand and maintain its infrastructure, which requires substantial amounts of capital and other long-term expenditures, including those relating to the renewal, optimisation or improvement of existing networks, as well as regarding its ability to obtain sufficient financing to finance these projects and the performance of third-party technical supplies for the implementation of its expansion projects.

Capital expenditure amounts vary significantly from year to year as expenditures for renewals, new projects and planned expansion expenditures, as well as maintenance expenditures subject to cost increases, represent a significant portion of capital expenditures.

The Group has financed these expenditures in the past through a variety of means, including internally generated cash flows and external borrowings. In the future, it expects to make use of a combination of some of these sources, including bank and capital markets debt and equity market transactions, to manage its balance sheet and meet its financing requirements, although obtaining additional financing may be more costly or otherwise more difficult in the future as a result of the Group's leverage. See "*Risks related to the financial information incorporated by reference in this Base Prospectus and other financial risks—The Group is subject to risks related to its indebtedness*". The actual amount and timing of the Group's future capital requirements may also differ from its estimates as a result of, among other things, unforeseen delays or cost overruns in implementing, regulatory reforms, unanticipated expenses, engineering and design changes and technological changes, such as unexpected phase-out of technologies. There can be no assurance that financing from external sources will be available at the time or in the amounts necessary or at competitive rates to meet the Group's requirements. If the Group was unable to obtain financing for capital expenditures, this could limit its ability to maintain its current operations or expand in the future, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is subject to a number of construction, service provision, financing, operating, regulatory and other risks, some of which are beyond its control, including, but not limited to:

- shortage of materials, equipment and specialist labor required to maintain and develop its infrastructure;
- failure by sub-contractors to complete projects on time, on budget, or meet appropriate quality standards due to various factors, including any of the conditions described herein;
- labor disputes and disputes with sub-contractors, or litigation by subcontractors resulting from any of the risks described herein;
- inadequate infrastructure, including as a result of failure by third parties to fulfil their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project;
- failure to complete projects according to specifications;

- adverse weather conditions and natural disasters;
- accidents;
- unauthorized, rogue, or other illicit use of spectrum or telecom capacity;
- failure to attract customers to products to which capital expenditures must be committed prior to client contracting;
- changes in governmental priorities, spending programs or procurement processes; and
- an inability to obtain and maintain project development permission or requisite regulatory licenses, permits or approvals.

The operation, administration, maintenance and repair of some of the Group's infrastructures requires coordination and integration of highly sophisticated and specialized hardware and software technologies and equipment, which, consequently, require significant operating expenses and capital expenditures, as well as highly-qualified personnel with the relevant technical know-how. Any failure in the functioning of any of such technologies or equipment may expose the Group to reputational risks, as well as the risk of losing clients, amongst other.

The occurrence of one or more of these events may have a material adverse effect on the Group's ability to complete its current or future infrastructure or growth projects as expected on schedule or within budget, if at all and which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***If the Group fails to retain rights to its infrastructure, its business may be adversely affected***

The real property interests of the Group relating to its infrastructures consist primarily of ownership interests, fee interests, easements, licenses and rights-of-way. A loss of these interests at a particular infrastructure may interfere with the Group's ability to operate infrastructures and generate revenues. In the context of acquisitions, it may not always have the ability to access, analyze and verify all information regarding titles and other issues prior to completing an acquisition of infrastructures and the absence of title or other issues can affect its rights to access and operate an infrastructure.

The Group owns the majority of its telecommunications infrastructures. Nevertheless, the vast majority of the land and rooftops where these infrastructures are located is operated and managed via lease contracts, sub-lease contracts or other types of contracts with third parties (with the exception of the United Kingdom, where the Group owns a large amount of the land where its sites are located). Thus, for various reasons, land owners could decide not to renew, or to adversely amend the terms of, the land lease contracts with the relevant Group company. In particular, the increasing presence of land lease aggregators (for instance, in Switzerland) may negatively affect the Group's ability to renew those contracts under commercially acceptable terms. For instance, the Group could lose its rights over the land, the land could be transferred to third parties or reversion of assets may be mandatory at the end of the relevant concession period. The Group also has long-term rights to use third party infrastructures and the non-compliance with its obligations would lead to the loss of the right to use these infrastructures. Lastly, at expiration of certain concession agreements, the Group must revert back certain assets to the corresponding governmental authorities under the terms of such concession agreements (for instance, TowerCo underlying assets must be reverted back to the corresponding government authority in 2038).

The Group's inability to protect its rights to use the land where its infrastructures are located may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Likewise, and in line with industry peers that operate telecom or broadcasting infrastructure, the Group may not always have all the necessary licenses and permits of its infrastructure assets. The lack of necessary licenses,

property titles and permits could give rise to monetary fines and, as an interim measure, the authorities could order that the affected equipment or infrastructures be sealed-off or even decommissioned until the required authorisation or license is obtained. Criminal liability could even arise in certain circumstances.

The occurrence of one or more of these events may have a material adverse effect on the Group's ability to complete its current or future infrastructure or growth projects as expected on schedule or within budget, if at all.

***The Group's ability to use the infrastructures may be affected by administrative constraints***

The use of the infrastructures in the jurisdictions where the Group operates is subject to zoning regulations or construction laws. Administrative laws may result in the obligation to acquire and/or modify infrastructures, thus increasing the investments and expenses required to operate them. The Group may be subject to additional costs, expenses and investments as to ensure compliance with the administrative requirements or regulations, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, zoning authorities and community organisations may oppose to the construction of telecom infrastructure in their communities, which can delay, prevent or increase the cost of new infrastructure construction or modifications of infrastructures, additions of new antennas to an infrastructure or infrastructure upgrades, thereby limiting the ability of the Group to respond to customer demands and requirements.

Moreover, in the United Kingdom, agreements for equipment between site providers and operators of electronic communications networks are regulated by the Electronic Communications Code 2017 (the "**EC Code**"), which came into force on 28 December 2017 with the aim of supporting connectivity. One of the key changes, among others, introduced by the EC Code refers to the sums payable by operators to the occupiers of the land (as defined in the EC Code). The EC Code establishes, in general terms, that if an EC Code agreement is imposed by a court, the sums payable to the occupier must be calculated by reference to market value less any additional value deriving from electronic communications use. This results in a lower figure than that achieved by the former applicable regulation and may imply a decrease in the rents MNOs pay to the Group where it manages the land.

Any additional administrative constraints could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***The Group's infrastructure assets may be affected by natural disasters and other unforeseen events for which its insurance may not provide adequate coverage***

The Group's infrastructures and equipment are subject to risks associated with natural disasters and other catastrophic events, such as ice and windstorms, geomagnetic storms, tornadoes, floods, hurricanes and earthquakes, arson, terrorist attacks as well as other unforeseen events. Any damage or destruction to the Group's infrastructure due to unforeseen events, may impact its ability to conduct its business. The Group may not have adequate insurance to cover the associated costs of repair or reconstruction for natural disasters and other catastrophic future events.

Additionally, if the loss of service is not deemed due to an unforeseeable force majeure event, the Group could be held responsible for failing to satisfy its obligations under its transmission contracts, which could result in service credit penalties or suspension of normal fees and annual charges. If the Group is unable to provide services to its customers, it could lead to a loss of customers, resulting in a corresponding material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***Security breaches or other critical disruptions in the Group's technical or information infrastructure could result in material harm to its performance or its reputation***

The Group works with sophisticated technical and advanced information technology infrastructure such as firewalls and reverse proxies to operate its business and deliver its services to its customers. These systems and

services are vulnerable to interruptions or other failures resulting from, among other things, software, equipment or telecommunications failures, processing errors, computer viruses and malware, hackers or other security issues or supplier defaults. The Group's security measures may also be breached due to human error, malfeasance or otherwise. Such security measures may also be violated as a result of a third-party fraudulent attempt to access the Group's sensitive information, by means of inducing an employee to breach the system or directly violating its security measures. A breach of security measures implemented to its systems could impair the Group's ability to adequately carry out its operations. Likewise, a security breach or intrusion upon its information technology infrastructure could compromise the security of information stored in or transmitted through its systems, or even compromise the integrity of its technical systems more broadly.

The Group seeks to protect its computer systems and network infrastructure from physical intrusion as well as security breaches and other disruptions that could affect its telecom and information infrastructure. Security, backup and disaster recovery measures, however, may not be adequate or implemented properly to avoid errors, processing inefficiencies, security breaches, inability to use the systems or process transactions, loss of customers or other business disruptions. The Group's technical or information infrastructure could be attacked or compromised by means of the broadly accessible networks. Although it takes measures to maintain the security of these externally-facing networks, it is not possible to completely eliminate the risk created by the need for such accessible information infrastructure. There can be no assurance that its security measures will be adequate or successful at all times, and the costs of maintaining adequate security measures may increase substantially. Any such breach, or actions taken to repair or prevent a breach, could result in significant costs to the Group or harm its ability to successfully compete in one or more of its businesses, including reputational damage which could in turn have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

#### **Risks related to the financial information incorporated by reference in this Base Prospectus and other financial risks**

##### ***The consolidated statement of financial position of the Issuer includes very significant amounts of goodwill and other intangible assets***

The goodwill and other intangible assets (such as intangible assets for infrastructure services resulting from business combinations) recognized on the statement of financial position of the Issuer (which were €1,904,332 thousand and €1,920,516 thousand and €1,415,383 thousand, respectively, as of 31 December 2018, 2017, restated and 2016) represented 42.5%, 48.6% and 55.6% of the Group's total non-current assets as of 31 December 2018, 2017, restated and 2016, respectively. Any further acquisitions may result in the recognition by the Issuer of additional goodwill or other intangible assets.

Under International Financial Reporting Standards as adopted by the EU ("**IFRS-EU**"), the Issuer is required to amortize certain intangibles over the useful life of the asset and subject its goodwill and certain of its intangible assets to impairment testing rather than amortisation. Accordingly, on at least an annual basis, the Issuer assesses whether there have been impairments in the carrying value of the Issuer's goodwill and certain of the Issuer's intangible assets. If the carrying value of the asset is higher than its fair value, then it is written down to fair value by the recognition of an impairment loss in the income statement. An impairment of a significant portion of goodwill or other intangible assets could have a material adverse effect on the Issuer's reported results of operations and the equity reflected on the Issuer's statement of financial position, which in turn could have a material adverse effect on the Group's business, prospects, results of operations and financial condition. As of 31 December 2018 and 2017, the Issuer concluded that there was no need to make any provision for impairment of goodwill and intangible infrastructure for MNOs.

***The historical consolidated financial information of the Issuer is not fully representative of its current financial condition and results of operations due to recent transactions that the Issuer has entered into which may affect the comparability of historical and future financial performance***

During the years ended 31 December 2018, 2017 and 2016, the Issuer has entered into various transactions under which it completed, among others, the acquisition of a relevant number of infrastructures. See below a description of the most significant changes in the scope of consolidation and in the companies included in it during each financial period as reported in Note 2 to each of the respective Audited Consolidated Financial Statements.

- in the second half of 2018, Cellnex reached an agreement for the acquisition of 100% of the share capital of Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A. (“**XOC**”) from Imagina, S.A., a subsidiary of the Mediapro Group for a total of approximately €33 million. XOC is a concessionary company dedicated to the management, maintenance and construction of the fiber optic network of the Generalitat de Catalunya, and the expiration date of the concession is 2031. Additionally, through this agreement, Cellnex acquired a set of assets for an amount of €3 million, which were owned by companies of the Mediapro Group. As a result, the total acquisition price of the transaction amounted to €36 million. The actual cash outflow in relation to this transaction (Enterprise Value) has been €34 million following the incorporation of €2 million of cash balances on the balance sheet of the acquired company.
- During the first half of 2018, Tradia Telecom, S.A.U. (“**Tradia**”) acquired, from Palol Inversiones, S.L.U., 100% of Zenon Digital Radio, S.L. (“**Zenon**”) for a total of €2 million. The main corporate purpose of the acquired company, located in Barcelona, includes the commercialization, development, installation and maintenance of TETRA systems.
- in the fourth quarter of 2017, the second extension of the Bouygues II Acquisition (as defined below) for the construction of up to 1,000 additional sites in France, as a result of which the agreement with Bouygues Telecom consists of the acquisition and construction of up to a maximum of 4,600 sites in France;
- in the third quarter of 2017, (i) the first extension of the Bouygues II Acquisition (as defined below) for the construction of up to 600 additional sites in France, which are to be gradually transferred to Cellnex France no later than 2020, (ii) the acquisition by Cellnex Italia of the remaining 10% of the share capital of Galata, S.p.A. (“**Galata**”) owned by Wind, (iii) the acquisition of the 100% of Infracapital Alticom B.V. (“**Alticom**”) (the “**Alticom Acquisition**”); and (iv) the acquisition of 100% of the share capital of Swiss Towers AG, wholly owned by Sunrise Communications International S.A. (“**Sunrise**”), by a consortium, 54% of which is owned by the Group and the remaining stakes by Swiss Life (the asset management arm of life insurance and pensions company) and Deutsche Telekom Capital Partners (the “**Swiss Towers Acquisition**”);
- in the second quarter of 2017, Cellnex reached an agreement with K2W for the acquisition of up to 32 sites in the Netherlands for a total amount of €12.6 million;
- in the first quarter of 2017, the agreements with Bouygues Telecom for (a) the acquisition of up to 1,800 telecom infrastructures over a period of two years, and (b) to the construction of up to 1,200 telecom infrastructures over a period of five years (the “**Bouygues II Acquisition**”);
- in the second half of 2016, (i) the acquisition of 100% of the share capital of Protelindo Netherlands, B.V. (which, in turn, owns all the shares of Protelindo Towers, B.V.), including 261 infrastructures, from Protelindo Luxemburg S.à r.l. and Management Tower Europe S.à r.l. (the “**Protelindo Acquisition**”), and (ii) the acquisition of 100% of the share capital of Shere Group Limited (“**Shere**” or the “**Shere Group**”) and its underlying assets and liabilities, including 1,004 telecom infrastructures (the “**Shere**”).

**Acquisition**”); (iii) the acquisition of 500 telecom infrastructures from Bouygues Telecom (the **“Bouygues Acquisition”**); and (iv) an agreement with Linkem to provide access to its portfolio of approximately 8,000 telecom infrastructures for the roll-out of Linkem’s LTE network; and

- in the first half of 2016, the acquisition of 100% of the shares of the Italian company CommsCon Italia s.r.l. (**“CommsCon”**), which manages 949 nodes (DAS and small cells) (the **“CommsCon Acquisition”**).

These acquisitions were accounted for as of their respective closing dates and, as a result, their total annual impact is not reflected during the full period covered by the historical consolidated financial information included elsewhere in this Base Prospectus. Some of the Group’s acquisitions, such as the acquisitions of infrastructures from Bouygues Telecom and other acquisitions, have been structured as asset acquisitions, as opposed to share purchases, and therefore no historical financial statements (audited or unaudited) exist for the acquired assets and consequently no pro forma profit and loss account can be produced showing the full year impact of such acquisitions. Consequently, the historical financial information included in this Base Prospectus may not be fully comparable with the Group’s current and future financial statements and may not be indicative of the Group’s current and future financial condition or operating performance. As a result, it may be difficult to evaluate its business and prospects given the substantial modification of its infrastructure network.

***The Group has early adopted IFRS 16 which has implied significant changes to the presentation of financial information***

IFRS 16, which is mandatory for annual periods beginning on or after January 1, 2019, has been early adopted by the Group and, consequently, was applied in the condensed consolidated interim financial statements as of and for the six-month period ended June 30, 2018 (the **“Interim Consolidated Financial Statements”**) and in the 2018 Audited Consolidated Financial Statements (as defined elsewhere herein). IFRS 16 introduces significant changes in the accounting of leases, including "operating" leases, and thus affects the accounting treatment of the numerous lease agreements (more than 20,000 as of the date hereof) entered into by the Group in connection with the land and buildings owned by third parties where the Group locates its infrastructures.

While the adoption of IFRS 16 has no impact on the cash flow generating capacity of the Group, it has a significant effect on the Group’s consolidated financial statements and, as a result, on commonly used financial ratios and performance metrics such as leverage ratios and EBITDA. Moreover, the implementation of IFRS 16 has required the Group to dedicate significant resources to extract, validate and analyze, through information systems and programs, certain information on the use of its infrastructures in order to correctly adopt IFRS 16.

The application of IFRS 16 in the 2018 Audited Consolidated Financial Statements, and its retroactive effect to and from January 1, 2017, resulted in the restatement of certain financial information, including, (i) the consolidated balance sheet as of 31 December 2017, (ii) the consolidated balance sheet as of January 1, 2017, and (iii) each of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2017, all of which are included in the 2018 Audited Consolidated Financial Statements as comparative unaudited financial information to the financial information as of and for the year ended 31 December 2018. The Group believes that the financial information presented therein as of dates prior to 31 December 2018 and for periods prior to the year ended 31 December 2018, is comparable with the financial information presented in the 2018 Audited Consolidated Financial Statements as of and for the year ended 31 December 2018. See *“Presentation of Financial and Other Information”*.

However, as a result of the restatements and changes in the accounting policies, the 2018 Audited Consolidated Financial Statements may not be directly comparable with the 2017 Audited Consolidated Financial Statements and the 2016 Audited Consolidated Financial Statements, and investors should carefully consider the limitations

of the presentation of the financial information in this Base Prospectus. See Notes 2.b. and 4 of the 2018 Audited Consolidated Financial Statements for more information.

***The Group's results of operations may be negatively affected by changes to accounting standards***

The Group reports its results and financial position in accordance with IFRS. Changes to IFRS or interpretations thereof may cause the Group's future reported results of operations and financial position to differ significantly from its historical results or from current expectations regarding its future results. Further, changes to IFRS or interpretations thereof may cause its historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. The Issuer monitors potential accounting changes and determines the potential impact and disclose significant future changes in its financial statements. Currently, there are a number of issued but not yet effective IFRS changes, as well as potential IFRS changes, which are expected to significantly impact the Group's results of operations and financial position in the future.

In addition, where the application of IFRS requires a large element of judgement, the risk of incorrect judgements being made may be heightened where the relevant IFRS standard has been recently introduced as there would be an absence of a developed practice in its application. Changes to IFRS or interpretations thereof could impact the Group's reported results of operations, financial condition and cash flows in the future and could also cause a potential downgrade from a rating agency.

***The Group is subject to foreign currency risks***

As the Group's reporting currency is the euro, fluctuations in the value of other currencies in which borrowings are instrumented and transactions are carried out with respect to the euro may have an effect on future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

Furthermore, the Group operates and holds assets in the United Kingdom and in Switzerland, both of which are outside the Eurozone. It is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection with exchange rate between the euro, on the one hand, and the pound sterling and the Swiss franc, on the other. The Group's strategy for hedging foreign currency risk in investments in non-euro currencies must tend towards a full hedge of this risk, and must be implemented over a reasonable period depending on the market and the prior assessment of the effect of the hedge. Hedging arrangements can be instrumented via derivatives or borrowings in local currency, which act as a natural hedge.

The majority of the Group's transactions are denominated in euro. However, as of 31 December 2018 and 31 December 2017, restated, the contributions to the Group's income in a functional currency other than the euro amounted to €65,209 thousand (7.3% of the Group's operating income) and €32,042 thousand (4.1% of the Group's operating income), respectively. As of 31 December 2018 and 31 December 2017, restated, the contributions to the Group's total assets in a functional currency other than the euro amounted to €789,685 thousand (15.4% of the Group's total assets) and €803,790 thousand (18.1% of the Group's total assets), respectively. The volatility in the exchange rate between the euro, and, respectively, the pound sterling and the Swiss franc may have negative consequences on the Group, affecting its overall performance, business, results in operations, financial condition and cash flows.

The estimated sensitivity of the consolidated income statement and of the consolidated equity to a 10% change in the exchange rate of the main currencies in which the Group operates with regard to the rate in effect at year-end is as follows:

Functional currency (10% change)	For the year ended December 31,			
	2018 (audited)		2017 (unaudited) (restated)	
	(in thousands of €)			
	Income	Equity <sup>(1)</sup>	Income	Equity <sup>(1)</sup>
GBP .....	947	12,884	963	11,165
CHF .....	(5,095)	(26,624)	(2,059)	(11,962)

<sup>(1)</sup> Impact on equity from translation differences arising in the consolidation process.

