

Cornerstone Telecommunications Infrastructure Limited

Corporate Governance

The Company's governance arrangement has been reported against the Wates Principles detailed below:

Our purpose and leadership

Purpose guides the Company's culture and provides a framework for consistent decision-making. The Company's strategic purpose is to support the mobile wireless networks for Vodafone Limited ("Vodafone") and Telefonica UK Limited ("Virgin Media O2 or VMO2") (together the "Anchor tenants") as well as for other UK Mobile Network Operators ("MNO's"). By combining economics with empathy, the Company's ultimate purpose is to make a difference to people's lives through supporting the availability of digital infrastructure across the UK.

The Company's vision and strategy is set by the directors and is applied by the Company to consider the UK market within which the Company operates. Delivery of the strategy set by the Board is the responsibility of the Chief Executive Officer ("CEO") and the Executive Management Team who develop operating business plans, financial budgets and operating strategies. The Board receives regular updates on delivery of the Company's strategy.

The strategic focus of the Board during 2022/2023 was to provide oversight, challenge and support to the Executive Management Team. This included the continued deployment of the Company's operational resilience plans; business plans, strategies and budgets. The Board sought to ensure that the Company's adapted measures supported the health and wellbeing of the Company's workforce and delivered positive outcomes for clients.

The Board has a strong understanding of the Company's culture, as it guides strategy and helps drive long-term value for the Company in the interests of the shareholders and wider stakeholders. The Company's culture unifies the Company and promotes ethical business conduct by all colleagues. All colleagues, including the Board, reaffirmed their commitment to the Company's Code of Conduct during 2022/23. Management monitors culture through employee surveys, absenteeism rates and exit interviews, and reports to the Board periodically. Employees are encouraged to report concerns relating to business integrity and conduct through established whistleblowing processes.

Board composition

The Cornerstone Board is appointed by the shareholders and as a joint venture consists of an equal number of shareholder appointed directors of mixed nationality whom continue to remain fit for purpose of an organisation of our size. The Board consists of highly skilled individuals within the telecommunications space. The Board has delegated day-to-day management of Cornerstone's business activities to the Executive Management Team. The Executive Management Team meets regularly, and these meetings are chaired by the Chief Executive Officer. The Executive Management Team comprises the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and Chief Commercial Officer.

The Chief Executive Officer and each member of the Executive Management Team has a clear role and responsibility for their specified area of the business, including in relation to engaging with key stakeholders of their business area and keeping the rest of the Executive Management Team and the Board informed about the outcome of such engagement. The Executive Management Team have the necessary skills and experience to make valuable contributions in promoting the success of the Company. The Executive Management Team undertake the necessary professional development to perform their roles, including briefings on specialist matters and keeping abreast with regulatory changes.

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Corporate Governance (continued)

Board attendance	Timetabled Board meetings
Number of meetings held	6
Andrea Dona ¹	5
Patricia Cobian ²	0
Sharon Jean York	3
James Gill (alternate to Patricia Cobian)	4
David Nigel Evans	4
Jesus Omar Calvo Gutierrez (alternate to Sharon Jean York) – (resigned 14 November 2022)	2
Thomas Reisten	6
Jose Rivera	4
Bengt Fredric Sundin (alternate to Andrea Dona)— (appointed 23 May 2022)	1
Paul Kells (alternate to Sharon Jean York ³)— (appointed 14 November 2022)	1

¹- Apologies given for few meetings, alternate director Bengt Fredric Sundin attended in place

²- Apologies given, alternate director James Gill attended in place

³- Apologies given, alternate director Paul Kells attended in place

Directors' responsibilities

The Board is guided by its terms of reference and the joint venture shareholder agreement, which provide a framework for governance practices and clearly set out the Board's overall leadership responsibility and matters reserved for its consideration and approval, whilst delegating to the CEO and the Executive Management Team the day to day running of the operations of the Company.

In accordance with regulatory requirements applicable to the Company, all directors, members of the Executive Management Team and Senior Managers within the Company's business and functional support departments have clearly documented statements of responsibility for the matters under their remit.

The Board has retained oversight in the areas of Risk, Audit and Remuneration. The Board operates four meetings in the year with ad hoc meetings and approval of matters arising as and when required. All information provided to the Board is prepared by subject matter experts with the relevant experience and skills necessary to ensure the integrity of information presented.

