

Resolution on the approval of the remuneration system for Board of Management members

The Shareholders' Meeting of April 1, 2021 approved the remuneration system for members of the Board of Management with a majority (► **HV website**). Although no major changes are being made to the remuneration system, given the ongoing dialog with the Company's investors, the Supervisory Board has resolved to amend the following three points and present this modified remuneration system to the Shareholders' Meeting on April 7, 2022 for approval.

- The Supervisory Board has opted not to grant Board of Management members an extraordinary performance bonus.

As part of the remuneration system approved last year, the Supervisory Board reserves the right to, in exceptional circumstances, grant a member of the Board of Management a bonus for extraordinary performance for services that are particularly beneficial to the company. However, during the course of ongoing dialog with investors, it has become clear that several of them are highly critical toward this discretionary element, and for this reason voted against the remuneration system the previous year, despite accepting all other aspects of the remuneration system. Keen to secure even broader shareholder support for the remuneration system for Board of Management members, the Supervisory Board opted to refrain from utilizing this option.

- In future, the maximum remuneration for the Chair of the Board will be € 9,100,000.00 (currently: € 8,500,000.00) and will be capped at this amount including all additional remuneration.

After last year's Shareholders' Meeting, the Supervisory Board reviewed the reasonableness and appropriateness of the target and maximum remuneration of Board of Management members once again. They found that by comparison with other DAX companies, the maximum remuneration for the Chair of the Board is significantly lower than might be advisable, given Deutsche Telekom AG's profile. Against this background, the Supervisory Board feels that this increase in maximum remuneration is essential if we are to continue to offer a competitive level of remuneration for the Board. This not only acts as an incentive for the current Chair of the Board but also ensures that the Company remains attractive to the very best candidates in future.

- The exception made for Timotheus Höttges' pension commitment, whereby the vested pension benefits with surviving dependents' benefits are to be paid out as a lifetime pension, will be extended to include the option of up to 50 percent of the vested pension benefits being paid as a lump sum upon occurrence of the insured event.

By including this additional option, the Supervisory Board is intending to converge with the contributionbased pension commitments applicable to Board of Management members since 2009, whereby vested pension benefits are only payable as a lumpsum upon occurrence of the insured event. As it is standard practice in the relevant market environment for DAX Board Members to be offered pension commitments as either lumpsum payments, annuities or pensions, this additional option will merely offer a wider choice and allow current Board of Management Members with pension commitments to receive largely equal treatment in the event of a payout.

On December 15, 2021 and on February 23, 2022, based on corresponding recommendations from the General Committee, the Supervisory Board adopted this modified remuneration system for Board of Management members (► Annex 3). In addition to ► Annex 3, a version of the remuneration system for Board of Management members with tracked changes is available on the ► **HV website**.

Based on recommendations from the General Committee, the Supervisory Board proposes that the following resolution be adopted: The remuneration system for Board of Management members resolved by the Supervisory Board on December 15, 2021 and on February 23, 2022 is approved.