### ***The Group is subject to interest rate risks***

The Group is exposed to interest rate risk through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk.

As of 31 December 2018 and 31 December 2017, the Group's fixed rate debt amounted to €2,507 million and €1,894 million, respectively, representing 81% and 75%, respectively, of its total debt (€3,096 million and €2,532 million, respectively), whereas the Group's variable rate debt amounted to €89 million and €637 million, respectively, representing 19% and 25%, respectively, of its total debt.

As of 31 December 2018, the Group's weighted average cost of debt (considering both drawn and undrawn borrowings) was 1.9% (2.0% as of 31 December 2017) and the weighted average cost of debt (considering only drawn down borrowings) was 2.2% (2.4% as of 31 December 2017).

Any increase in interest rates would increase the Group's finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

### ***The Group is subject to credit risks***

A significant portion of the revenues of each of the Group's segments derives from a limited number of customers (see "*Risks related to the industry and businesses in which the Group operates—A substantial portion of the revenue of the Group is derived from a small number of customers*" above), many of which are long-term customers and have high-value contracts with the Group.

The Group is sensitive to changes in the creditworthiness and financial strength of such customers. The Group depends on the continued financial strength of its customers, such as MNOs, media broadcasters and public administrations, which operate with substantial leverage and many of which are not investment grade or do not have a credit rating. Adverse changes in the creditworthiness and financial strength of one of the Group's significant customers may result in decreased demand for the Group's services, if at all, or expose us to the possibility of one or more breaches of their obligations to us, which may in turn materially adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including unsettled receivables and committed transactions.

An increase in the Group's level of exposure to credit risk, or its failure to actively manage it, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

### ***The Group is subject to liquidity risks***

Liquidity risk arises from a mismatch between the Group's cash requirements and the sources thereof. The Group carries out a prudent management of liquidity risk and, given the dynamic nature of its businesses, the policy of the Group is to maintain flexibility in funding sources through the availability of committed credit facilities. Due



to this policy, the Group had available liquidity of approximately €1.5 billion, considering cash and available credit lines as of 31 December 2018. However, the Group may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet the Group's payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows, and, in extreme cases, threaten the Group's future as a going concern and lead to insolvency.

***The Group is subject to inflation risks***

Despite a long period of historically low inflation, there is no assurance that inflation may not increase as a result of, among others, the monetary policies of the European Central Bank, the Bank of England and the Swiss National Bank. Inflation could result in a significant increase of the Group's operating costs. In addition, most of the Group's infrastructure services contracts with its customers are indexed to inflation, with deflation leading to lower amounts of revenues received from these customers. As a consequence, inflation and/or deflation could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

***The Group is subject to risks related to its indebtedness***

The Group's indebtedness may increase, from time to time, in the future for potential new acquisitions, fundamental changes to corporate structure or joint ventures and issuances made in connection with any of the foregoing. The Group's present or future leverage could have significant negative consequences on business, prospects, results of operations, financial condition, corporate rating downgrade and cash flows, including:

- placing the Group at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources, including with respect to acquisitions and forcing the Group to forego certain business opportunities;
- requiring the dedication of a substantial portion of cash flow from operations to service Group debt, thereby reducing the amount of cash flow available for other purposes, including, among others, capital expenditures and dividends;
- requiring the Group to issue debt or equity securities or to sell some of its core assets, possibly not on the best terms, to meet payment obligations;
- accepting financial covenants in the Group's financing contracts such as limitations on the incurrence of debt, restrictions in the amount and nature of the Group's investments or the obligation to pledge certain Group's assets;
- a potential downgrade from a rating agency, which can make obtaining new financing more difficult and expensive; and
- requiring the Group to early repay the outstanding debt in the event that the relevant change of control clause is triggered.

The financing contracts of the Group do not have financial covenants or limitations on the distribution and payment of dividends. All the loans and credit facilities entered into by Cellnex and its subsidiaries are unsecured and unsubordinated, have no guarantees or shares pledged, rank *pari passu* with the rest of the Group's unsecured and unsubordinated borrowings, and do not require Cellnex nor its subsidiaries to comply with any financial ratio. However, most of these contracts are subject to cross default provisions and some require Cellnex to maintain a minimum rating of Ba2 by Moody's Investors Service, Inc., or BB by Fitch Ratings Ltd. or Standard & Poor's Financial Services LLC. As of the date of this Base Prospectus, Cellnex holds a long-term "BBB-" (Investment Grade) with negative outlook, according to the international credit rating agency Fitch Ratings Ltd., and a long-term "BB+" with stable outlook, according to the international credit rating agency Standard & Poor's Financial Services LLC. Cellnex does not hold a credit rating from Moody's Investors Service, Inc. In addition,

as of the date of this Base Prospectus, the Group is not in default under any payment obligation, either of principal or interest.

***Changes to tax rates or other provisions of the tax law may adversely affect the value of the Group's deferred tax assets and liabilities***

The Group has significant deferred tax liabilities (amounting to €333.3 million as of 31 December 2018) and deferred tax assets (amounting to €55.3 million as of 31 December 2018). Changes to tax rates or other provisions of applicable tax laws (for example, the deductibility of items) which may be enacted in the regions where the Group operates, may affect the timing or realisation of future deferred tax liabilities or assets. In particular, an increase in tax rates or the elimination of certain deductions could increase the expected future cost of existing deferred tax liabilities, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

***The Group is subject to fraud and compliance risks***

The operations of the Group are also subject to anti-bribery and anti-corruption laws and regulations that govern and affect where and how its business may be conducted. The Group has established certain systems to monitor compliance with applicable laws and regulations and provides training to its employees to ensure compliance with such laws and regulations. As of the date of this Base Prospectus, the Group has not been the subject of any anti-corruption or anti-bribery sanction.

The Group has a code of conduct (the "**Ethics' Code**") approved by the Issuer's board of directors (the "**Board of Directors**") and communicated to all employees. The Group has created a corporate compliance function to improve compliance with the Group's Ethics' Code, implemented through specific regulations for each country and the establishment of whistle-blowing channels and the supervision of oversight and control measures to prevent criminal acts.

The Group has also established an Internal Control over Financial Reporting System ("**ICFRS**") and it has a corporate risk control unit that is responsible for carrying out tests to verify compliance with the policies, manuals and procedures defined for the ICFRS, and for validating the effectiveness of controls in place to mitigate the risks related to these processes.

However, there can be no assurance that any policies and procedures established by the Group will be followed at all times or effectively detect and prevent all violations of the applicable laws and regulations in every jurisdiction in which one or more of its employees, consultants, agents, commercial partners, contractors, sub-contractors or joint venture partners are located. As a result, the Group could be subject to penalties and reputational damage if its employees, agents, suppliers or business partners take actions in violation of the compliance systems as well as violate any anti-corruption or anti-bribery laws. Violations of such laws may also lead to other consequences such as the early termination of the financing contracts, which together with the above, could materially and adversely affect the business, prospects, results of operations, financial condition and cash flows of the Group.

**Risk related to the Issuer's ownership structure**

***The Issuer's significant shareholder's interests may differ from those of the Issuer***

ConnecT S.p.A. ("**ConnecT**"), which owns 29.9% of Cellnex's share capital, is the current largest shareholder of the Issuer as of the date of this Base Prospectus. As of the date of this Base Prospectus, and pursuant to the information available on the CNMV's website, Sintonia S.p.A. ("**Sintonia**") holds approximately 60% of ConnecT's share capital. Sintonia, in turn, is a sub-holding company wholly-owned by Edizione S.R.L. ("**Edizione**"). ConnecT has a significant influence over those matters requiring shareholders' approval, including the appointment and dismissal of the members of the Board of Directors, the payment of dividends, changes in

the issued share capital of the Issuer and the adoption of certain amendments to the bylaws. In addition, ConnecT has appointed four out of twelve of Cellnex's Directors, including the non-executive Chairman. There can be no assurance that the current largest significant shareholder, or any other current or future significant shareholder, will act in a manner that is in the best interest of other shareholders of the Issuer, which could, in turn, adversely affect the Group's business, prospects results of operations, financial condition and cash flows.

## **Risks Relating to the Notes**

### ***Risks in relation to Notes held by Spanish corporate entities***

Despite the Issuer's opinion that, due to the Notes not being placed in Spain (on the basis that there will be no public offer into Spain, as contemplated in "*Subscription and Sale – The Kingdom of Spain*") there is a possible exemption from withholding tax on payments to Spanish corporate Noteholders, the Spanish tax authorities may determine that the Notes have been placed, totally or partially, in Spain and that such exemption does not apply to any of the Notes. If such determination were made, income derived from the transfer of the Notes by Noteholders could be subject to withholding tax at the applicable rate, as at the date of this Base Prospectus 19%. No additional amounts will be payable by the Issuer in such circumstances.

### ***Risks related to the Spanish Insolvency Act***

The Spanish insolvency law (*Ley 22/2003, de 9 de julio, Concursal*) (the "**Spanish Insolvency Law**"), as further amended, regulates court insolvency proceedings, and may lead either to the restructuring of the debts of the Issuer or to the liquidation of its assets, as well as restructuring schemes out of insolvency.

Under the Spanish Insolvency Law, the claims of creditors are classified as credits against the estate (*créditos contra la masa*), general and special privileged credits (*créditos privilegiados generales y especiales*), ordinary credits (*créditos ordinarios*) or subordinated credits (*créditos subordinados*). On insolvency of an entity under the Spanish Insolvency Law, ordinary creditors rank ahead of subordinated creditors but behind privileged creditors and creditors with claims against the estate. It is intended that claims against the Issuer under the Notes respectively will be classified as ordinary credits. However, certain actions or circumstances that are beyond the control of the Issuer may result in these claims being classified as subordinated credits. For example, under Article 92.5 of the Spanish Insolvency Law, the claims of those persons especially related to the Issuer will be classified as subordinated creditors.

The following persons may be considered especially related to the Issuer:

- (a) shareholders holding, directly or indirectly, (i) 5% or more of the Issuer's share capital at the moment in which the credit right arises, if the Issuer is a quoted company; or (ii) 10% or more of the Issuer's capital at the moment in which the credit arises, if the Issuer is not a quoted company. In the event the shareholder is a natural person, those persons who are specially related to him as provided in the Spanish Insolvency Act are also deemed as persons specially related to the Issuer;
- (b) actual or shadow directors and general attorneys (including those who acted as such in the 2 years leading up to the declaration of insolvency); and
- (c) members of the same group of companies as the Issuer and their common shareholders, if the latter comply with the requirements established in article 93.2.1 of the Spanish Insolvency Law.

Furthermore, any person who acquires credits that were held by one of the above persons is also presumed to be especially related if the acquisition takes place in the 2 years leading up to the declaration of insolvency. This presumption is rebuttable.

The claims of Noteholders may, therefore, to the extent they are considered especially related to the Issuer, be subordinated as a result of the application of the provisions of the Spanish Insolvency Law. Noteholders should

be aware of this subordination risk and take those precautions they consider appropriate to ensure that their claims are not subordinated.

A substantial reform of the Spanish Insolvency Law approved in 2014 focused on pre-insolvency instruments, refinancing agreements ("*acuerdos de refinanciación*") and arrangements ("*convenios*"). The key issues addressed by such reform are, among others, as follows:

- (a) No enforcement of security in pre-insolvency scenarios under article 5Bis of the Spanish Insolvency Act: Spanish Insolvency Law already included a notification system for distressed companies, when negotiations with creditors had been started for the purposes of agreeing a refinancing agreement (as defined by the Spanish Insolvency Act) or an advanced composition agreement to be filed within the insolvency procedure, which suspended the obligation of the insolvent company to file for insolvency in a period of 3 months, and prevented creditors from filing for its insolvency. Once this 3 months term elapses, the company must file for insolvency within the next month if the state of insolvency persists. Following the referred reform, when the abovementioned 5Bis notification has been made, secured creditors can enforce their security but such enforcement will be automatically suspended in the event the secured assets affected by such enforcement are needed for the continuity of the business activity of the debtor.
- (b) Protected refinancing agreements: The protected restructuring agreements were introduced in the Spanish Insolvency Law in 2011 in order to establish a "safe harbour" for restructuring processes, so the claw back period did not affect them and the transactions carried out under these restructuring agreements were not subject to scrutiny and potential revocation when the company became insolvent. However, their success has been limited given certain constraints previously included in the law. Last reforms carried out aimed to further encourage the use of these pre-insolvency agreements.
- (c) Spanish "schemes of arrangement": the refinancing agreements described above are designed to protect the actions carried out pursuant to them from the claw-back period upon insolvency of the company. The Spanish Insolvency Law expands the content of the refinancing agreement and allows the cram down of dissenting creditors holding financial claims against the borrowers (including secured creditors) within refinancing agreements when meeting certain requirements, mainly regarding majority thresholds.

The Spanish Insolvency Law also provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within 1 month from the last official publication of the court order declaring the insolvency in the Spanish Official Gazette (*Boletín Oficial del Estado*), unless the claim is recorded in the borrower's accountancy and documentation, (ii) acts deemed detrimental for the insolvency estate of the insolvent debtor carried out during the 2 year period preceding the date of its declaration of insolvency may be rescinded, even if no fraud nor link to the insolvency exist (some legal presumptions of "detrimental acts", rebuttable and non-rebuttable, are established in the Spanish Insolvency Act), (iii) provisions in a bilateral contract granting one party the right to terminate by reason only of the other's insolvency are not enforceable, and (iv) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended as from the date of the declaration of insolvency and any amount of interest accrued up to such date and unpaid (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

### ***Suitability***

Prospective investors in the Notes should determine the suitability of that investment in light of their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluations of the investment.

### ***Ratings of the Issuer or of Notes could cause fluctuations in the price at which Notes are traded***

Notes issued under the Programme are currently expected to be rated or unrated. However, the Issuer may in the future solicit a rating for itself and/or its debt (including one or more issues of Notes under the Programme) from one or more credit rating agencies. Should any such assigned rating(s) be published, there can be no assurances as to whether or not any such rating will be investment grade. The publication of any such rating could lead to fluctuations in the price at which the Notes are traded in the secondary market, especially if the rating is below investment grade.

### ***Meetings of Noteholders: Modification and waiver***

The Agency Agreement contains provisions for calling meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of the Conditions. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to such resolutions.

### ***The Issue Price may be greater than the market value of the Notes***

The Issue Price specified in the relevant Final Terms may be higher than the market value of the Notes as at the Issue Date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of Dealers are often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

### ***There is no active trading market for the Notes***

Notes issued under the Programme will be new securities that may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes that is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes issued under the Programme to be listed on the Official List of Euronext Dublin and admitted to trading on its regulated market, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

### ***Exchange rate fluctuations may affect the value of the Notes***

If an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the unit of currency in which principal and interest on the Notes is paid (the "**Payment Currency**"), this could present certain risk relating to currency conversions. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Payment Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Payment Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. Any of the foregoing events could adversely affect the price of the Notes.

***The Notes may be redeemed by the Issuer prior to maturity***

Notes may be redeemable prior to maturity at the Issuer's option in certain circumstances, and an optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when their cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***As the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

Bearer Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository or common safekeeper, as applicable, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depository or paying agent (in the case of a New Global Note) for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

***The value of and return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks or future discontinuance of benchmarks***

LIBOR, EURIBOR and other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. Regulation (EU)

No. 2016/1011 (the "**Benchmark Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmark Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete.

### ***Risks relating to the proposed discontinuation of LIBOR and other benchmarks***

On 27 July 2017, the UK Financial Conduct Authority (the "**FCA**") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**2017 FCA Announcement**"). On 12 July 2018, the FCA further announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation (the "**2018 FCA Announcement**"). The 2017 FCA Announcement and the 2018 FCA Announcement indicate that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021 and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(i) (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "Terms and Conditions of the Notes" set out below provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application

of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***Risks related to the Spanish withholding tax regime***

The Issuer considers that, pursuant to the provisions of the Law 10/2014 and Royal Decree 1065/2007, as amended, it is not obliged to withhold taxes in Spain on any interest paid on the Notes to any Noteholder, irrespective of whether such Noteholder is tax resident in Spain. The foregoing is subject to the Fiscal Agent complying with certain information procedures described in "*Taxation—Taxation in Spain—Information about the Notes in connection with Payments*" below.

The Issuer and the Fiscal Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. The procedures may be modified, amended or supplemented to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof. Under Royal Decree 1065/2007, the Issuer may make payments free of Spanish withholding tax, provided that the Notes comply, among others, with the following requirements: (i) the Notes are regarded as listed debt securities issued under Law 10/2014; and (ii) they are initially registered at a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state. The Issuer expects that the Notes will meet the requirements referred to in (i) and (ii) above and that, consequently, payments made by the Issuer to Noteholders should be paid free of Spanish withholding tax, provided that the Fiscal Agent complies with the procedural requirements referred to above. Notwithstanding the foregoing, if the Fiscal Agent fails to submit to the Issuer the relevant information in a timely manner, the Issuer will withhold tax at the then-applicable rate (as at the date of this Base Prospectus, 19%) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding as a result of such failure by the Fiscal Agent to comply with the relevant procedural requirements.

Investors who are not resident in Spain for tax purposes and are entitled to exemption from Non-Resident Income Tax on income derived from the Notes, but where the Issuer does not timely receive from the Fiscal Agent the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Base Prospectus, would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish Non Resident Income Tax Law.

If the Spanish Tax Authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish tax residents (individuals and entities subject to Corporate Income Tax (*Impuesto sobre Sociedades*)), the Issuer will be bound by the opinion and, with immediate effect, will make the appropriate withholding. If this is the case, identification of Noteholders may be required and the procedures, if any, for the collection of relevant information will be applied by the Issuer (to the extent required) so that it can comply with its obligations under the applicable legislation as interpreted by the Spanish Tax Authorities. If procedures for the collection of the Noteholders information are to apply, the Noteholders will be informed of such new procedures and their implications.

Notwithstanding the above, in the case of Notes held by Spanish tax resident individuals (and, under certain circumstances, by Spanish entities subject to Corporate Income Tax and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian (currently 19%).



## INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. an English language translation of the audited consolidated financial statements of the Issuer prepared in accordance with IFRS-EU (including the auditors' report thereon and notes thereto) and the consolidated directors' management report in respect of the year ended 31 December 2018 available for viewing on:  
[https://www.cellnextelecom.com/content/uploads/2019/03/IAICCAA\\_2018\\_EN-1.pdf](https://www.cellnextelecom.com/content/uploads/2019/03/IAICCAA_2018_EN-1.pdf)
2. an English language translation of the audited consolidated financial statements of the Issuer prepared in accordance with IFRS-EU (including the auditors' report thereon and notes thereto) and the consolidated directors' management report in respect of the year ended 31 December 2017 available for viewing on:  
<https://www.cellnextelecom.com/content/uploads/2018/02/4.CCAA-consolidadas-versi%C3%B3n-web-ingles.pdf>
3. an English language translation of the unaudited consolidated interim financial information of the Issuer in respect of the 3-month period ended 31 March 2019 available for viewing on:  
<https://www.cellnextelecom.com/content/uploads/2019/05/Cellnex-Results-1Q-2019.pdf>
4. terms and conditions of the base prospectus of the Issuer dated 22 May 2018 (which are included in pages 58 to 88) available for viewing on:  
[https://www.ise.ie/debt\\_documents/Base%20Prospectus\\_c31387bd-f801-42be-b9c2-7d2b1a20e66f.pdf](https://www.ise.ie/debt_documents/Base%20Prospectus_c31387bd-f801-42be-b9c2-7d2b1a20e66f.pdf)
5. terms and conditions of the base prospectus of the Issuer dated 18 May 2017 (which are included in pages 55 to 85) available for viewing on:  
[www.ise.ie/debt\\_documents/F%20Base%20Prospectus\\_229f70ce-99e1-4417-bd03-9999e6cfa7be.pdf](http://www.ise.ie/debt_documents/F%20Base%20Prospectus_229f70ce-99e1-4417-bd03-9999e6cfa7be.pdf)
6. terms and conditions of the base prospectus of the Issuer dated 18 May 2016 (which are included in pages 52 to 82) available for viewing on:  
[http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_59346f8a-7bb2-4f0d-90be-972f4f05cf41.pdf](http://www.ise.ie/debt_documents/Base%20Prospectus_59346f8a-7bb2-4f0d-90be-972f4f05cf41.pdf)
7. terms and conditions of the base prospectus of the Issuer dated 14 May 2015 (which are included in pages 38 to 62) available for viewing on:  
[http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_9a658ab1-a8aa-40f6-a58a-135203155a1e.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_9a658ab1-a8aa-40f6-a58a-135203155a1e.PDF)

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of the Issuer and each has been filed with the Central Bank. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

## **FINAL TERMS AND DRAWDOWN PROSPECTUSES**

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes that is the subject of Final Terms are the Conditions described in the relevant Final Terms as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the Issuer and the relevant Notes.