Opportunity and Risk

The Board promotes the long-term success of the Company by identifying opportunities to create and preserve value, while maintaining oversight of risk.

The Board considers and assesses how the Company creates and preserves value over the long-term. This requires the Board to consider both tangible and intangible sources of value, and the stakeholders that contribute to it. The CEO provides an update at each meeting detailing key business initiatives, future plans for value creation, and business leaders present to the Board on a periodic basis.

The Board has responsibility for the Company's overall approach to risk management and a Company risk register is maintained and is accessible by the Board utilising the 'Resolver RMS' system. The Company's key risk areas have been outlined previously in the Strategic Report.

Remuneration

The Board promotes executive remuneration structures that align to the long-term, sustainable success of the Company. The Company's remuneration structures are subject to the Remuneration Policy which ensure that compensation practices are consistent, promote effective risk management and align to the Company's business strategy, values and long-term objectives.

Cornerstone Telecommunications Infrastructure Limited

Corporate Governance (continued)

Remuneration (continued)

No Board members receive remuneration from the Company for their services. Our key stakeholders are our shareholders, who agree the pay review for the Executive Management Team and all employees.

Stakeholder Relationships and Engagement

Our stakeholders are classified as any group or interest that may be affected by our business in a significant manner such as our shareholders, customers, people, regulators, government, suppliers, society and the environment. The Board is clear that good corporate governance and effective communication are essential on a day-to-day basis to deliver the Company's purpose and to protect the Company's brand, reputation and relationships with all stakeholders. The Board ensures there are channels to receive appropriate feedback from discussions with all stakeholders.

Shareholder

As a joint venture owned equally by the shareholders, the Board is able to have a balanced view in making decisions and transactions undertaken by the Company. Distributions to the Company's shareholders are considered after a full assessment of the Company's capital adequacy and ability to continue as a going concern into the foreseeable future. The Board also balances the ability to invest in future growth, with stable and sustainable returns for the shareholder. Further information on dividends is set out in the Notes to the Financial Statements on page 41.

Suppliers

All suppliers follow an onboarding process and are required to comply with the Company's policies and procedures and all relevant regulatory and legal requirements including modern slavery and anti-bribery legislation under the standard terms and conditions of the Company's contracting. The Board is committed to ensuring that slavery and human trafficking is not taking place in any of the Company's supply chains in line with the published modern slavery statement. <https://www.cornerstone.network/modern-slavery>

Customers

The Company is committed to ensuring that all customers are treated fairly, that positive customer outcomes are achieved, and that customer interests are considered as part of decision-making at every level within the Company, including decisions to launch any new product or service. The principal customers of the business, the Anchor tenants, are related parties of the majority shareholders.

Through the contractual governance structure of the MSA, the CEO and Executive Management Team meet with key customers and monitor customer experience adjusting engagement methods as appropriate to maintain customer satisfaction.

Employees

Employees are at the heart of the Company's business. Throughout the year, the Executive Management Team prioritised the health, wellbeing and safety of employees and their families. The Company has continued to support hybrid working with employees continuing to be able to work flexibly from different locations.

The CEO and Executive Management Team maintain engagement through regular emails, digital tools and platforms designed to keep teams connected and continue several employee wellbeing initiatives in efforts to ensure colleagues are well supported. Regular engagement surveys are also carried out to obtain employee feedback which is taken into consideration in the formulation of the Company's future business plans and strategy.

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Corporate Governance (continued)

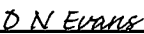
Community and Environment

The Company recognises that in a world facing increasing risk and uncertainty, supporting our communities is more important now than ever before. By aligning its social impact programmes with the business priorities and experience, Cornerstone is able to demonstrate its commitment to its communities in the UK while supporting the business.

The Company recognises the opportunities, as well as its obligation, of being a good steward of the environment. Cornerstone is developing its climate initiatives to represent a step toward building a more sustainable environment for colleagues, clients, shareholders and future generations.

Cornerstone has established an ESG plan bringing together its community and environment initiatives which has business leader engagement who meet and monitor progress.

By order of the Board


D N Evans (Nov 21, 2023 08:20 GMT)



Name: David Nigel Evans

Name: Patricia Cobian

Position: Director

Position: Director

Date: 21 November 2023

Date: 21 November 2023

Registered number 08087551