## FORMS OF THE NOTES

### **Bearer Notes**

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (the "**TEFRA C Rules**") or U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### ***Temporary Global Note exchangeable for Permanent Global Notes***

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership *provided, however*, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

***Permanent Global Note exchangeable for Definitive Notes***

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Bearer Notes in definitive form ("**Definitive Notes**");

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
  - (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
  - (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

***Temporary Global Note exchangeable for Definitive Notes***

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

### ***Rights under Deed of Covenant***

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### ***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

### ***Legend concerning U.S. persons***

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

### **Registered Notes**

Each Tranche of Notes in registered form ("**Registered Notes**") will be represented by either:

- (i) individual Note Certificates in registered form ("**Individual Note Certificates**"); or
- (ii) one or more global note certificates ("**Global Registered Note(s)**"),

in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the NSS, registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depository and will be exchangeable in accordance with its terms; or (b) in the

case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

***Global Registered Note exchangeable for Individual Note Certificates***

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be represented by one or more Global Registered Notes each of which will be exchangeable in whole, but not in part, for Individual Note Certificates if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note", then if either of the following events occurs:

- (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
- (b) if any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, each person having an interest in a Global Registered Note must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding).

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within 5 business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) each person shown in the records of Euroclear and/or Clearstream,

Luxembourg (or any other relevant clearing system) as being entitled to interest in the Notes (each an "**Accountholder**") shall acquire under the Deed of Covenant rights of enforcement against the Issuer ("**Direct Rights**") to compel the Issuer to perform its obligations to the Holder of the Global Registered Note in respect of the Notes represented by the Global Registered Note, including the obligation of the Issuer to make all payments when due at any time in respect of such Notes in accordance with the Conditions as if such Notes had (where required by the Conditions) been duly presented and surrendered on the due date in accordance with the Conditions.

The Direct Rights shall be without prejudice to the rights which the Holder of the Global Registered Note may have under the Global Registered Note or otherwise. Payment to the Holder of the Global Registered Note in respect of any Notes represented by the Global Registered Note shall constitute a discharge of the Issuer's obligations under the Notes and the Deed of Covenant to the extent of any such payment and nothing in the Deed of Covenant shall oblige the Issuer to make any payment under the Notes to or to the order of any person other than the Holder of the Global Registered Note.

As a condition of any exercise of Direct Rights by an Accountholder, such Accountholder shall, as soon as practicable, give notice of such exercise to the Noteholders in the manner provided for in the Conditions or the Global Registered Note for notices to be given by the Issuer to Noteholders.

#### ***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

### **Summary of Provisions relating to the Notes while in Global Form**

#### ***Clearing System Accountholders***

In relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by one or more Global Registered Notes, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name the relevant Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear, Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Registered Note will be determined by the respective rules and procedures



of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

### ***Conditions applicable to Global Notes***

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the (i) Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg and (ii) Global Registered Note, the Issuer shall procure that if such Note is held under the NSS, the payment is entered into pro rata in the records of Euroclear and Clearstream Luxembourg.

*Payment Business Day:* in the case of a Global Note or a Global Registered Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Payment Record Date:* Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

*Exercise of put option:* In order to exercise the option contained in Condition 8(g) (*Redemption and Purchase - Redemption at the option of Noteholders (Investor Put)*) the bearer of a Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 8(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* notwithstanding Condition 18 (*Notices*), while all the notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg

and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme.*

*The relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may complete information set out in the terms and conditions.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

### 1 Introduction

- (a) *Programme:* Cellnex Telecom, S.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €5,000,000,000 in aggregate principal amount of notes (the "**Notes**"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms.
- (c) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 17 May 2019 (the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (d) *Deed of Covenant:* The Notes have the benefit of a deed of covenant dated 17 May 2019 executed and delivered by the Issuer in relation to the Notes (the "**Deed of Covenant**"). Registered Notes are constituted by such Deed of Covenant.
- (e) *The Notes:* The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer.
- (f) *Public Deed of Issuance:* If so required by Spanish law, the Issuer will execute a public deed (*escritura pública*) (the "**Public Deed of Issuance**") before a Spanish Notary Public in relation to the Notes on or prior to the Issue Date of the Notes. The Public Deed of Issuance will contain, among other information, the terms and conditions of the Notes.

- (g) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders (as defined below) and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

## 2 Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
- (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next

calendar month, in which case it will be the first preceding day which is a Business Day;  
and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s);

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(iii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iv) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(vi) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified under "*Redemption Amount*" in the relevant Final Terms, or as determined in accordance with these Conditions;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (as at the date of the Base Prospectus, Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

**"Holder"**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*) or when appropriate it has the meaning of beneficial owner of the Notes;

**"Indebtedness"** means any indebtedness of any Person for money borrowed or raised;

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**"Interest Determination Date"** has the meaning given in the relevant Final Terms;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"ISDA Definitions"** means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

**"Issue Date"** has the meaning given in the relevant Final Terms;

**"LIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (as at the date of the Base Prospectus, Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

**"Margin"** has the meaning given in the relevant Final Terms;



**"Material Subsidiary"** means, at any relevant time, a Subsidiary of the Issuer whose total assets or gross revenues (or, where the Subsidiary in question is obliged by applicable law to prepare consolidated accounts, whose total consolidated assets or gross consolidated revenues) at any relevant time represent no less than 10% of the total consolidated assets or gross consolidated revenues, respectively, of the Issuer and its Subsidiaries, as calculated by reference to the then latest consolidated audited annual accounts or consolidated semi-annual reports of the Issuer and the latest annual accounts or semi-annual reports of each relevant Subsidiary (consolidated or, as the case may be, unconsolidated), provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated audited annual accounts or consolidated semi-annual reports of the Issuer relate, for the purpose of applying each of the foregoing tests, the reference to the Issuer's latest consolidated audited annual accounts or consolidated semi-annual reports shall be deemed to be a reference to such accounts or reports as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Issuer for the time being after consultations with the Issuer);

**"Maturity Date"** has the meaning given in the relevant Final Terms;

**"Maximum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Minimum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Noteholder"**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

**"Optional Redemption Amount (Call)"** means, in respect of any Note, (i) its principal amount (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) or (iii) the Make-whole Amount, as may be specified in the relevant Final Terms;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Final Terms;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Final Terms;

**"Participating Member State"** means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

- (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Permitted Security Interest"** means

- (a) any Security Interest in existence on the Issue Date to the extent that it secures Relevant Indebtedness outstanding on such date; and
- (b) any Security Interest arising by operation of law or in the ordinary course of business of the Issuer or any of its Material Subsidiaries which does not materially impair the operation of the relevant business;
- (c) any Security Interest to secure Project Finance Debt;
- (d) any Security Interest created in respect of Relevant Indebtedness of an entity that has merged with, or has been acquired (whether in whole or in part) by the Issuer or any of its Subsidiaries, provided that such Security Interest:
  - (i) was in existence at the time of such merger or acquisition;
  - (ii) was not created for the purpose of providing security in respect of the financing of such merger or acquisition; and
  - (iii) is not increased in amount or otherwise extended following such merger or acquisition other than pursuant to a legal or contractual obligation (x) which was assumed (by operation of law, agreement or otherwise) prior to such merger or acquisition by an entity which, at such time, was not a Subsidiary of the Issuer, and (y) which remains legally binding on such entity at the time of such merger or acquisition; and
- (e) any Security Interest that does not fall within paragraphs (a), (b), (c) or (d) above and that secures Indebtedness which, when aggregated with Indebtedness secured by all other Security Interests permitted under this paragraph, does not exceed €5,000,000 (or its equivalent in other currencies);

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Project Finance Assets"** means the assets (including, for the avoidance of doubt, shares (or other interests) of a Project Finance Entity);

**"Project Finance Entity"** means any entity in which the Issuer or any of its Subsidiaries holds an interest (a) whose only assets and business are constituted by: (i) the ownership, creation, development, construction, improvement, exploitation or operation of one or more of such entity's assets, or (ii) shares (or other interests) in the capital of other entities that satisfy limb (i) of this definition, and (b) all of whose Indebtedness is comprised of Project Finance Debt;

**"Project Finance Debt"** means any Indebtedness incurred by:

- (a) a Project Finance Entity in respect of the activities of such entity or another Project Finance Entity in which it holds shares (or other interests) (including any derivative transaction entered into in

connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction only the marked to market value shall be taken into account to the extent such amount has become due but unpaid) *provided, however, that*, such derivative transaction does not include an actual or contingent payment or delivery obligation by any Person other than such Project Finance Entity); or

- (b) any Subsidiary formed exclusively for the purpose of financing a Project Finance Entity;

where, in each case, the holders of such Indebtedness have no recourse against the Issuer or any of its Subsidiaries (or its or their respective assets), except for recourse to (y) the Project Finance Assets of such Project Finance Entities; and (z) in the case of (b) above only, the Subsidiary incurring such Indebtedness;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, 4 major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Rate"** means EURIBOR or LIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the

Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any listing authority, stock exchange or quotation system in respect of negotiable securities (including, without limitation, any over-the-counter securities market);

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

- (a) 50% or more of the Voting Rights of which is at the relevant time directly or indirectly owned or controlled by the first Person; or
- (b) whose affairs and policies at such time the first Person controls or has the power to control, whether by ownership of Voting Rights, share capital, contract, the power to appoint and remove members of the board of directors or others governing body or otherwise; or
- (c) whose financial statements are at such time, in accordance with applicable law and generally accepted accounting principles, consolidated with the first Person's financial statements;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Communities, as amended; and

"**Voting Rights**" means the right generally to vote at a general meeting of shareholders of the relevant entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency) or to elect the majority of the members of the board of directors or other governing body of the relevant entity.

(b) *Interpretation:* In these Conditions:

- (i) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (ii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iii) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (iv) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (v) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vi) if an expression is stated in Condition 2(a) (*Interpretation - Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (vii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

### **3 Form, Denomination, Title and Transfer**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination.
- (d) *Title to Registered Notes:* Title to the Registered Notes shall pass by registration in the register (the "**Register**") that the Registrar will maintain in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are in the Specified Denomination. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor. In case of a transfer of Registered Notes to a person who is already a Holder of Registered Notes, a new Note Certificate representing the enlarged holding shall only be issued upon surrender to the Transfer Agent of the Note Certificate representing the existing holding.
- (g) *Registration and delivery of Note Certificates:* Within 5 business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day other than Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

#### **4 Status**

The Notes constitute direct, general, unconditional and (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and in the event of insolvency (*concurso*) of the Issuer (unless they qualify as subordinated debts under Article 92 of Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the "**Law 22/2003**" or

the "**Insolvency Law**") or equivalent legal provision which replaces it in the future and subject to any legal and statutory exceptions) will rank *pari passu* without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future.

*In the event of insolvency (concurso) of the Issuer, under the Insolvency Law, claims relating to the Notes (which are not subordinated pursuant to article 92 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank above subordinated credits and the rights of shareholders.*

*Accrued and unpaid interest due in respect of the Notes at the commencement of an insolvency proceeding (concurso) of the Issuer will qualify as subordinated credits. Accrual of interest on the Notes shall be suspended as from the date of any declaration of insolvency (concurso) in relation to the Issuer.*

## **5 Negative Pledge**

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

## **6 Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments - Bearer Notes*) and Condition 10 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is 7 days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means 1 cent.

## 7 Floating Rate Note Provisions

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments - Bearer Notes*) and Condition 10 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is 7 days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to 2 rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
    - (A) one rate shall be determined as if the relevant period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
    - (B) the other rate shall be determined as if the relevant period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

*provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Financial Adviser (as defined below) shall determine such rate at such time and by reference to such sources as it determines appropriate;*
  - (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than 2 such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
    - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and



- (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than 2 such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
  - (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to 2 rates based on the relevant Floating Rate Option, where:
    - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
    - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

*provided, however, that* if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Financial Adviser (as defined below) shall determine such rate at such time and by reference to such sources as it determines appropriate.

- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means 1 cent.
- (g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (h) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (i) *Benchmark Discontinuation:*
- (i) If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(i)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(i)(iii)) and any Benchmark Amendments (in accordance with Condition 7(i)(iv)).

In making such determination an Independent Adviser appointed pursuant to this Condition 7(i) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Agents or the Noteholders for any determination made by it pursuant to this Condition 7(i).

If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in

accordance with this Condition 7(i) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this final paragraph of Condition 7(i) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(i).

(ii) If the Independent Adviser determines in its discretion that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(i)(iii)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(i); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(i)(iii)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(i).

(iii) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

(iv) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(i) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Fiscal Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 7(i)(v), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(i)).

In connection with any such variation in accordance with this Condition 7(i)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(i) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Other Agents and, in accordance with Condition 18, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

- (vi) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
- (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(i); and
  - (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.
- (vii) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Other Agents and the Noteholders. The Calculation Agent, the Fiscal Agent and the Other Agents may rely on any such certificate without any further enquiry, and shall not be obliged to verify whether the same contains a manifest error or whether the Issuer has acted in bad faith.
- (viii) Without prejudice to the obligations of the Issuer under Condition 7(i)(i), (ii), (iii) and (iv), the Reference Rate and the fallback provisions provided for in the definition of the term "Reference Rate" in Condition 7(c) will continue to apply unless and until a Benchmark Event has occurred.
- (ix) As used in this Condition 7(i):

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate.

**"Alternative Rate"** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 7(i)(ii) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

**"Benchmark Amendments"** has the meaning given to it in Condition 7(i)(i).

**"Benchmark Event"** means:

- (A) the Reference Rate ceasing to be published for a period of at least five (5) Business Days or ceasing to exist; or
- (B) a public statement by the administrator of the Reference Rate that it will cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Reference Rate, that the Reference Rate has been or will permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Reference Rate as a consequence of which the Reference Rate will be prohibited from being used either generally, or in respect of the relevant Floating Rate Notes; or
- (E) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any Rate of Interest using the Reference Rate.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 7(i)(i).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

## 8 Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 9 (*Payments – Bearer Notes*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (unless the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided, however, that no such notice of redemption shall be given earlier than:
  - 1. where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
  - 2. where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by 2 directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised international standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 8, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.

- (c) *Redemption at the option of the Issuer (Issuer Call)*: If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued and unpaid interest (if any) to such date).

If Make-whole Amount is specified in the relevant Final Terms, the Optional Redemption Amount (Call) will be the higher of (a) 100% of the principal amount outstanding of the Notes to be redeemed and (b) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at (i) the Reference Note Rate plus the Redemption Margin or (ii) the Discount Rate, in each case as specified in the relevant Final Terms. If the Make-whole Exemption Period is specified as applicable and the Issuer gives notice to redeem the Notes during the

Make-whole Exemption Period, the Optional Redemption Amount (Call) will be 100% of the principal amount outstanding of the Notes to be redeemed.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 8(c).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

For the purposes of this Condition 8(c):

**"Discount Rate"** will be as set out in the relevant Final Terms.

**"FA Selected Note"** means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes.

**"Financial Adviser"** means the entity so specified in the relevant Final Terms or, if not so specified or if such entity is unable or unwilling to act, any financial adviser selected by the Issuer.

**"Make-whole Exemption Period"** will be as set out in the relevant Final Terms.

**"Redemption Margin"** will be as set out in the relevant Final Terms.

**"Reference Note"** shall be the note so specified in the relevant Final Terms or, if not so specified or if no longer available, the FA Selected Note.

**"Reference Note Price"** means, with respect to any date of redemption: (a) the arithmetic average of the Reference Government Note Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Note Dealer Quotations or (b) if the Financial Adviser obtains fewer than 4 such Reference Government Note Dealer Quotations, the arithmetic average of all such quotations.

**"Reference Note Rate"** means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Note, assuming a price for the Reference Note (expressed as a percentage of its principal amount) equal to the Reference Note Price for such date of redemption.

**"Reference Date"** will be set out in the relevant notice of redemption, such date to fall no earlier than the date falling 30 days prior to the date of such notice.

**"Reference Government Note Dealer"** means each of 5 banks selected by the Issuer which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate note issues.

**"Reference Government Note Dealer Quotations"** means, with respect to each Reference Government Note Dealer and any date for redemption, the arithmetic average, as determined by the Financial Adviser, of the bid and offered prices for the Reference Note (expressed in each case as a percentage of its principal amount) at the Quotation Time specified in the relevant Final Terms on the Reference Date quoted in writing to the Financial Adviser by such Reference Government Note Dealer.

**"Remaining Term Interest"** means with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer in accordance with this Condition 8(c).

- (d) *Residual Maturity Call Option:* If a Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders in accordance with Condition 18 (which notice shall specify the date fixed for redemption (the **Residual Maturity Call Option Redemption Date**)), redeem the Notes comprising the relevant Series, in whole but not in part, at their principal amount together with any accrued and unpaid interest up to (but excluding) the date fixed for redemption, which shall be no earlier than (i) 3 months before the Maturity Date in respect of Notes having a maturity of not more than 10 years or (ii) 6 months before the Maturity Date in respect of Notes having a maturity of more than 10 years.

For the purpose of the preceding paragraph, the maturity of not more than 10 years or the maturity of more than 10 years shall be determined as from the Issue Date of the first Tranche of the relevant Series of Notes.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

- (e) *Redemption following a Substantial Purchase Event:* If a Substantial Purchase Event is specified in the relevant Final Terms as being applicable and a Substantial Purchase Event has occurred and is continuing, then the Issuer may, subject to having given not less than 15 nor more than 30 days' irrevocable notice to the Noteholders in accordance with Condition 18, redeem the Notes comprising the relevant Series in whole, but not in part, in accordance with these Conditions at any time, in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the date of redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

A **Substantial Purchase Event** shall be deemed to have occurred if at least 80% of the aggregate principal amount of the Notes of the relevant Series originally issued (which for these purposes shall include any further Notes of the same Series issued subsequently) is purchased by the Issuer (and in each case is cancelled in accordance with Condition 8(k));

- (f) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 8(c) (*Redemption and Purchase - Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 8(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) *Redemption at the option of Noteholders (Investor Put):* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on



the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 8(g), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit (in the case of Bearer Notes) with any Paying Agent such Note together with all unmatured Coupons relating thereto or (in the case of Registered Notes) the Note Certificate representing such Note(s) with the Registrar or (as the case may be) any Transfer Agent at its Specified Office, together with a duly completed Put Option Notice in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable). The Paying Agent, Registrar or (as the case may be) Transfer Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 8(g), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 8(g), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

- (h) *Redemption or Purchase at the option of the Noteholders on a Put Event (Change of Control Put):* If the Change of Control Put is specified in the relevant Final Terms as being applicable, and if at any time while any Note remains outstanding a Change of Control occurs, the Issuer shall make a Public Announcement as soon as reasonably practicable, and if, within the Change of Control Period, either:
- (i) (if at the time that the Change of Control occurs there are Rated Securities outstanding) a Rating Downgrade Event in respect of the Change of Control occurs; or
  - (ii) (if at the time that the Change of Control occurs there are no Rated Securities outstanding) a Negative Rating Event in respect of the Change of Control occurs,

(the Change of Control and Rating Downgrade Event or the Change of Control and Negative Rating Event, as the case may be, occurring within the Change of Control Period, together called a "**Put Event**"), each holder of the Notes shall have the option (unless, before the giving of the Put Event Notice (as defined below), the Issuer shall have given notice under Condition 8(b) (*Redemption and Purchase - Redemption for tax reasons*) to redeem the Notes) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) any of its Notes at the Optional Redemption Amount (Put) together with (or, where purchased, together with an amount equal to) interest accrued to but excluding the Put Date (as defined below). Such option (the "**Put Option**") shall operate as set out below.

If a Put Event occurs then, within 14 days of the occurrence of the Put Event, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 18 (*Notices*) specifying the nature of the Put Event and the procedure for exercising the Put Option.

In order to exercise the Put Option, the holder of a Note must, during the period commencing on the date on which the Put Event Notice is given to Noteholders as required by this Condition 8(h) and ending 60 days after such occurrence (the "**Put Period**"), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option

Notice in accordance with this Condition 8(h), may be withdrawn; provided, however, that if, prior to the relevant Put Date, any such Note becomes immediately due and payable or payment of the redemption moneys is improperly withheld or refused on the Put Date, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 8(h), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

The Issuer shall at its option redeem or purchase (or procure the purchase of) the Notes the subject of each Put Option Notice given under this Condition 8(h) on the date (the "**Put Date**") which is 7 days after the expiration of the Put Period unless previously redeemed or purchased and cancelled.

For the purposes of this Condition 8(h):

a "Change of Control" shall have occurred if one or more individuals or legal entities, acting individually or in concert, acquires control of the Issuer; and for the purposes of these Conditions "**control**" shall mean (i) the acquisition or control of more than 50% of the voting rights or (ii) the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise and "**controlled**" shall be construed accordingly;

"**Change of Control Period**" means:

- (i) if at the time a Change of Control occurs there are Rated Securities, the period of 120 days beginning on and including the date of the relevant Public Announcement; or
- (ii) if at the time a Change of Control occurs there are no Rated Securities, the period beginning on and including the date on which the relevant Change of Control occurs and ending 120 days following the later of (a) the date on which the Issuer seeks to obtain a rating as contemplated in the definition of Negative Rating Event prior to the expiry of the 60 days referred to in that definition, and (b) the date of the relevant Public Announcement;

(or, in the case of either (i) or (ii) above, such longer period in which the Rated Securities are under consideration (such consideration having been announced publicly within the first mentioned 120 day period) for rating review or, as the case may be, rating by a Rating Agency);

"**Investment Grade Rating**" means a rating of the Notes of at least BBB- or Baa3 (or their respective equivalents at each Rating Agency for the time being);

a "**Negative Rating Event**" shall be deemed to have occurred if either (a) the Issuer does not, either prior to or not later than 60 days after the relevant Change of Control, seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer having an initial maturity of 5 years or more ("**Rateable Debt**") from a Rating Agency or (b) if the Issuer does so seek and use such endeavours, it is unable by the end of the Change of Control Period to obtain such a rating of the Notes of an Investment Grade Rating;

"**Public Announcement**" means an announcement by the Issuer of the occurrence of a Change of Control, published in accordance with Condition 18 (*Notices*);

"**Rated Securities**" means the Notes, if and for so long as they shall have an effective rating from a Rating Agency and otherwise any Rateable Debt which is rated by a Rating Agency;

**"Rating Agency"** means any of (i) Standard & Poor's Credit Market Services Europe Limited, (ii) Moody's Investor Service, Inc., (iii) Fitch Ratings Limited and (iv) any other rating agency of international standing and (in each case) their respective affiliates and successors and **"Rating Agencies"** shall be construed accordingly;

a **"Rating Downgrade Event"** shall be deemed to have occurred in respect of the Change of Control if the then current rating assigned to the Rated Securities by any Rating Agency is withdrawn or reduced from at least an Investment Grade Rating or, if a Rating Agency shall already have rated the Rated Securities below an Investment Grade Rating, the rating is lowered one full rating category.

- (i) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (h) above.
- (j) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.
- (k) *Cancellation:* All Notes so redeemed shall be cancelled and may not be reissued or resold.

## **9 Payments - Bearer Notes**

This Condition 9 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).
- (e) *No commissions or expenses:* No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (f) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that

proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; provided, however, that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (g) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 9(g) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 8(b) (*Redemption and Purchase - Redemption for tax reasons*), Condition 8(c) (*Redemption and Purchase - Redemption at the option of the Issuer (Issuer Call)*), Condition 8(g) (*Redemption and Purchase - Redemption at the option of Noteholders (Investor Put)*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (h) *Payments on business days*: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (i) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (j) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (k) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 10 Payments - Registered Notes

This Condition 10 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).
- (d) *No commissions or expenses:* No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (e) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 10(e) arriving after the due date for payment or being lost in the mail.
- (f) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (g) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 11 Taxation

- (a) *Gross up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:
- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
  - (ii) to, or to a third party on behalf of, a Spanish-resident legal entity subject to the Spanish Corporate Income Tax if the Spanish tax authorities determine that the Notes do not comply with applicable exemption requirements including those specified in the reply to a non-binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or
  - (iii) to, or to a third party on behalf of, a Holder if the Issuer does not receive in a timely manner certain information about the Notes of such Holder as it is required by the applicable Spanish tax laws and regulations, including a duly executed and completed certificate from the Fiscal Agent, pursuant to Law 10/2014 and Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29 July, and any implementing legislation or regulation; or
  - (iv) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days; or
  - (v) any combination of items (i) through (iv) above.
- (b) *Taxing jurisdiction*: If the Issuer becomes subject at any time to any taxing jurisdiction other than the Kingdom of Spain, references in these Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.
- (c) *FATCA*: Notwithstanding any other provision of the Terms and Conditions to the contrary, any amounts to be paid on the Notes or the Coupons by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

## 12 Events of Default

If any of the following events occurs and is continuing:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes within 7 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or
- (c) Cross-default:
  - (i) any Indebtedness (which does not constitute Project Finance Debt) of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
  - (ii) any such Indebtedness (which does not constitute Project Finance Debt) becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described);
  - (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness (which does not constitute Project Finance Debt);

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above have occurred equals or exceeds €35,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Insolvency etc*: (i) the Issuer or any of its Material Subsidiaries (other than a Project Finance Entity) becomes insolvent or bankrupt or unable to pay its debts, or is declared or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, (ii) an administrator or liquidator of the Issuer or any of the Material Subsidiaries (other than a Project Finance Entity) of the whole or any part of the undertaking, assets and revenues of the Issuer or any of the Material Subsidiaries (other than a Project Finance Entity) is appointed (or application for any such appointment is made), or (iii) the Issuer or any of the Material Subsidiaries (other than a Project Finance Entity) takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of any Indebtedness given by it; or
- (e) *Winding up etc*: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries (other than a Project Finance Entity), or the Issuer or any of its Material Subsidiaries (other than a Project Finance Entity) ceases or threatens to cease to carry on all or substantially all of its business or operations, except in the case of a Material Subsidiary (other than a Project Finance Entity), for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders; or
- (f) *Distress*: a distress, attachment, execution or other legal process for an amount equal to or in excess of €35,000,000 (or its equivalent in any other currency or currencies) is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries (other than a Project Finance Entity) and is not discharged or stayed within 45 days; or

- (g) *Enforcement of charges*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of the Issuer's Material Subsidiaries (other than a Project Finance Entity); or
- (h) *Suspension*: the Issuer or any of its Material Subsidiaries (other than a Project Finance Entity) stops, suspends or threatens publicly to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries (other than a Project Finance Entity);
- (i) *Illegality*: it is or becomes unlawful for the Issuer to perform or comply with any one or more of its obligations under or in respect of any of the Notes; or
- (j) *Analogous event*: any event occurs which under the laws of the Kingdom of Spain has a similar effect to any of the events referred to in the foregoing paragraphs of this Condition 12(j),

then any Noteholder of the relevant Series in respect of its Notes may, by written notice to the Issuer, declare that such Notes or Note (as the case may be) and (if the Notes or Note are or is interest-bearing) all interest then accrued but unpaid on such Notes or Note (as the case may be) shall be forthwith due and payable, whereupon the same shall (to the extent permitted by applicable Spanish law) become immediately due and payable at its Early Termination Amount, together with all interest accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary.

*Law 22/2003 provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (administradores concursales) within one month from the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the term to report may be reduced to fifteen days) in the Spanish Official Gazette (Boletín Oficial del Estado), (ii) actions deemed detrimental for the insolvent estate of the insolvency debtor carried out during the 2 year period preceding the date of its declaration of insolvency may be rescinded, (iii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iv) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended as from the date of the declaration of insolvency and any amount of interest accrued up to such date and unpaid (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.*

### **13 Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within 5 years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within 10 years of the appropriate Relevant Date.

### **14 Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange



and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

## **15 Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; provided, however, that:

- (a) the Issuer shall at all times maintain a fiscal agent and a registrar; and;
- (b) the Issuer shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC; and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

## **16 Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be 2 or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, 2 or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which 2 or more persons holding or representing not less than 3-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the sole opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

## 17 Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

## 18 Notices

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Bearer Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin or, in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, notices to Noteholders will be published on the date of such mailing in a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin or, in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

## 19 Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business

purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## 20 Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest 2 decimal places in such currency, with 0.005 being rounded upwards.

## 21 Governing Law and Jurisdiction

- (a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law. Condition 4 (*Status*) is governed by Spanish law.
- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England*: Condition 21(b) (*Governing Law and Jurisdiction - English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 21 prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Service of process*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Cellnex UK Limited, 1 – 2 Broadgate Circle, London EC2M 2QS, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms in respect of each Tranche of Notes, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**Final Terms dated [•]**

**Cellnex Telecom, S.A.**

**Legal Identity Identifier (LEI): 5493008T4YG3AQUI7P67**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**€[5,000,000,000]**

**[Euro Medium Term Note Programme]**

**[PRIIPs Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; [or (iii) not a qualified investor as defined in the Prospectus Directive]. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 17 May 2019 [and the supplemental Base Prospectus dated [•]] [which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus].

[Terms used herein shall be deemed to be defined as such for the purposes of the [2015] [2016] [2017] [2018] Conditions (the "**Conditions**") incorporated by reference in the Base Prospectus dated 17 May 2019. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 17 May 2019 [and the supplemental Base Prospectus dated [•]] [which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are set forth

in the base prospectus dated [14 May 2015] [18 May 2016] [18 May 2017] [22 May 2018] and are incorporated by reference in the Base Prospectus.]

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [is] [are] available for viewing on the website of Euronext Dublin at www.ise.ie [and] during normal business hours at [address] [and copies may be obtained from [address]].

[The expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended or superseded.]<sup>1</sup>

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

1	Issuer:	Cellnex Telecom, S.A.
2	[(i) Series Number:]	[●]
	[(ii) Tranche Number:]	[●]
	[(iii) Date on which the Notes become fungible:]	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the existing notes with Series number [●] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below [which is expected to occur on or about [●]].]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	[●]
	[(i) [Series]:]	[●]
	[(ii) Tranche:]	[●]
5	Issue Price:	[●]% of the Aggregate Nominal Amount [plus accrued interest from [●]
6	(i) Specified Denominations:	[●]
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[[●]/Issue Date/Not Applicable]
8	Maturity Date:	<i>[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>
9	Interest Basis:	[[●]% Fixed Rate]

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<sup>1</sup> When preparing Final Terms prepared in relation to an issuance of Notes to be listed on a non-regulated market, Prospectus Directive references are to be removed.

		[●][●] [EURIBOR/LIBOR]+/- [●]% Floating Rate]
		(see paragraph [[●]/[●]/[●]] below)
10	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100% of their nominal amount.
11	Change of Interest or Redemption/Payment Basis:	[Specify the date when any fixed to floating rate change occurs or refer to paragraphs [●] and [●] below and identify there/Not Applicable]
12	Put/Call Options:	[Investor Put] [Issuer Call]  [Change of Control Put] [Residual Maturity Call Option]  [Substantial Purchase Event]  [See paragraph [●] below)]
13	[(i)] Status of the Notes: [(ii)] [Date [Board] approval for issuance of Notes] obtained:	Senior [●]  <i>(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)</i>

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14	Fixed Rate Note Provisions	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate[(s)] of Interest:	[●]% per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	[●] in each year
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv) Broken amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[Actual/Actual (ICMA/ISDA)/ Actual/365 (Fixed)/Actual/360/30/360/30E/360/Eurobond Basis/30E/360 (ISDA)]
15	Floating Rate Note Provisions	[Applicable/Not Applicable]  <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>

- (i) Specified Period: [●]  
*(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- (ii) Specified Interest Payment Dates: [●]  
*(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (iii) [First Interest Payment Date]: [●]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Modified Business Day Convention/Preceding Business Day Convention/No Adjustment]
- (v) Additional Business Centre(s): [Not Applicable/[●]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [●] shall be the Calculation Agent

- (viii) Screen Rate Determination:
- Reference Banks: [●]
  - Reference Rate: [EURIBOR/LIBOR]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
  - Relevant Time: [●]
  - Relevant Financial Centre: [●]
- (ix) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - [●] ISDA Definitions: [2006]
- (x) Linear interpolation Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
- (xi) Margin(s): [+/-][●]% per annum
- (xii) Minimum Rate of Interest: [●]% per annum
- (xiii) Maximum Rate of Interest: [●]% per annum
- (xiv) Day Count Fraction: [●]

## PROVISIONS RELATING TO REDEMPTION

- 16 Call Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note: [[●] per Calculation Amount]/[Make-whole Amount]
  - (iii) Make-whole Amount: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
  - (a) Reference Note: [[●]/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- Redemption Margin: [●]



	Financial Adviser:	[●]
	Quotation Time:	[●]
	(b) Discount Rate:	[[●]/Not Applicable]
	(c) Make-whole Exemption Period:	[Not Applicable]/[From (and including) [●] to (but excluding) [●]/the Maturity Date]]
	(iv) If redeemable in part:	
	Minimum Redemption Amount:	[●] per Calculation Amount
	Maximum Redemption Amount	[●] per Calculation Amount
	(v) Notice period:	[●]
17	Put Option	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) Notice period:	[●]
18	Residual Maturity Call Option	[Applicable/Not Applicable]
19	Substantial Purchase Event	[Applicable/Not Applicable]
20	Change of Control Put	[Applicable/Not Applicable]
21	Final Redemption Amount of each Note	[●] per Calculation Amount
22	Redemption Amount	
	Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[[●] per Calculation Amount]/[Not Applicable]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

23	Form of Notes:	<b>Bearer Notes:</b>
		[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
		<i>(N.B. In relation to any issue of Notes which are expressed to be represented by a Permanent Global Note exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to, or greater than</i>

€100,000 (or equivalent) and integral multiples thereof.)

[Temporary Global Note exchangeable for Definitive Notes]

*(N.B. In relation to any issue of Notes which are expressed to be represented by a Temporary Global Note exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to, or greater than €100,000 (or equivalent) and integral multiples thereof.)*

[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

*(N.B. In relation to any issue of Notes which are expressed to be represented by a Permanent Global Note exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to, or greater than €100,000 (or equivalent) and integral multiples thereof.)*

**Registered Notes:**

[Global Registered Note exchangeable for Individual Note Certificates in the limited circumstances specified in the Global Registered Note]

[and

[Global Registered Note [(U.S.\$/Euro [•] nominal amount)] registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))]

24 New Global Note:

[Yes]/[No]/[Not Applicable]

25 Additional Financial Centre(s):

[Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates]

26 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left]

**THIRD PARTY INFORMATION**

[*Relevant third party information*] has been extracted from [*specify source*]. [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of  
**CELLNEX TELECOM, S.A.:**

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].] [Not Applicable.]
- (When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: [EUR 4,940]

### 2 RATINGS

- The Notes to be issued [have been/are expected to be] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- Ratings: [Standard & Poor's: [●]]
- [Moody's: [●]]
- [Fitch: [●]]
- [[Other]: [●]]
- Option 1 - CRA established in the EEA and registered under the CRA Regulation**
- [Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").
- Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration**
- [Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant

competent authority] / [European Securities and Markets Authority].

***Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 4 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 5 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

**3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

*(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

**4 REASONS FOR THE OFFER**

[See "Use of Proceeds" section in the Base Prospectus – if reasons for the offer are different from "general corporate purposes", please include them here]

**5 [Fixed Rate Notes only – YIELD**

Indication of yield:

*[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

**6 OPERATIONAL INFORMATION**

ISIN:

Common Code:

Delivery: Delivery  against/free of] payment

Names and addresses of additional Paying Agent(s) (if any):

[Intended to be held in a manner which would allow Eurosystem eligibility: ]

*[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]*

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

**7 DISTRIBUTION**

- (i) Method of Distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
  - (A) Names of Dealers [Not Applicable/*give names*]
  - (B) Stabilisation Manager(s), if any: [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give names*]
- (iv) U.S. Selling Restrictions: Reg. S Compliance Category 2; [(In the case of Bearer Notes) - [TEFRA C Rules/TEFRA D Rules/TEFRA not applicable]] [(In the case of Registered notes) - Not rule 144A Eligible]

## **USE OF PROCEEDS**

The Issuer will use the net proceeds from the issue of each Series of Notes for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.



## DESCRIPTION OF THE ISSUER

### General information

Cellnex (formerly, Abertis Telecom Terrestre, S.A.U.) was incorporated in Spain on 25 June 2008 and operates under the Spanish Companies Act ("*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el Texto Refundido de la Ley de Sociedades de Capital*") as a Spanish publicly listed company (*sociedad anónima cotizada*). The Issuer is registered in the Commercial Registry of Madrid in volume 36,551 of the Companies Section, folio 55 and sheet M-656490. The Issuer holds Spanish tax identification number A64907306 and its legal entity identifier (LEI) code is 5493008T4YG3AQUI7P67.

The registered office of Cellnex is at Calle Juan Esplandiú, 11-13, 28007 Madrid, Spain and its telephone number is +34 93 503 1000.

The Issuer operates under the commercial name "Cellnex".

### Share capital

As at the date of this Base Prospectus, the share capital of the Issuer amounts to €74,668,263.25 corresponding to 298,673,053 shares, all of which are fully subscribed and paid-up, with a nominal value of €0.25 each and belonging to a single class and series. All of the Issuer's shares are represented in book-entry form and the book-entry registry is kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("**Iberclear**"), domiciled at Palacio de la Bolsa, Plaza de la Lealtad, 1, 28014 Madrid, Spain.

Cellnex's shares are listed on the Madrid, Barcelona, Valencia and Bilbao stock exchanges (the "**Spanish Stock Exchanges**"), and trade through the automated quotation system of the Spanish Stock Exchanges (*Sistema de Interconexión Bursátil*).

### Major shareholders

As at the date of this Base Prospectus, Cellnex's largest shareholder is ConneCT with a shareholding of 29.9%. Regarding Cellnex shareholder structure, in June 2018 Abertis sold, through a process known as an "accelerated placement", 9,499,013 Shares, representing 4.1% of the total share capital of the Issuer. In addition, in July 2018, Abertis sold to ConneCT 69,273,289 Shares, which represent 29.9% of the total share capital of the Issuer. As of the date of this Base Prospectus, and pursuant to the information available on the CNMV's website, Sintonia holds approximately 60% of ConneCT's share capital and each of Infinity Investments, S.A. ("**Infinity**") and Raffles Infra Holdings Limited ("**Raffles**") hold approximately 20% of ConneCT's share capital.

### History and Development

In 2000, Cellnex's predecessor, Acesa Telecom, S.A. ("**Acesa Telecom**"), embarked upon its journey in the audiovisual sector and in mobile radio-communications for security and emergency corps by acquiring 100% of the shares of Tradia Telecom, S.A.U. ("**Tradia**"). In 2003, the audiovisual business of Retevisión I, S.A.U. ("**Retevisión**") became part of the Group, strengthening the Group's presence in the Spanish telecommunications sector.

The Group started its Telecom Infrastructure Services business in 2001 on the back of its broadcasting services and experience. In 2012, the Group started an expansion process with the acquisition of 1,000 telecommunication infrastructures from Telefónica Móviles, S.A. ("**Telefónica**"). In its positioning strategy in the telecommunications infrastructure sector, in 2013 and 2014 the Group agreed to purchase up to 3,244 infrastructures from Telefónica and Xfera Móviles, S.A.U. ("**Yoigo**"). The above-mentioned acquisitions were

performed through our subsidiary On Tower, S.A.U. ("**On Tower**") and they were structured as assets acquisitions.

In 2014, the Group started its international expansion by acquiring TowerCo and its portfolio of 306 telecom infrastructures as of the time of acquisition along Italian motorways. Also, it deployed the first IoT network in Spain, positioning itself as a reference player in the construction of an "IoT Ecosystem" in Spain ("**IoT Ecosystem**").

In 2015, the Group continued its expansion in Italy, entering into an agreement with WIND Telecomunicazioni S.p.A. ("**Wind**") for the acquisition of 90% of the capital stock of Galata, whose assets included 7,377 infrastructures. On 7 May 2015, the Shares were admitted to listing on the Spanish Stock Exchanges under the symbol "**CLNX**" and, as a consequence of the preceding initial public offering, Abertis sold 66% of Cellnex's share capital.

In the first half of 2016, six new DTT channels began their emissions, all of which had signed contracts with the Group. Also in the first half of 2016, the Group started its operations in the Netherlands through the agreement reached with Protelindo Luxemburg S.à r.l. and Management Tower Europe S.à r.l. The Group also acquired CommsCon in Italy. In June 2016, the IBEX 35 Technical Advisory Committee approved the entry of Cellnex into the main stock index of the Spanish market. In the second half of 2016, the Group started its operations in France with the agreement reached with Bouygues Telecom and also entered into an agreement for the acquisition of the Shere Group in the UK.

On 19 January 2017, the managers of the FTSE4GOOD sustainability index announced that Cellnex had been incorporated into that index, valuing the quality in managing risks associated with environmental, social and corporate governance factors. Also in the first quarter of 2017, the Group reached an agreement with Bouygues Telecom for the acquisition and building of up to 3,000 urban infrastructures in France, which was subsequently extended in order to acquire up to 1,600 additional urban sites in France.

Additionally, the Group entered into three relevant agreements. Firstly, JCDecaux and the Group announced their commercial alliance in Italy and Spain to speed up the roll-out of DAS networks and "Small Cells" to improve the capacity and quality of 4G coverage (and 5G in the future) in urban areas. Secondly, the Group and Haya Real Estate ("**HRE**"), the largest Spanish real estate management services and property assets company, have signed an exclusive cooperation agreement to identify ideal locations among the property assets managed by HRE in urban locations and, if appropriate, to locate buildings suitable for housing telecommunication infrastructures that will make it possible to roll out telecommunications networks. Thirdly, the Group entered into a framework agreement with Iliad Italia, S.p.A. providing full flexibility for its network deployment.

In the same year, a consortium of investors led by the Issuer announced the acquisition and building of infrastructures in Switzerland, and the acquisition of Alticom in the Netherlands. The acquisition of Alticom strengthened and consolidated the Group's position among neutral telecommunications infrastructure operators in the Netherlands. Alticom's long-range network (high towers with large equipment capacity) hosts wireless voice, data and audiovisual content transmission equipment and complements the network of urban and rural sites that Cellnex Netherlands already managed in the Netherlands. The characteristics of Alticom's sites are a key element to the future roll-out of 5G. The sites are connected to the optical fiber backbone and can host remote servers to enhance data processing and storage capacity to the end users of 5G-based applications which is essential for meeting the exponentially increasing demand and requirements of an increasing number of people and connected objects: 50 billion by 2020.

In the first half of 2018, the Group acquired, from Palol Inversiones, S.L.U., 100% of Zenon. The main corporate purpose of the acquired company, located in Barcelona, includes the commercialisation, development, installation and maintenance of TETRA systems. Also, during the first half of 2018, Cellnex Switzerland and Heliot, S.A.,

Sigfox's operator in Switzerland, have signed an agreement to roll out the first global IoT network operated in Switzerland.

In July 2018, Cellnex reached an agreement for the acquisition of 100% of the share capital of XOC from Imagina, a subsidiary fully owned by the Mediapro Group, for a total enterprise value of €34 million. XOC is a concessionary company dedicated to the management, maintenance and construction of the fiber optic network of the Generalitat de Catalunya, and the expiration date of the concession is 2031.

Also during the second half of 2018, Cellnex signed an agreement with Nearby Sensors S.L. ("**Nearby Sensors**") under which the Issuer acquired, through its fully owned subsidiary Tradia, an ownership interest of approximately 15% in the share capital of Nearby Sensors in exchange for a contribution of €0.5 million. Nearby Sensors, established in 2013, is based in Barcelona and its business relates to the rolling out IoT, edge computing, and the automation of IT-OT hybrid processes (industrial IoT) that are expected to emerge with the roll-out of 5G.

Regarding Cellnex shareholder structure, in June 2018 Abertis sold, through a process known as an "accelerated placement", 9,499,013 Shares, representing 4.1% of the total share capital of the Issuer. In addition, in July 2018, Abertis sold to ConneCT 69,273,289 Shares, which represent 29.9% of the total share capital of the Issuer. As of the date of this Base Prospectus, and pursuant to the information available on the CNMV's website, Sintonia holds approximately 60% of ConneCT's share capital and each of Infinity and Raffles hold approximately 20% of ConneCT's share capital.

In the second half of 2018, Cellnex reached an agreement with Bouygues Telecom to build up to 88 strategic telecom centers in a five-year term, and to acquire up to 62 additional strategic telecom centers. These centers are strategic facilities with traffic concentration capabilities which will play a key role in the future deployment of 5G networks. The transaction allowed the Group to strengthen the industrial collaboration between Cellnex and Bouygues Telecom, as well as the Group's presence in the French 5G ecosystem. As a result of the above as of 31 December 2018, in accordance with the agreements reached with Bouygues during 2016, 2017, and 2018, Cellnex has committed to acquire and build up to approximately 5,250 sites.

In the fourth quarter of 2018, Cellnex extended the agreement between Cellnex Switzerland and Sunrise, including an additional acquisition of 133 sites in Switzerland for an amount of CHF 39 million (€34 million), which have been transferred to Swiss Towers on 1 January 2019, and also an extension of the build-to-suit project with Sunrise agreed in up to 75 additional sites to be built (increasing the agreement to build sites from up to 400 to up to 475 sites). Also in the fourth quarter of 2018, Cellnex has acquired to MNOs, through Cellnex's fully owned subsidiary On Tower, 375 sites in 2018 for an amount of €45 million, which have been totally transferred to Cellnex as of 31 December 2018.

## **Recent developments**

### *Convertible Bonds*

In January 2018, the Group issued €600 million aggregate principal amount of convertible bonds (the "**Original Convertible Bond**"). The shares underlying the bonds are equivalent to 6.8% of Cellnex' share capital, based on the initial conversion price (at the time of issuance). Additionally, in January 2019, Cellnex resolved to carry out an additional tap issuance of convertible bonds, under the same terms and conditions applicable to the Original Convertible Bond, which consolidated and currently forms a single series with it, for an aggregate principal amount of €200 million (the "**Additional Convertible Bond**"). The shares underlying the bonds are equivalent to 2.3% of Cellnex' share capital, based on the initial conversion price (at the time of issuance). The Original Convertible Bond and the Additional Convertible Bond (together, the "**Convertible Bonds**") carry a coupon of

1.5% payable annually in arrear. The Convertible Bonds are traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

#### *Capital Increase*

In February 2019, the Group made an offering in respect of 66,989,813 new shares at a subscription price of €17.89 per new share, equivalent to c.€1,200 million. Each share held by eligible shareholders entitled its holder to receive one preferential subscription right. The exercise of 38 preferential subscription rights entitled the exercising holder to subscribe for 11 new shares against payment of the subscription price in cash. The shares are listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges.

#### *Acquisition of mobile network sites in France, Italy and Switzerland*

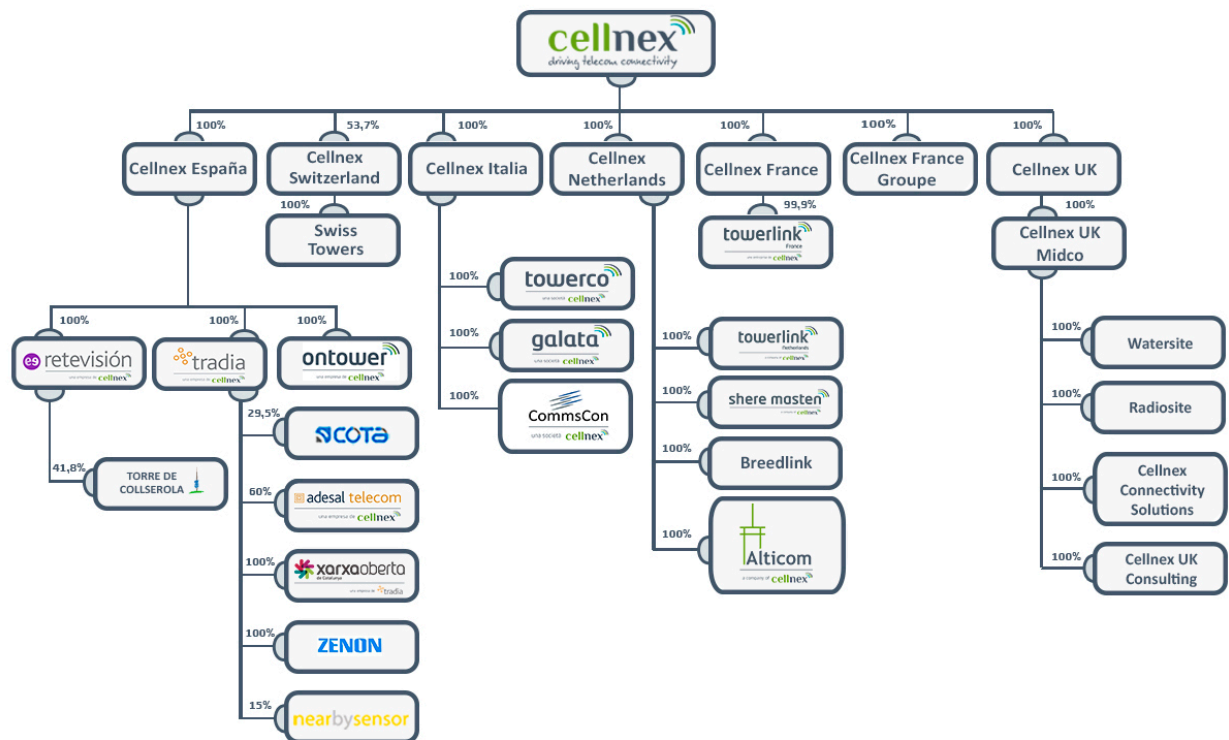
On 7 May 2019, the Issuer announced agreements with Iliad France, Iliad Italy and Salt (Switzerland) to acquire 10,700 mobile network sites in France, Italy and Switzerland and roll out a “built to suit” program for up to 4,000 new sites. The Issuer will acquire 5,700 sites in France currently operated by Free, the French mobile network operator controlled by Iliad. In France, the Issuer will hold 70% of the new company that will manage the sites. The Issuer will also acquire 2,200 Iliad sites in Italy and has reached an agreement with the Swiss mobile network operator Salt, to acquire its 2,800 sites. In Switzerland, the Issuer will control 90% of the new company that will operate the sites. The agreements reached with these three operators also foresee the roll out of a built to suit program in the three countries between 2020 and 2027, involving up to 2,500 new sites in France, up to 1,000 new sites in Italy, and up to 500 sites in Switzerland. The total planned cash expenditure by the Issuer for the acquisition of the 10,700 sites is EUR 2.7 billion.

The Issuer and Iliad (France and Italy) will sign two master agreements in both countries for an initial period of 20 years, with automatic extensions of 10 years. In Switzerland, the Issuer will sign a contract with Salt on similar terms. Completion of these transactions is subject to the usual administrative procedures, including relevant merger control clearance by the competition authorities. The closing of the agreements is expected by the latter half of 2019.

### **Corporate Structure**

Cellnex is the parent company of the Group. The Group conducts its operations through directly and indirectly owned subsidiaries and joint ventures.

The following summary chart sets forth the Group’s corporate structure as of the date of this Base Prospectus.



## Business

### General Overview

The Group provides services related to infrastructure management for terrestrial telecommunications through the following three business segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure and (iii) Other Network Services. The Group's primary customers in these 3 segments are: MNOs, broadcast companies and other public and private customers. Its portfolio of infrastructures is used to provide several of the above-mentioned services and many infrastructures are used for more than one segment.

- Telecom Infrastructure Services is the Group's main business by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's wireless infrastructure by MNOs and other wireless telecommunications and broadband network operators, allowing such operators to offer their own telecommunication services to their customers.
- Broadcasting Infrastructure is the Group's second main area of activity by turnover, and its largest activity in Spain. The Group is the only operator offering nationwide coverage of the DTT service. Its services consist of the distribution and transmission of digital TV and radio signals, the operation and maintenance of broadcasting networks and the provision of connectivity for media content, over-the-top ("OTT") broadcasting and other services. Through the provision of broadcasting services, the Group has developed unique know-how that has helped to develop the other services in its portfolio.
- Other Network Services. The Group provides the infrastructure required to develop a connected society by providing the following network services: data transport, security and control, Smart communication networks including Internet of Things (IoT), Smart services and managed services and consulting. As an

infrastructure operator, the Group can facilitate, streamline and accelerate the deployment of these services through the efficient connectivity of objects and people, in both rural and urban environments, helping to build genuine Smart territories.

As of 31 December 2018, Cellnex had 25,032 infrastructures (23,440 sites and 1,592 nodes), operating 18%, 22%, 6%, 1%, 6% and 21% of telecom infrastructures in Spain, Italy, the Netherlands, the UK, France and Switzerland, respectively (source: Arthur D. Little, latest available data).

The Group provides services, through its customers, to more than 200 million people throughout Europe. In addition, the Group is the main broadcasting infrastructure operator in Spain, as it enjoys the number one position in DTT.

### ***Telecom Infrastructure Services***

#### *Overview*

Operating income from the Group's Telecom Infrastructure Services activity was €582,758 thousand for the year ended 31 December 2018, which represented 65% of its consolidated operating income for such period and €471,585 thousand and €382,539 thousand for the years ended 31 December 2017 and 2016 which represented 59.7% and 54.3% of its consolidated operating income for such periods, respectively.

The Group's backlog as of 31 December 2018 for the Telecom Infrastructure Services activity was approximately €13.4 billion, assuming the contracts taken into account for purposes of the backlog calculation were renewed (by the Group, its counterparties or both, as the case may be to their maximum permitted terms).

#### *Services*

The Group provides to its customers in Telecom Infrastructure Services coverage related services and access to the Group's telecom or broadcasting infrastructures to MNOs to co-locate their equipment on the Group's infrastructures, offering additional services that allow MNOs to rationalise their networks and optimise costs, through the dismantling of duplicate infrastructures (decommissioning) and building up new infrastructures (built-to-suit) in strategic sites that can offer service to one or more MNOs. These services have the aim to complete the deployment of 4G and 5G in the future, reduce areas with no signal coverage and extend network densification. The Group acts as a neutral operator for MNOs (without an MNO as a shareholder having (i) more than 50% of the voting rights or (ii) the right to appoint or dismiss the majority of the members of the board) and other telecom operators who generally require complete access to network infrastructure in order to provide services to end users.

The Group acts as a multi-infrastructure operator. Its customers are responsible for the individual communication equipment hosted in the Group's telecom and broadcasting infrastructures. Revenue is primarily generated from customer services agreements. The Group generally receives monthly payments from customers, payable under long-term contracts (up to 40 years, including extensions). The annual payments vary considerably depending upon numerous factors, including, but not limited to, infrastructure location, the number and type of customer's equipment on the infrastructure, ground space required by the customer, customer ratio, equipment at the infrastructure and remaining infrastructure capacity. The main costs typically include related services (which are primarily fixed, with annual cost escalations) such as energy and ground costs, property taxes and repairs and maintenance.

The Group maintains the MNOs' equipment installed in its infrastructures. However, the vast majority of the land and rooftops where these infrastructures are located is operated and managed via lease contracts, sub-lease contracts or other types of contracts with third (with the exception of the United Kingdom, where the Group owns a large amount of the land where sites are located). In general, MNOs engage in the maintenance of their own equipment under their responsibility, although in some cases they may subcontract to the Group the maintenance

of their equipment as a separate and additional service. In these cases, the maintenance services are usually awarded through bidding processes to companies capable of providing such services, such as vendors of equipment, maintenance and installation companies and other companies with sufficient capacity to provide the services, such as the Group itself.

The Group has an extensive experience in DAS network solutions. The Group has deployed more than 1,500 DAS nodes, with a customer ratio of 3 MNOs per infrastructure, in venues such as stadiums, skyscrapers, shopping malls, dense outdoor areas, airports, underground lines and railway stations. DAS is a network of spatially distributed antennas connected to a common source, thus providing wireless service within a specific geographic area. The system can support a wide variety of technologies and frequencies, obviously including 2G, 3G, 4G and 5G in the future. The Group works as a real neutral host, together with the MNOs, in order to provide the optimal solution for the increasing need for coverage and densification in complex scenarios. The Group manages the complete life cycle of the solution: infrastructure acquisition, design, installation, commissioning, O&M, supervision and service quality assurance.

#### *Customers and Contracts*

The Group estimates, based on public information including annual reports, investor presentations and other published data, that it is the leading neutral operator (i.e., without an MNO as a shareholder having (i) more than 50% of the voting rights or (ii) the right to appoint or dismiss the majority of the members of the board) of telecom and broadcasting infrastructures in Europe by number of infrastructures as at 31 December 2018. As such, the Group's customer base includes the main MNOs in Spain, Italy, the Netherlands, the UK, France and Switzerland, and it has close and long-standing relationships with some of the largest European MNOs and Spanish media broadcasting operators.

MNOs require the Group's services mainly to increase network coverage, optimise their operating costs and reduce capital expenditures and avoid any difficulties in the co-location of their networks among MNOs.

The Group has existing master service agreements ("**MSAs**") and master lease agreements ("**MLAs**") with the main MNOs, including Telefónica, Tim, Vodafone, Yoigo, Wind Tre, KPN, Bouygues Telecom and Sunrise. Such agreements are framework agreements providing certain terms that govern the contractual relationships related to the Group's infrastructures with such MNOs during the term of the MSA / MLA. In particular, the MSAs / MLAs specify the services that the Group provides and the economic terms of the agreement. In the case of smaller MNOs, the Group may enter into individual separate agreements negotiated ad hoc for each particular case as opposed to MSAs / MLAs.

In general, the Group's services contracts for co-location services with anchor customers have an initial non-cancellable term of 10 to 20 years, with multiple renewal terms (up to 40 years for anchor customers including renewals), and payments that typically increase based on an inflationary index like the consumer price index ("**CPI**") or on fixed escalators. The Group's customer contracts have historically had a high renewal rate. In this regard, the Group has experienced a very high renewal rate of its MSAs / MLAs with MNO customers over the last 10 years although no agreement with anchor customers has reached its term.

In the vast majority of cases, the service contracts with costumers may not be terminated prior to the end of their current term except in extraordinary cases, such as loss of a license or failure to perform by the Group. In general, each customer contract that is renewable will automatically renew at the end of its term unless the customer provides prior notice of its intent not to renew. The Group's customers tend to renew their service agreements because suitable alternative infrastructures may not exist or be available and repositioning an infrastructure in their network may be expensive and may adversely affect the quality of their network. The vast majority of the contracts with the Group's anchor customers may only be renewed for the entirety of the infrastructures and not for a portion thereof (all or nothing clause), none of which has been renegotiated as of the date hereof.

## *Competition*

The Group estimates, based on public information including annual reports, investor presentations and other published data, that it is the leading independent wireless telecom infrastructure operator in Europe by number of infrastructures, with presence in Spain, Italy, France, Switzerland, the Netherlands and the United Kingdom. In all countries in which the Group operates, it competes primarily against other infrastructures operators who provide regional co-location services, such as Inwit or Telxius. Furthermore, MNOs often operate their own infrastructures or share infrastructures with other MNOs. In general, it faces competition for infrastructure services from various companies, such as other independent wireless infrastructure owners or operators, including owners or operators of towers, rooftops, water infrastructures, Small Cells, broadcast infrastructures, or utility poles, among others.

## ***Broadcasting Infrastructure***

### *Overview*

Operating income from the Group's Broadcasting Infrastructure activity was €232,773 thousand for the year ended 31 December 2018, which represented 26% of its consolidated operating income for such period and €237,258 thousand and €235,234 thousand for the years ended 31 December 2017 and 2016 which represented 30.1% and 33.4% of its consolidated operating income for such periods, respectively.

The Group's backlog as of 31 December 2018 for the Broadcasting Infrastructure activity was approximately €56.6 million.

The Group's Broadcasting Infrastructure activity consists of the distribution and transmission of TV and radio signals as well as the O&M of broadcasting networks, the provision of connectivity for media contents, OTT broadcasting services and other services.

The provision of these services requires unique high mast infrastructures that, in most cases, only the Group owns, substantial spectrum management know-how, and the ability to comply with very stringent service levels. In Spain, the broadcast infrastructures the Group manages cover more than 99% population coverage with DTT and 95% with radio, which is a combined portfolio larger than all of its competitors combined.

The Group's Broadcasting Infrastructure activity is characterised by predictable, recurrent and stable cash flows as well as by the high technical know-how that allows the Group to provide consulting services. Economies of scale acquire special relevance in this activity. Although it is a mature business in Spain, the Broadcasting Infrastructure activities have proved very resilient to adverse economic conditions like the ones experienced in Spain in recent years, driven by the fact that the Group's revenues do not directly depend on macroeconomic factors but on the demand for TV and radio broadcasting services by broadcasting companies.

### *Services*

The Group classifies the services that it provides to its customers as a broadcast network operator in three groups:

1. Digital TV (distribution and broadcasting of DTT, DTT premium & Hybrid TV)

The Group operates as a media distribution player throughout the entire broadcasting value chain by owning the infrastructures and equipment that TV broadcasters use to compress and distribute the signal in Spain.

The TV value chain encompasses a wide range of contractual relationships between a highly diverse set of market players and from a contractual and technical point of view consists of six key steps. These include content production (which can be done internally or externally), content aggregation, media operations (i.e., programming), compression and multiplexing, signal distribution and signal transmission.



The Group is a leading player in the latter three stages of the value chain and a growing player in media operations.

The digital TV spectrum is owned by the Spanish State and is typically licensed to public TV entities for non-limited time periods and to the various media groups which own private TV channels for 15-year periods, with automatic renewal. Most of the current licenses are valid until 2025, with some of them until 2030, with expected automatic renewal afterwards. However, to the extent broadcasters do not own any equipment or infrastructures (and do not intend to own them), the Group acts as an infrastructure and network services provider to the channels, effectively being responsible for bringing the signal from studios to the broadcasting infrastructures and transmitting it to the end users.

DTT's strong position, with a screen share of 77% (as of December 2017) in Spain is expected to remain stable in the mid to long term as it is supported by a number of features and trends and significant advantages relative to other platforms: (i) it is the only TV platform to offer more than 30 channels in the Spanish language free of charge and with coverage of more than 99% of the population; (ii) it is the most popular public and commercial channels are broadcast on DTT; (iii) it is less costly for a TV entity to reach a TV household in Spain via DTT than via direct-to-home ("**DTH**"); (iv) hybrid TV services, which take benefit of broadband and broadcast, were launched nationally in the third quarter of 2018 and are expected to bring interactivity, enrich the DTT platform and yield new revenue streams for the broadcasters; (v) the diversity and the quality of the channels available are expected to increase with the wide adoption of new technologies keeping the DTT platform innovative and competitive; (vi) its superior coverage and traffic capacity; and (vii) the Spanish regulator has stated on numerous occasions that they are highly supportive of DTT and, to date, is working on the spectrum roadmap for the next decade in order to bring certainty to the broadcast industry according to the Decision (EU) 2017/899.

The Group is the technological provider of the HbbTV of LOVEStv, the new audiovisual platform of DTT developed by the public radio broadcaster RTVE and the two large Spanish private radio broadcasting groups, Atresmedia and Mediaset Spain. This platform will allow the viewer to see the contents of the last week from the television, as well as viewing programs from the beginning even if they have already started.

## 2. Radio (distribution and transmission of analogue and digital radio)

The Group is one of the main players in the value chain of Spanish radio infrastructure. It is able to provide services across the whole radio broadcasting value chain. The Group distributes radio signals, both analogue and digital, with analogue FM being the dominant platform in Spain. Regarding the analogue FM radio, the Group owns and manages a network infrastructure and the necessary equipment to provide broadcasting services to public and private customers. The Group also hosts radio stations that want to self-broadcast using its infrastructure.

The Group believes it is the largest radio broadcast operator in Spain. It broadcasts FM, AM and DAB services and the largest players in Spain broadcast using the Group's infrastructures. The Group is also a significant provider of infrastructures to the other players although these tend to rely more on self-broadcasting.

## 3. Other broadcasting services (O&M, connectivity and others)

The Group provides maintenance and connectivity services to its broadcasting customers.

### *Customers and Contracts*

The Group's customers within the Broadcasting Infrastructure activity include all national and most regional and local TV broadcasters as well as leading radio station operators in Spain. Some of the key customers for DTT

services include Atresmedia, CTTI, Mediaset España, Net Televisión, Veo Televisión and Radio Televisión Española.

The DTT broadcasting contracts do not have any volume risk, they have instead stable and visible pricing of MUXs, are fully compliant with applicable regulations and contain attractive indexation terms. The main features of the Group's DTT broadcasting contracts are:

- Medium-term contracts with high renewal rates. Complying with legal limitations, the Group usually enters into either 5-year or 4-year maximum term contracts. The Group has experienced a high rate of renewal for these types of contracts in the recent past, although price pressure from customers can be possible when renegotiating contracts.
- No volume risk. For each MUX distributed, the Group receives a "flat fee", as long as the conditions attached to the audiovisual licenses for TV channels do not change.
- Stable and visible pricing. The prices the Group charges its customers are negotiated between the parties although the Group has to fulfil a series of regulatory requirements. In order to price its services, the Group uses a method which has been fully disclosed to the telecom regulator and competition authorities.
- Indexation to CPI that allows the Group to cover increases in operational costs.

The Group's key customers for radio services include Catalunya Radio, Cope, Grupo Radio Blanca, Onda Cero and RNE. The Group's contracts with radio stations typically have a term of five years and the prices are usually indexed to inflation.

The main customers for the Group's other broadcasting services (O&M, connectivity and others) include, amongst others, Televisió de Catalunya, Elecnor and Radio Televisión Española. These contracts have an initial term of three years.

### *Competition*

According to the CNMC, the Group is the leading audiovisual media infrastructure operator in Spain with an overall audiovisual market share (TV and radio) of approximately 84% as measured by revenues as of 31 December 2016 (latest available). According to the CNMC, the total TV and radio broadcast services at the national and regional level generated €195 million of operating income for the same period, not including pay TV and subsidies. The Group currently enjoys the number one position in DTT nationwide broadcasting coverage.

### *Other Network Services*

#### *Overview*

Operating income from the Group's Other Network Services activity was €82,340 thousand for the year ended 31 December 2018, which represented 9.2% of its consolidated operating income for such period and €80,500 thousand and €86,812 thousand for the years ended 31 December 2017 and 2016 which represented 10.2% and 12.3% of its consolidated operating income for such periods, respectively.

The Group's backlog as of 31 December 2018 for this activity was approximately €153.3 million.

#### *Services*

The Group classifies the type of services that it provides in this activity in five groups:

1. **Connectivity services:** these services include connectivity between different nodes of the telecommunication networks (backhaul) of the Group's clients and/or connectivity with its customers' premises (enterprise leased lines), using radio-links, fiber or satellite. The Group also provides specialised

leased lines to telecom operators such as MNOs or fixed network operators ("FNOs"), public administrations, and small and medium enterprises as well as companies in rural areas of Spain enabling high speed connectivity.

2. **PPDR services:** the Group operates seven regional and two municipal TETRA networks which are critical for the communication needs of regional governments and municipalities where the networks are located and a highly reliable Global Maritime Distress and Safety System ("GMDSS") for the Maritime Rescue Service for the Safety of Life at Sea, which provides communication services to ships in distress and risk situations in the coastal areas around Spain. The Group also operates the Automatic Identification System ("AIS") for the Spanish Maritime Safety Agency, an arm of the Spanish Ministry of Transport and Public Works.
3. **O&M:** the Group manages and operates infrastructure (as opposed to outsourcing it to third parties) and provides maintenance services of customer equipment and infrastructure to the Group's customers (other than its broadcasting customers that are serviced by the Broadcasting Infrastructure activity).
4. **Urban telecom infrastructure:** the Group provides communications networks for smart cities and specific solutions for efficient resource and service management in the cities.
5. **Fiber optic:** the Group uses fiber optic to connect its, or its clients', infrastructures (macro cells, DAS and Small Cells) and edge computing facilities.

#### *Customers and Contracts*

The Group's main customers for its connectivity services are BT, Colt and Vodafone. Connectivity contracts usually have an initial term of three years and the fees charged are linked to the number of circuits deployed and the capacity used.

The Group serves multiple national, regional and local public entities for which it acts as a trusted supplier of mission critical services and infrastructure. Some of the key customers for the public safety and emergency networks services include the Ministry of Defense, the National Maritime Rescue, the Generalitat of Catalonia and the Generalitat of Valencia.

The main customers for the O&M services are Enel, Naturgy, Telefónica and Vodafone. Although it varies depending on the particular service, the O&M contracts usually have an initial term from two to ten years and the fees that the Group charges its customers are linked to the quantity of equipment to be maintained and the particular type of maintenance provided.

The key customers for the urban telecom infrastructure services are the city council of Barcelona and Securitas Direct. Some of the customers of other services are Ferrocarrils de la Generalitat of Catalonia and UTE Energía L9.

#### *Competition*

The Group's main competitors in the provision of connectivity services are telecom operators providing wholesale access such as Orange, Telefónica and Vodafone.

Within the PPDR activity, the Group's main competitor at a national level is Telefónica's TETRAPOL network. In the other services that the Group provides within this line of activity there is a wide range of competitors operating.

The Group's main competitors in the provision of O&M services and trading are Ericsson, Huawei and others.

The Group's main competitors in the provision of Smart City services are companies such as Indra, Schneider Electric and Telefónica.

## Employees

At 31 December 2018, the Group had a total of 1,437 employees.

## Legal Proceedings

At any given time, the Group may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of its business. As of the date of this Base Prospectus the material legal proceedings outstanding are summarised below and they all refer to antitrust and state aid proceedings where the Issuer and Retevisión are involved. If any of these legal proceedings were not resolved in the Group's favour, it could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

- On 19 May 2009, the CNMC imposed a fine of €22.7 million on Cellnex (at the time, Abertis Telecom, S.A.U.) for an alleged abuse of dominant position in the market for transportation and broadcasting of TV signal in Spain, contrary to article 2 of Spanish Act on Defense of Competition (*Ley 15/2007, de 3 de julio, de Defensa de la Competencia, "LDC"*) and article 102 of the Treaty on the Functioning of the EU ("*TFEU*"). In the opinion of the CNMC, the Issuer had allegedly abused its market power by (i) demanding substantial sums of money from its customers as a penalty for early termination of contracts; (ii) establishing contracts of excessive duration; and (iii) offering discounts if customers purchased more than one service. The decision also imposed on the Issuer a duty to grant certain customers of carrier support services (Sogecable, Telecinco and Net TV) the right to terminate certain contracts unilaterally and for whatever reason, by giving three months' prior notice. Such notice can be given both for a partial termination of any of the regional territories (*placas regionales*) or for the entire national territory. The Issuer requested the deferral of the payment of the fine until the Court ruled on the matter, a deferral that was granted on 10 January 2010. The Issuer also appealed the decision of the CNMC before the Spanish High Court (*Audiencia Nacional*) which on 16 February 2012 denied the appeal and upheld the decision on all grounds. The Issuer further appealed the decision of the Spanish High Court to the Supreme Court on 12 June 2012. The Supreme Court ruled on 23 April 2015 and partially granted the appeal and declared that the CNMC resolution regarding the calculation of the fine was not in accordance with law and ordered the CNMC to recalculate it. On September 29, 2016 the CNMC issued a decision recalculating the aforementioned amount (€18.7 million), which was appealed to the Spanish High Court on December 9, 2016. As of December 31, 2018, the Group has a recorded provision for a total of €16 million, maintaining the one recorded as of December 31, 2017. The Spanish High Court has not yet issued a ruling on the matter.
- On 8 February 2012, the Spanish antitrust authorities imposed a fine of €3.7 million on Cellnex (at the time, Abertis Telecom, S.A.U.) for an alleged abuse of dominant position in the DTT-signal transport business in Spain contrary to article 2 LDC and article 102 of the TFEU. The alleged infringement derived from the Issuer establishing margin squeezing prices for (i) wholesale access to its broadcast centres and infrastructures in Spain; and (ii) retail transport services for distribution of OTT signals. The Issuer filed an appeal against the Spanish antitrust authorities' decision before the Spanish High Court (*Audiencia Nacional*) on 21 March 2012 and also requested the deferral of the payment of the fine until the Court rules on the matter, a deferral that was granted on 18 June 2012. The Spanish High Court ruled on 20 February 2015 and partially upheld the appeal of Cellnex. Cellnex further appealed the decision of the Spanish High Court to the Supreme Court on 26 May 2015. On 23 March 2018, the Supreme Court dismissed Cellnex's appeal and therefore confirmed the existence of an abuse of dominant market position and also set out that the CNMC shall recalculate the fine. A nullity incident was filed by Cellnex before the Supreme Court (*Tribunal Supremo*) which was dismissed on July 19, 2018. On October 10, 2018

Cellnex appealed before the Constitutional Court (*Tribunal Constitucional*) the decision of the Supreme Court. The Constitutional Court dismissed Cellnex's appeal on February 13, 2019 and, as a result, Cellnex is liable for paying the fine imposed by the CNMC. After the corresponding calculation procedure, the CNMC has ruled that the amount of the fine should not be amended. Cellnex will file an appeal against such decision. With regard to these proceedings, as of 31 December 2018, Cellnex registered a provision amounting to €7 million, which led to a total provision with regards to these proceedings, as of 31 December 2018, amounting to €23 million.

- Moreover, and as a result of the spin-off of Abertis Telecom, S.A.U. currently Abertis Telecom Satélites, S.A.U., "**Abertis Telecom Satélites**",) on 17 December 2013, Cellnex assumed any rights and obligations that may arise from the aforementioned legal proceedings, as they relate to the spun-off business (terrestrial telecommunications). An agreement has therefore been entered into between Cellnex and Abertis Telecom Satélites, stipulating that if the aforementioned amounts have to be paid, Cellnex will be responsible for paying these fines. At 31 December 2018, Cellnex has provided three guarantees amounting to €2.5 million (€2.5 million and €6.4 million at 31 December 2017 and 2016, respectively) to cover the disputed rulings with the CNMC explained above, in addition to the provisions recorded and referred to in the paragraphs above.
- On 19 June 2013, the EC issued a decision concluding that Retevisión and other terrestrial platform operators had received state aid in the form of €60 million scheme to finance the digitalisation and extension of the terrestrial TV network in remote areas of Spain during the digital switch-over process and that such state aid was incompatible with the EU rules. The decision ordered the Kingdom of Spain to recover the aid by 10 November 2013, which according to the EC amounted to an aggregate of €40 million for Retevisión. On 9 October 2013 Retevisión filed an appeal before the General Court of the EU against such decision which was rejected by a decision on 26 November 2015. The Group has filed on 5 February 2016 an appeal with the European Court of Justice as the Group considers there are sufficient grounds for the appeal to succeed and considers that the public contest was not state aid incompatible with the EU rules. On December 20, 2017, the European Court of Justice issued a judgment in which, considering one of the appeals filed, it immediately annulled the Commission's decision, *erga omnes*, with the consequence that as such date the decision was annulled by a final judgment and that the recovery obligations incumbent upon the public administrations and the obligations of the companies to return the amounts had lapsed.

In the period between the decision of the EC and the judgement of the European Court of Justice, the governments of Aragon, Andalusia and Madrid proceeded with the provisional execution of the state aid repayment orders. As a consequence of the annulment of the decision of the EC, Retevisión recovered those amounts.

- On 1 October 2014, the EC issued a decision concluding that Retevisión and other terrestrial and satellite platform operators had received state aid in the form of a €6.4 million scheme to finance the digitalisation and extension of the terrestrial TV network in remote areas of Castile-La Mancha (a Spanish region) during the digital switch-over process and that such state aid was incompatible with the EU rules. The decision ordered the Kingdom of Spain through the regional government of Castile-La Mancha to recover the aid. On 29 October 2015, the government of Castile-La Mancha began an aid recovery proceeding for €719 thousand, which the Group is opposing and was declared lapsed *ex officio* on 4 July 2016. On 15 December 2016 the General Court of the European Union passed a ruling which dismissed the appeals. The Group filed on 23 February 2017 an appeal with the European Court of Justice. On 26 April 2018 the European Court of Justice has issued a judgment dismissing the Group's appeal, confirming the abovementioned decision of the EC. On November 26, 2018, the government of Castile-La Mancha restarted the aid recovery proceeding. After the appealing of the Group, the government of Castile-La Mancha has ruled a decision by which it reduces the amount to be recovered from €719 thousand to €249 thousand. On March

2019, the government of Castile-La Mancha received such amount. The Group has filed an appeal against such decision.

- On 3 July 2018, the Issuer received a notice of initiation of a tax audit for the concepts corporate income tax (consolidated group), corresponding to the 2015 and 2016 fiscal years, and value added tax, corresponding to the periods between April and December of 2015 (individual) and 2016 (VAT group). Besides, the corporate income tax and value added tax for fiscal year 2014 and the value added tax for the first quarter of fiscal year 2015 is also being audited by the Spanish tax authorities due to the fact that the Abertis Group (former shareholder of the Issuer) received a notice of initiation of a tax audit for the concepts corporate income tax (consolidated group) and value added tax (VAT group) for fiscal years 2014, 2015 and 2016.

## Regulation

### *Telecom Infrastructure Services activity*

Despite the existence of laws and regulations applicable to this activity in all markets in which the Group operates, such as obligations with respect to network sharing or regulations related to emission and power on infrastructures, the Telecom Infrastructure Services activity that the Group develops is not subject to specific sector-related regulation in any country in which it operates.

### *Broadcasting Infrastructure activity*

The Broadcasting Infrastructure activity is an "electronic communications activity" regulated by the Spanish General Telecommunications Act (Law 9/2014, of 9 May) (the "**GTA**"), which implemented the EU regulations on the matter in Spain, including, among others, (i) Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services, as further amended; (ii) the Commission Recommendation of 9 October 2014, on Relevant Product and Service Markets (2014/710/EC) (the "**2014 Commission Recommendation**") regarding the relevant markets of products and services within the electronic communications sector that are eligible for ex ante regulation pursuant to Directive 2002/21/CE; and (iii) the Guidelines 2002/C165/03 on market analysis and the assessment of significant market power ("**SMP**") under the European regulatory framework for electronic communications networks and services. The European institutions have recently approved Directive (EU) 2018/1972 of the European Parliament and of the Council, of 11 December 2018, establishing the European Electronic Communications Code (the "**ECC**"), which repeals most of the prior regulation on this matter (as set forth in Annex XII therein). The member states of the EU shall transpose the ECC into their national legal regimes by 21 December 2020.

The national regulation authorities ("**NRAs**") on electronic communication matters in Spain are:

1. the CNMC, since its creation in 2013 has assumed many of the functions performed by its predecessor, the Commission of the Telecommunications Market ("**CMT**"); and
2. the Spanish Secretary of State for the Digital Progress (*Secretaría de Estado para el Avance Digital* or "**SEAD**"), part of the Ministry of Economy and Entrepreneurship, and responsible, among others, for the registration of MNOs and the management and control of the radioelectric spectrum.

### *European regulations*

In order to promote competition in the provision of electronic communications networks and services, the European directives that comprised the "Telecom Package" approved in 2002 contemplates that NRAs shall carry out periodic market reviews consisting of three main steps:

1. **Relevant market definition:** identify markets displaying characteristics which may justify the imposition of ex ante regulatory obligations. Any market which satisfies the following three criteria in the absence of regulation will be subject to ex ante regulation:
  - barriers to entry;
  - low tendency towards competition; and
  - insufficiency of ex post competition law remedies.
2. **Significant Market Power (SMP) operators' identification:** NRAs must carry out an analysis of the relevant markets, taking into account the guidelines set by the European regulations. Where an NRA concludes that there is no effective competition in a market, it must identify the operators with SMP in that market; and
3. **Imposition of ex ante obligations on the SMP operators in the market:** taking into account the circumstances and particularities of the market, the NRA may impose the appropriate ex ante obligations to attempt to ensure the maintenance of an effective competition in the analysed market.

The 2014 Commission Recommendation mentioned above identifies in its Annex the markets that shall require an analysis by the NRAs. Those markets do not include the wholesale access to transmission infrastructures, identified as "Market 18" (a market in which the Issuer operates), as it was excluded from those that, prima facie, require an analysis of the NRAs by the prior recommendation on this matter issued by the Commission (Recommendation 2007/879/EC of 17 December 2007, the "**2007 Commission Recommendation**"). To reach this conclusion the 2007 Commission Recommendation argued that:

- significant changes were underway, with greater competition between platforms due to the transition from analogue to digital TV;
- certain obligations could solve platform accessibility problems that certain TV channels could face, so that ex ante regulation was no longer necessary; and
- the NRAs have the power to impose infrastructure sharing obligations without regulating the market.

In any case, NRAs maintain the capacity to apply the three criteria test established in the European regulations to any electronic communications market in order to assess whether, on the basis of national circumstances, a market not included in the 2014 Commission Recommendation might nonetheless still be subject to ex ante regulation in a particular member state.

The Spanish General Telecommunications law of 2003 contained the standards that authorised the former CMT to carry out market reviews under the terms described. These standards are currently set out in the GTA.

#### *Definition and market analysis of the television broadcasting transmission service*

The former CMT (current CNMC) has conducted three reviews of this market. The first two were approved in 2006 and 2009. On 30 April 2013 the latest revision was approved, which is currently in force. In April 2018 the CNMC has started the procedures for a new revision of the referred market.

In a resolution of the Market 18, the CMT (current CNMC) defined the market for broadcasting transmission services by terrestrial waves as that which "includes technical activities consistent in making available audiovisual content produced by broadcasters to the public through telecommunication services as a distribution channel by means of terrestrial waves". Additionally, it geographically distinguished the following markets (i) one national market, (ii) 19 regional markets corresponding to each of the territories of the autonomous communities and autonomous cities, and (iii) 308 local markets defined in terms of boundaries contained in the technical television plan.

The CNMC concluded in its resolution that the market was non-competitive, susceptible to ex ante regulation and therefore imposed certain obligations on the Group due to its deemed condition of being an SMP operator.

The CNMC considers that there are certain high and non-transitory barriers to market entry in the broadcasting transmission services market mainly because (i) sunk costs are particularly relevant in the market; (ii) there are significant economies of scale that allow the historical operators to obtain significant reductions in average unit costs; (iii) the service requires an infrastructure that is not easily reproducible and under which no alternative supply is available; and (iv) the existence of legal obstacles to the occupation of the public domain for the installation of networks.

The main obligations imposed on the Group due to its status as an SMP operator are:

- *Access to other operators.* Obligation to facilitate access to its broadcasting infrastructures of national network to other operators, that reasonably request it, at regulated prices either (i) via co-location and other forms of capacity sharing, or (ii) via interconnection to the Group's equipment when the infrastructure is not replicable, space is no longer available or when the infrastructures are used for national population coverage over 93%.
- *Price control.* Access to third parties must be granted at regulated cost-oriented access prices. The model to determine fair and reasonable prices is based on the Group's costs of production. The goal is to avoid margin squeeze and other predatory or anticompetitive prices. The CNMC determines the system of cost accounting and approves an appropriate return on capital employed.
- *Regulatory accounting obligations.* The Group must keep a separate accounting of costs and revenue for individual services in order to verify that there is no cross-financing between retail and wholesale prices.
- *Non-discrimination obligation on access conditions.* The Group must provide resources to third operators equivalent to those provided to itself.
- *Notification obligations.* All agreements reached with national TV broadcasters must be notified to the CNMC as well as all agreements to grant access to broadcast operations to the Group's infrastructures.
- *Access reference offer.* There is an obligation of transparency under which the Group must publish a reference offer for the regulated service, including infrastructure lists, characteristics, service-level agreements and the economic terms. The Group's regulated prices must not exceed the prices set out in the relevant reference offer. The Reference Offer for Access to Issuers Sites of the Group ("**ORAC**") is available on the website of the Issuer and of the CNMC ([www.cnmc.es](http://www.cnmc.es)).
- *Determination of the specific terms of access.* In any dispute between operators where no voluntary agreements are reached, the CNMC will assess the reasonableness of the access request and, if applicable, will dictate the agreement conditions.
- *Obligations on downstream markets.* There is a general prohibition of anticompetitive behaviours.

On 6 October 2018, the CNMC published a public consultation process to analyze and revise the television broadcasting transmission market. With this new process, the CNMC aims to maintain the Group's status as SMP operator while advocating for a more flexible regulatory framework to foster the number of agreements to access the Group's infrastructure and, thus, increasing the number of alternative suppliers for broadcasters. In particular, the proposal aims (i) to replace the cost-oriented pricing obligation by an obligation to set reasonable prices for access, (ii) to make equally available the access to co-location and interconnection to the Group's infrastructures and, (iii) to remove the obligation to publish the reference offer for access to issuers sites of Cellnex (*Oferta de Referencia para el Acceso a los Centros emisores de Cellnex*).



The CNMC, after completion of the public consultation process on 7 November 2018 and receipt of observations or suggestions from any third party during such public consultation process, will draw up a draft proposal to be sent to the European Commission ("EC"), as well as to the Spanish Ministries for the Economy and Entrepreneurship (*Ministerio de Economía y Empresa*) and Industry, Trade and Tourism (*Ministerio de Industria, Comercio y Turismo*).

#### *General Telecommunications Act ("GTA")*

The Group's main activity is supplied under free competition in the electronic communications sector, which is regulated by the GTA.

The GTA is the law regulating the electronic communications sector in Spain, which includes network operations and the provision of electronic communications services and associated resources with the exclusion of services regulated by the General Audiovisual Communications Act (Law 7/2010, of 31 March).

In general, any natural or legal person who wants to provide services in the electronic communications market must obtain the appropriate authorisation certificate that is attained by a system of prior communication to the CNMC, currently operating the Register of Operators (except for those services using radio spectrum and subject to obtaining the appropriate authorisation certificate from SEAD prior to its use).

The Group holds the necessary authorisation certificates for the transmission services of signals using the radio spectrum (the only service offered by the electronic communications market) and it is registered in the Register of Operators. The appropriate authorisation certificates required for the use of the radio spectrum for radio and television broadcast are not held by the Group and are held by the Group's clients (i.e., the different operators that provide final telecom services such as TV broadcasters, FM/AM radio broadcasters, etc.). The Group is required to verify that its clients have those authorisation certificates prior to providing transmission and broadcasting service of the signal.

The spectrum used by wireless telecom networks (such as FM, DTT, mobile or PDDR, among others) is a scarce resource that is managed and controlled by the competent organisations of the public administration. Specifically, although the allocation of the different uses of the spectrum is governed by general principles applicable at the European and international level, member states of the EU are responsible for setting the frequency bands authorised for each of the applications. Specifically, in Spain the SEAD is responsible for this. The frequency allocation is performed in the National Frequency Allocation Table, which determines which frequencies are valid for each of the applications and the technical conditions of use thereof.

The GTA provides an overall framework within which operators can develop their activity, based on the principles of transparency, non-discrimination and proportionality in order to promote free competition and interoperable networks and services. It aims to establish the CNMC conditions to apply ex ante regulations for this market and to resolve disputes between operators.

The GTA also regulates the following aspects relevant to the development of the Group's activity:

- rights of operators and deployment of public electronic communications networks, which is the general framework for the implementation and deployment of the Group's networks;
- infrastructure and public electronic communications networks in buildings, as it affects the reception of broadcast services provided by us;
- radio public domain, because the Group is required to verify that its customers have the authorisation certificates needed to use it in their activity, and whose regulation is implemented by the recently enacted Royal Decree 123/2017, of 24 February, approving the regulation on the use of radio public domain;
- taxes on telecommunications; and

- inspection and sanction system.

#### *Spanish Audiovisual Communication Act ("LGCA")*

The Spanish Audiovisual Communication Act 2010 (LGCA) states that radio and audiovisual broadcasting are services of general interest that can generally be provided in a competitive environment by anybody subject to prior notice to SEAD, and only subject to the constraints derived from the limitations of the spectrum and the protection of the interests of citizens. The audiovisual media services provided by the Spanish Government, however, are considered a public service.

The prior regime based on administrative concessions was substituted by a license regime. Services requiring the use of radio spectrum will have to follow a tender process to obtain the relevant licenses. These licenses generally have terms of 15 years, with renewal mechanisms. The civil radio spectrum allocated to each DTT operator consists of a specific bandwidth that allows him or her to broadcast one or more channels within a digital MUX. For audiovisual content to reach viewers, DTT operators need a broadcast network that carries the DTT signal from the DTT operators at production centres. This broadcast network consists of a series of transmitters and relay stations where the transmission systems, infrastructure telecommunications equipment, power cables, air conditioning and other equipment which are installed to enable the DTT signal to be carried.

Audiovisual licenses granted to national DTT broadcasters in Spain require nearly complete coverage on population basis: a 96% population coverage requirement for commercial operators and a 98% population coverage requirement for public operators. Currently, the Issuer is the only Spanish operator which provides the DTT broadcasting services with this total national coverage.

A new Directive amending the Audiovisual Media Services Directive 2010/13/EU of the European Parliament and the Council has been passed on 2 October 2018, which will have to be transposed into Spanish law by amending the LGCA. However, it is not likely that the license regime referred to above will be affected.

#### *Digital Dividend and UHF Band*

The analogue switch-off ("ASO") and the implementation of DTT in Spain were completed in April 2010. The Royal Decree 805/2014, of 19 September, approved the National Technical Plan for Digital Terrestrial Television. Among other matters, this new Technical Plan allowed the release of the so-called "Digital Dividend", so that part of the 800 MHz band of frequencies used by DTT has been available from March 2015 to mobile operators which were awarded the frequencies through auctions conducted in 2011. As a consequence of the reallocation of the frequencies, the number of MUXs available for DTT service was reduced from eight to seven at a national level and, on a general basis, from two to one at the regional level.

A third Digital Dividend is not expected to take place in the medium term. Regarding the first Digital Dividend, Royal Decree 805/2014, of September 19, approved the National Technical Plan for DTT. Among other matters, this new Technical Plan allowed the release of the so-called "Digital Dividend", so that part of the 800 MHz band of frequencies used by DTT was made available from March 2015 to mobile operators which were awarded the frequencies through auctions conducted in 2011. As a consequence of the reallocation of the frequencies, the number of MUXs available for DTT service was reduced from eight to seven at a national level and, on a general basis, from two to one at the regional level.

On 17 April 2015, the Spanish government approved a resolution that was published in the Spanish Official Gazette on 18 April 2015 and that contained the basis for a public tender for the award of six new DTT national licenses: two standard definition ("SD") channels within the RGE2 MUX, another SD channel within the MPE4 MUX, and three high definition ("HD") channels within the MPE5 MUX. The licenses have been awarded and the winners were: SD licenses awarded to Grupo Secuoya, Kiss and 13TV and HD licenses awarded to Mediaset, A3media and Real Madrid. These new channels began their emissions in April 2016.

The World Radio Communication Conference 2015 (WRC 2015) held in Geneva during November 2015 made important decisions on the UHF band, impacting the Group's business:

- 700 MHz band (694 – 790 MHz): the WRC15 agreed on the technical details in order to be used by mobile services (LTE) and defined the co-primary allocation of the band to broadcast and mobile services.
- Sub 700 MHz band (470 – 694 MHz): the WRC15 agreed on keeping the primary use of the band for Digital Terrestrial Television and to avoid any new debate about the use of the band till World Radio Communication Conference 2023.

In February 2016 and, taking into account the outcome of the WRC15, the European Commission published a draft Decision setting out the use of the UHF band for the coming years. On May 17, 2017 the Decision (EU) 2017/899 of the European Parliament and of the Council, of 17 May 2017, on the use of the 470-790 MHz frequency band in the Union was approved:

- 700 MHz band: The so-called second Digital Dividend, by 30 June 2020, Member States shall allow the use of the 700 MHz frequency band for terrestrial systems capable of providing wireless broadband electronic communications services only under harmonised technical conditions established by the Commission. Member States may, however, delay allowing the use of the 700 MHz frequency band for up to two years on the basis of one or more of the duly justified reasons set out in the Decision.
- Sub 700 MHz band: Member States shall ensure availability at least until 2030 of the sub-700 MHz frequency band for the terrestrial provision of broadcasting services, including free television, and for use by wireless audio PMSE (programme-making and special events) on the basis of national needs, while taking into account the principle of technological neutrality. Member States shall ensure that any other use of the sub-700 MHz frequency band on their territory is compatible with the national broadcasting needs in the relevant Member State and does not cause harmful interference to, or claim protection from, the terrestrial provision of broadcasting services in a neighbouring Member State.

In addition, no later than June 30, 2018, Member States were requested to adopt and publish their respective national plan and schedule ("national roadmap"), including detailed steps for fulfilling their obligations as set out above. Member States had to draw up their national roadmaps after consulting all relevant stakeholders.

The Spanish Government published on June 29, 2018 its national roadmap for the liberalisation of the second Digital Dividend after several public consultations, excepted by June 30, 2020, following the EU calendar. There appears to be a consensus among relevant stakeholders (including both the telecommunication and broadcasting sectors) agreeing on the need for a non-disruptive transition and on keeping the DTT competitively by ensuring the current number of MUXs. Among the main milestones of the roadmap calendar, it was declared that several legal instruments were to be approved by the end of 2018 in order, among others, to approve the new National Technical Plan for DTT, and to approve a compensation regime for the costs of adaptation of reception facilities to new frequencies and to compensate the forced updates in broadcasters' transmission equipment.

As a consequence, on January 22, 2019, the Spanish government submitted to public consultation the draft of Royal Decree approving the new National Technical Plan for DTT and ruling certain aspects of the liberalisation of the second Digital Dividend. The public consultation is open until February 18, 2019.

Among the main provisions of this draft, the Spanish Government states that (i) the 700MHz band will be ready for mobile services by June 30, 2020, becoming available for pan-European advanced electronic communication services, such as 5G mobile services (within the 5G National Plan), as requested by the EU legislation; and (ii) the sub-700MHz (470-694 MHz) band will continue to be used for television broadcasting until, at least, 2030. The current number of MUXs (and their coverages) on the sub 700MHz band will also be maintained, as well as the offer of DTT channels.

A third Digital Dividend is not expected to take place in the medium term.

### *Competition Law*

Practices restricting competition are prohibited in Spain under applicable competition regulations. Such practices include, among others, (i) the abuse of a dominant position and (ii) prohibited collusive agreements.

The prohibition of competition-restricting practices is the result of both EU and Spanish law. European and Spanish competition laws (articles 101 and 102 of the TFEU and articles 1 and 2 of the Law 15/2007, of July 3, on Competition) regulate these practices in a similar manner. EU laws regulate any prohibited practices that may affect trade between EU member states and Spanish laws regulate practices that have a domestic effect.

If the relevant competition authorities (generally the EC on the European level, and the CNMC on the national level) determine that a company has abused its dominant position or is party to a prohibited agreement, they may order the Group to cease such anti-competitive practices and/or impose sanctions which may include fines up to 10% of the revenues obtained by the offending company in the year preceding the resolution.

Actions constituting the abuse of a dominant position, or any clauses in agreements prohibited by the competition regulations are void and therefore not enforceable. Engaging in competition-restricted practices may trigger the filing of civil claims by third parties that suffered an economic loss. The competition regulation prohibits any agreement between competitors aimed at price fixing, either directly or indirectly, or other relevant commercial conditions, limiting production, allocation of markets or customers, or boycott to third parties.

The competition regulation also prohibits certain practices in connection with the supplier-customer relationship. In this case, there are no absolute prohibitions as they depend on the market share of the parties, duration of the clauses and characteristics of the restrictions of competition.

Regarding the abuse of a dominant position, the Group enjoys a dominant position in the market affected by the practice. Thus, before examining whether a specific conduct is abusive, it is necessary to determine the relevant market and the position of the Group in such market. Defining the relevant market is of great importance because it determines the position of the Group in the market. This definition must be done from two perspectives: product/service and geographical. It is therefore crucial to assess the substitutability between goods and services and the homogeneity of competition conditions between regions.

A dominant position is defined as a position of economic or commercial strength that enables a party to behave independently of its suppliers, competitors and customers. There is no legal definition of dominant position either in the Spanish or European regulation, however there are different criteria that are used to assess whether such a position exists or not. One such criterion is market share which gives an indication of the existence of dominance. In this regard, market shares below 30% generally exclude the possibility of the existence of dominance. In any event, the particular circumstances applicable to each case should be carefully analysed.

Abuse may take different forms. Article 2 of the LDC and Article 102 of the TFEU list the most important: (i) application of non-equitable prices or other trading conditions or services, (ii) limiting production, distribution or technical development to the unreasonable detriment of companies or consumers; (iii) unjustified refusal to satisfy purchases of products or services demands; (iv) applying discriminatory conditions to commercially equivalent situations, which places some competitors at a disadvantage compared to others; or (v) the subordination of certain services to contracting others that are not related to them.

### *Other Network Services activity*

Despite the existence of laws and regulations applicable to this activity, the Other Network Services activity that the Group develops is not subject to specific sector-related regulation.

## Board of Directors of the Issuer

The Issuer's Bylaws provide for a Board of Directors consisting of between 4 and 13 members. The Board of Directors of the Issuer currently consists of 12 Directors. The composition of the Board of Directors of the Issuer at the date of this Base Prospectus and the status of its members in accordance with the provisions of the Bylaws and the Board of Directors regulations (*Reglamento del Consejo de Administración* or "**Board of Directors Regulations**") of the Issuer are shown below:

Name	Nature	Title	Principal activities outside the Issuer
Mr. Marco Patuano	Proprietary	Chairman	CEO of Edizione, director of Atlantia S.p.A., Autogrill S.p.A., AC Milan S.p.A. and Benetton Group S.r.l.
Mr. Tobías Martínez Gimeno	Executive	Chairman and Chief Executive Officer	N/A
Mr. Bertrand Boudewijn Kan	Independent	Vice Chairman	Among other responsibilities, he is currently a member of the supervisory board of UWC Netherlands, the advisory board of Wadhvani Asset Management and the Board of Directors of Simmin.
Mr. Giampaolo Zambelletti	Independent	Coordinating Director	Vice President of Unidad Editorial S.A., board member of Banca Farmafactoring and President of RCS Investimenti.
Mr. Pierre Blayau	Independent	Director	President of CCR (Caisse Central de Reassurance) and independent director on the boards of FIMALAC and Canal + Group.
Mr. Leonard Peter Shore	Independent	Director	Chairman of Minnamurra Partners Ltd.
Ms. Concepción del Rivero Bermejo	Independent	Director	Senior advisor of Ericsson, member of the advisory boards of Roca Salvatella and Made in Mobile, member of the board of the International Women Forum y member of Women Corporate Director
Mr. Carlo Bertazzo	Proprietary	Director	General Manager of Edizione, member of the board of directors of Atlantia, Aeroporti di Roma and Sintonia
Ms. Elisabetta De Bernardi Di Valserra	Proprietary	Director	Member of the board of directors of Atlantia and Getlink
Mr. John Benedict McCarthy	Proprietary	Director	Global Head of Infrastructure, Real Estate and Infrastructure Department at Abu Dhabi Investment Authority
Ms. Anne Bouverot	Independent	Director	Independent member of the board of directors of Capgemini and Edenred
Ms. María Luisa Guijarro Piñal	Independent	Director	N/A

The business address of the Issuer's Directors and Executive Officers is currently Juan Esplandiú 11-13, 28007, Madrid, Spain.

During the financial year ended 31 December 2018, the Board of Directors held 13 meetings. Since the beginning of the current year and until the date of this Base Prospectus, the Board of Directors has met on seven occasions.

## Senior Management of the Issuer

The Senior Management of the Group is carried out by the Chief Executive Officer and the people identified below:

<b>Name</b>	<b>Title</b>	<b>Principal activities outside the Issuer</b>
Mr. Luis Deulofeu Fuguet	Deputy CEO	Member of the Board of Sanef and president of HIT (Holding d'Infrastructures de Transport)
Mr. Alexandre Mestre Molins	General Manager of Global Business	President of TowerCo
Mr. Antoni Brunet Mauri	Corporate and Public Affairs Director	Member of the Plenary Committee of the Chamber of Commerce, Member of the Economic Policy Table of the before mentioned Chamber and also Member of the Plenary Committee of the Chamber of Spain.
Mr. Javier Martí de Vesés Estades	General Secretary	Member of the Advisory Board of Telecommunications of the Ministry of Telecommunications and Information.
Mr. José Manuel Aisa Mancho	Chief Financial Officer and Corporate Development Director	N/A
Mr. Alberto López Prior	Resources & Transformation Director	N/A
Mr. Daniel Fernández Capo	Global Operations Director	N/A

## Conflicts of Interest

As set forth above, some of the Directors are also officers and/or employees of companies within the Edizione group or the Abu Dhabi Investment Authority group.

There are no other potential conflicts of interest between any duties owed by the Directors or Senior Management to the Issuer and their private interests or other duties.

Conflicts of interest of the Directors of the Issuer are governed by the Internal Rules of Conduct in the Securities Markets (the "**Rules of Conduct**") and additionally by the Board of Directors Regulations which establishes that a Director shall notify the Board of Directors of the existence of conflicts of interest, direct or indirect, that he or any person related to him may have in relation with the interests of the Issuer and refrain from intervening agreements or decisions of the Issuer in the transaction to which the conflict refers.

Regarding Senior Management and as provided in the Rules of Conduct, a senior manager shall notify the General Secretary of any potential conflicts of interest that may arise and shall act at all times with loyalty to the Issuer and regardless of their own interests or those of others and refrain from intervening or influencing decisions of matters affected by the conflict and from accessing confidential information affecting any such conflict.

## TAXATION

The following is a general description of certain Spanish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

### ***Taxation in Spain***

*The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.*

### **Introduction**

The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain, and it is not intended to be, nor should it be construed to be, legal or tax advice, and does not address all the tax consequences applicable to all categories of investors, some of which (such as look through entities, pension funds, undertakings for collective investment in transferable securities or holders of the Notes by reason of employment) may be subject to special rules. This analysis is a general description of the tax treatment under the Spanish legislation currently in force in the common territory of Spain and, hence, it does not indicate the tax treatment applicable under the regional tax regimes in the Historical Territories of the Basque Country and the Community of Navarre, or under the provisions passed by Autonomous Communities which may apply to specific investors for specific taxes. References in this section to holders include the beneficial owners of the Notes, where applicable.

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Base Prospectus:

If:

- (a) of general application, Additional Provision One of Law 10/2014, of 26 June on the management, supervision and solvency of credit institutions ("**Law 10/2014**"), as well as Royal Decree 1065/2007 ("**Royal Decree 1065/2007**"), of 27 July, as amended by Royal Decree 1145/2011 of July 29 ("**Royal Decree 1145/2011**"), establishing information obligations in relation to preferential holdings and other debt instruments and certain income obtained by individuals resident in the EU and other tax rules;
- (b) for individuals with tax residency in Spain who are personal income tax ("**Personal Income Tax**") taxpayers, Law 35/2006, of 28 November on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law as amended, (the "**Personal Income Tax Law**"), and Royal Decree 439/2007, of 30 March, promulgating the Personal Income Tax Regulations as amended by, along with Law 19/1991, of 6 June on Wealth Tax as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax as amended;
- (c) for legal entities resident for tax purposes in Spain which are corporate income tax ("**Corporate Income Tax**") taxpayers, Law 27/2014, of 27 November, of the Corporate Income Tax Law, and Royal Decree 634/2015, of 10 July, promulgating the Corporate Income Tax Regulations as amended (the "**Corporate Income Tax Regulations**"); and

- (d) for individuals and legal entities who are not resident for tax purposes in Spain and are non-resident income tax ("**Non-Resident Income Tax**") taxpayers, Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the Non-Resident Income Tax Law, and Royal Decree 1776/2004, of 30 July, promulgating the Non-Resident Income Tax Regulations as amended, along with Law 19/1991, of 6 June, on Wealth Tax, as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended.

Whatever the nature and residence of the holder of a beneficial interest in the Notes (each, a "**Beneficial Owner**"), the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, for example exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from value added tax, in accordance with Law 37/1992, of 28 December, regulating such tax.

## **1 Individuals with Tax Residency in Spain**

### **1.1 Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)**

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes would constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and should be included in each investor's taxable savings and taxed at the tax rate applicable from time to time, currently at the rate of 19% for taxable income up to €6,000; 21% for taxable income between €6,000.01 to €50,000 and 23% for taxable income in excess of €50,000.

As a general rule, both types of income are subject to a withholding tax on account at the rate of 19%. According to Section 44.5 of Royal Decree 1065/2007, of 27 July, the Issuer will make interest payments to individual holders who are resident for tax purposes in Spain without withholding provided that the relevant information about the Notes set out in Annex I is submitted by the Fiscal Agent in a timely manner.

Notwithstanding the above, withholding tax at the applicable rate of 19% may have to be deducted by other entities (such as depositaries, institutions or financial entities) provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

In any event, individual holders may credit the withholding against their Personal Income Tax liability for the relevant fiscal year.

### **1.2 Reporting Obligations**

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Noteholders who are individuals resident in Spain for tax purposes.

### **1.3 Wealth Tax (Impuesto sobre el Patrimonio)**

Individuals with tax residency in Spain are subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as at 31 December in each year, the applicable rates ranging between 0.2% and 2.5% although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

In accordance with article 3 of the Royal Decree-Law 27/2018, of 28 December, as from year 2020, a full exemption on Wealth Tax (*bonificación del 100%*) would apply, and therefore, individuals resident in Spain will be released from formal and filing obligations in relation to this Wealth Tax, unless the application of this full exemption is postponed or revoked again, even with retroactive effects for year 2020.



#### **1.4 Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)**

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or federal rules. As at the date of this Base Prospectus, the applicable tax rates currently range between 7.65% and 81.6% depending on the relevant factors although the final tax rate may vary depending on any applicable regional tax laws.

### **2 Legal Entities with Tax Residency in Spain**

#### **2.1 Corporate Income Tax (Impuesto sobre Sociedades)**

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes must be included in the taxable income of legal entities with tax residency in Spain and will be subject to Corporate Income Tax (CIT) at the current general rate of 25% following the rules for this tax for Corporate Income Tax purposes in accordance with the rules for Corporate Income Tax.

No withholding on account of CIT will be imposed on interest or on income derived from the redemption or repayment of the Notes by the Issuer, by Spanish CIT taxpayers, provided that certain requirements (including certain formalities to be complied with by the Fiscal Agent described in "*Information about the Notes in connection with Payments*", below) are met.

However, in the case of Notes held by Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest and income obtained upon the transfer of the Notes may be subject to withholding tax at the current rate of 19%, withholding that will be made by the depositary or custodian, if the Notes do not comply with the exemption requirements specified in the ruling issued by the Spanish Tax Authorities (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

#### **2.2 Reporting Obligations**

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Noteholders who are legal persons or entities resident in Spain for tax purposes.

#### **2.3 Wealth Tax (Impuesto sobre el Patrimonio)**

Spanish resident legal entities are not subject to Wealth Tax.

#### **2.4 Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)**

Legal entities with tax residency in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax and must include the market value of the Notes in their taxable income for Spanish Corporate Income Tax purposes.

### **3 Individuals and Legal Entities with no Tax Residency in Spain**

#### **3.1 Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)**

- (a) Non-Spanish resident investors acting through a permanent establishment in Spain

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are the same as those for Spanish Corporate Income Tax taxpayers.

(b) Non-Spanish resident investors not acting through a permanent establishment in Spain

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who have no tax residency in Spain, and which are Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from such Non-Resident Income Tax. In order for such exemption to apply it is necessary to comply with the information procedures, in the manner detailed under "*Information about the Notes in connection with Payments*" as set out in article 44 of Royal Decree 1065/2007.

### 3.2 Reporting Obligations

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Noteholders who are individuals or legal entities not resident in Spain for tax purposes who act with respect to the Notes through a permanent establishment in Spain.

### 3.3 Wealth Tax (Impuesto sobre el Patrimonio)

Spanish non-resident tax individuals are subject to Wealth Tax, which imposes a tax on property and rights in excess of €700,000 that are located in Spain, or can be exercised within the Spanish territory, on the last day of any year.

However, to the extent that income derived from the Notes is exempt from Non-Resident Income Tax, individual Noteholders not resident in Spain for tax purposes that hold Notes on the last day of any year will be exempt from Wealth Tax. Furthermore, Noteholders who benefit from a convention for the avoidance of double taxation with respect to wealth tax that provides for taxation only in the Noteholder's country of residence will not be subject to Wealth Tax.

If the provisions of the foregoing paragraph do not apply, non-Spanish tax resident individuals whose net worth related to property located, or rights that can be exercised, in Spain is above €700,000 and who hold Notes on the last day of any year would therefore be subject to Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the Notes during the last quarter of such year, although some reductions may apply.

Non-Spanish tax resident individuals who are resident in an EU or European Economic Area member State may apply the rules approved by the autonomous region where the assets and rights with more value are situated. As such, prospective investors should consult their tax advisers.

In accordance with article 3 of the Royal Decree-Law 27/2018, of 28 December, as from year 2020, a full exemption (*bonificación del 100%*) on Spanish Net Wealth Tax would apply, and therefore from year 2020 and onwards, individuals non-resident in Spain will be released from formal and filing obligations in relation to this Spanish Net Wealth Tax, unless the application of this full exemption is postponed or revoked again, even with retroactive effects for year 2020.

Non-Spanish resident legal entities are not subject to Wealth Tax.

### 3.4 Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals who do not have tax residency in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to inheritance and gift tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with Spanish legislation.

Generally, non-Spanish tax resident individuals are subject to the Spanish Inheritance and Gift Tax according to the rules set forth in the Spanish State level law. However, if the deceased or the donee are resident in an EU or European Economic Area Member State, the applicable rules will be those corresponding to the relevant Spanish autonomous regions. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to Non-Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

#### **4 Information about the Notes in connection with Payments**

In accordance with Section 44 of Royal Decree 1065/2007, certain information with respect to the Notes must be submitted to the Issuer before the close of business on the Business Day (as defined in the Terms and Conditions of the Notes) immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Notes (each, a "**Payment Date**") is due.

Such information would be the following:

- (a) identification of the Notes (as applicable) in respect of which the relevant payment is made;
- (b) date on which relevant redemption is made;
- (c) the total amount of the relevant redemption; and
- (d) the amount of the relevant payment and to each entity that manages a clearing and settlement system for securities situated outside Spain.

In particular, the Fiscal Agent must certify the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Base Prospectus.

In light of the above, the Issuer and the Fiscal Agent have arranged certain procedures to facilitate the collection of information concerning the Notes by the close of business on the Business Day immediately preceding each relevant Payment Date.

If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, the Issuer will withhold tax at the then-applicable rate (currently 19%) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding. If, before the tenth calendar day of the month following the month in which the relevant income is paid, the Fiscal Agent provides the required information, the Issuer will reimburse the amounts withheld.

If, before the tenth calendar day of the month following the month in which the relevant income is paid, the Fiscal Agent provides the required information, the Issuer will reimburse the amounts withheld.

Investors who are not resident in Spain for tax purposes and are entitled to exemption from Non-Resident Income Tax on income derived from the Notes, but where the Issuer does not timely receive from the Fiscal Agent the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Base Prospectus, would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish Non Resident Income Tax Law.

Investors should note that the Issuer does not accept any responsibility relating to the procedures established for the collection of information concerning the Notes. Accordingly, the Issuer will not be liable for any damage or loss suffered by any holder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding. See Risk Factors "*Risk related to the Spanish withholding regime*", above

The procedures for providing documentation referred to in this section are set out in detail in the Agency Agreement.

*Set out below is Annex I. This Base Prospectus is drawn up in the English language. In case there is any discrepancy between the English text and the Spanish text, the English text stands approved for the purposes of approval under the Prospectus (Directive 2003/71/EC as amended, including by Directive 2010/73/EU) Regulations 2005.*

*Any foreign language text included in this Base Prospectus is for convenience purposes only and does not form part of this Base Prospectus.*

## ANNEX I

### **Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007**

#### **Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos**

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

**Don (nombre), con número de identificación fiscal ( )<sup>(1)</sup>, en nombre y representación de (entidad declarante), con número de identificación fiscal ( )<sup>(1)</sup> y domicilio en ( ) en calidad de (marcar la letra que proceda):**

Mr (name), with tax identification number ( )<sup>(1)</sup>, in the name and on behalf of (entity), with tax identification number ( )<sup>(1)</sup> and address in ( ) as (function – mark as applicable):

- (a) **Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**  
(a) Management Entity of the Public Debt Market in book entry form.
- (b) **Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**  
(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) **Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**  
(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) **Agente de pagos designado por el emisor.**  
(d) Issuing and Paying Agent appointed by the issuer.

**Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:**

Makes the following statement, according to its own records:

- 1 En relación con los apartados 3 y 4 del artículo 44:**  
1 In relation to paragraphs 3 and 4 of Article 44:
  - 1.1 Identificación de los valores.....**  
1.1 Identification of the securities .....
  - 1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**  
1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

- 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados) .....**
- 1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)
- 1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora .....**
- 1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved .....
- 1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).**
- 1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).
- 2 En relación con el apartado 5 del artículo 44.**
- 2 In relation to paragraph 5 of Article 44.
- 2.1 Identificación de los valores .....**
- 2.1 Identification of the securities.....
- 2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados) .....**
- 2.2 Income payment date (or refund if the securities are issued at discount or are segregated) .....
- 2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados) .....**
- 2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)
- 2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**
- 2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.
- 2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**
- 2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.
- 2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.**
- 2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

**Lo que declaro en.....a ... de.....de ...**

I declare the above in ..... on the ... of ..... of ...

- (1) **En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia**
- (1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

## **The proposed financial transactions tax (FTT)**

On 14 February 2013, the European Commission published the Commission's Proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. However, Estonia has since stated that it will not participate in the Commission's Proposal.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear as of the date of this Base Prospectus. Participating Member States may decide to withdraw and additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on the Notes.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **U.S. Foreign Account Tax Compliance Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the U.S. to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.



## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Banca IMI S.p.A., Banco de Sabadell, S.A., Banco Santander, S.A., Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, CaixaBank, S.A., Commerzbank Aktiengesellschaft, Goldman Sachs International, ING Bank N.V., J.P. Morgan Securities plc, Mediobanca – Banca di Credito Finanziario S.p.A., Morgan Stanley & Co. International plc, Natixis, Société Générale, NatWest Markets N.V. and UniCredit Bank AG (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in an amended and restated dealer agreement dated 17 May 2019 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### U.S.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the U.S. or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations promulgated thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or (in the case of Notes in bearer form) deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as determined and certified to the Fiscal Agent by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent shall notify each such Dealer when all such Dealers have so certified) within the U.S. or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the

distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the U.S. or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the U.S. by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **Prohibition of Sales to EEA Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the *expression* "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### **Selling Restrictions Addressing Additional UK Securities Laws**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

### **Kingdom of Spain**

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered, sold or distributed, nor will any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the Spanish Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended and restated, or without complying with all legal and regulatory requirements under Spanish securities laws. Neither the Notes nor the Base Prospectus have been registered with the CNMV and therefore the Base Prospectus is not intended for any public offer of the Notes in Spain.

### **Republic of Italy**

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to any Notes be distributed in the Republic of Italy, except, in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Note or distribute any copies of this Base Prospectus and/or any other document relating to the Notes in the Republic of Italy except:

- (i) to qualified investors (*investitori qualificati*), pursuant to Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Regulation No. 11971**"), and as defined in Article 35, first paragraph, letter d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended (the "**Regulation No. 20307**") implementing Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**"); or
- (ii) in other circumstances which are exempted from the rules on public offerings, as provided under the Financial Services Act and Regulation No. 11971; or
- (iii) if the Final Terms in relation to the Notes specify that a Non-exempt Offer may be made in Italy, including without limitation, by means of an offer of Notes to the public following the date of publication of a prospectus in relation to such Notes, provided that such prospectus has been (i) approved in another Relevant Member State and notified to CONSOB in accordance with the Prospectus Directive as implemented and (ii) completed by final terms expressly contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, as implemented, the Financial Services Act and Regulation No. 11971, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 20307, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") (in each case, as amended) and any other applicable laws or regulation;

- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or other competent Authority.

#### Provisions relating to the secondary market

*Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors. Furthermore, a public offer occurs also where the Notes which are initially offered and placed in Italy or abroad to qualified investors only but in the following 12 months are "systematically" distributed on the secondary market in Italy. Where no exemption from the rules on public offerings applies, failure to comply with the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971 may result in the purchasers of Notes who are acting outside of the course of their business or profession being entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Notes were purchased (soggetti abilitati presso cui è avvenuta la vendita).*

#### **France**

Each Dealer has represented and agreed and any further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell directly or indirectly any Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France any offering material relating to the Notes and that such offers, sales and distributions have been and will only be made in France to (i) qualified investors (*investisseurs qualifiés*) acting for their own account other than individuals and/or (ii) to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined in and in accordance with article L 411-1, L 411-2 and article D 411-1 of the French *Code monétaire et financier*.

This Base Prospectus has not been submitted for clearance to the *Autorité des Marchés Financiers*.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

#### **General**

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree with the Issuer that it has, to the best of its knowledge, complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final

Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

## GENERAL INFORMATION

### Authorisation

1. The update of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer on 8 May 2019. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.
2. The Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU, as amended and/or which are to be offered to the public in any member state of the European Economic Area. Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list and trading on its regulated market.

However, Notes issued under the Programme may be listed on a stock exchange different from Euronext Dublin as the Issuer and the Relevant Dealer(s) may agree.

### Legal and Arbitration Proceedings

3. Save as disclosed in "*Description of the Issuer – Legal Proceedings*" above, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

### Trend Information

4. Since 31 December 2018 there has been no material adverse change in the prospects of the Issuer and its Subsidiaries.

### Significant Change in the Financial or Trading Position

5. Since 31 March 2019 there has been no significant change in the financial or trading position of the Issuer and its Subsidiaries.

### Auditors

6. The consolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2018 and 31 December 2017 by Deloitte, S.L. whose address is Plaza de Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid, registered under number S0692 in the Official register of Auditors (*Registro Oficial de Auditores de Cuentas*). Deloitte, S.L. is a member of the Instituto de Censores Jurados de Cuentas de España.

## **Documents on Display**

7. Physical copies of the following documents (together with English translations thereof where applicable) may be inspected during normal business hours at the offices of the Fiscal Agent for 12 months from the date of this Base Prospectus:
  - (a) the constitutive documents of the Issuer;
  - (b) the audited consolidated financial statements of the Issuer for the years ended 31 December 2018 and 31 December 2017 and the unaudited consolidated interim financial information of the Issuer in respect of the 3-month period ended 31 March 2019;
  - (c) the Agency Agreement;
  - (d) the Deed of Covenant;
  - (e) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
  - (f) the Issuer-ICSDs Agreement (which were entered into on 12 May 2015 between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

## **Material Contracts**

8. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.

## **The Legal Entity Identifier**

9. The Legal Entity Identifier (LEI) code of the Issuer is 5493008T4YG3AQUI7P67.

## **Dealers transacting with the Issuer**

10. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in financing, investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph the term "affiliates" includes also parent companies.

### **Clearing of the Notes**

11. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and/or the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

### **Issue Price and Yield**

12. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from and including the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to but excluding the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

### **Bank of New York Mellon**

13. The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the application for admission of Notes to the Official List of Euronext Dublin and trading on its regulated market.



**REGISTERED OFFICE OF THE ISSUER**

**Cellnex Telecom, S.A.**  
Calle Juan Esplandiú, 11-13  
28007 Madrid  
Spain

**ARRANGER**

**Natixis**  
47, Quai d'Austerlitz  
75013 Paris  
France

**DEALERS**

**Banca IMI S.p.A.**  
Largo Mattioli 3  
20121 Milan  
Italy

**Banco de Sabadell, S.A.**  
Plaza Sant Roc 20  
08201 Sabadell  
Barcelona  
Spain

**Banco Santander, S.A.**  
Calle Juan Ignacio Luca de Tena, 11  
Edificio Magdalena, Planta 1  
28027 Madrid  
Spain

**Barclays Bank Ireland PLC**  
One Molesworth Street  
Dublin 2  
DO2RF29  
Ireland

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

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