

Annex 3: Remuneration system for Board of Management members (item 8 of the agenda)

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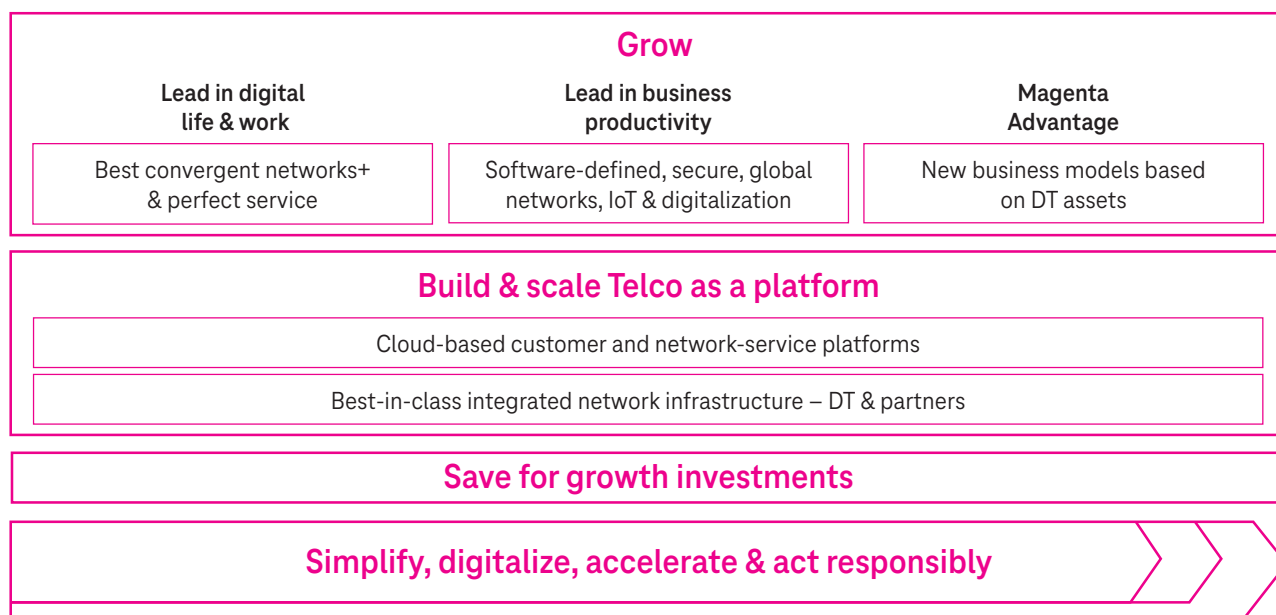
1. Objective of the remuneration system of the Board of Management and reference to the corporate strategy

The new remuneration system of the Board of Management defines the framework conditions in accordance with which the Supervisory Board can grant the members of the Board of Management remuneration components. The Supervisory Board has prepared the new remuneration system in line with the regulations of the German Stock Corporation Law (AktG) in the version amended by the Act Implementing the Second Shareholder Rights Directive (ARUG II) as well as the recommendations for the remuneration system for management board members in Section G of the German Corporate Governance Code (GCGC) in the version dated December 16, 2019. In the financial year 2021, the Supervisory Board contractually transferred the members of the Board of Management to this new remuneration system with effect from January 1, 2021.

When drafting the remuneration system for members of the Board of Management, the Supervisory Board worked on the basis of the following principles:

- ▶ Conforming to regulatory/statutory requirements in Germany as well as the principles of good corporate governance
- ▶ Promoting the implementation of the long-term strategy for sustainable corporate development
- ▶ Determining reasonable compensation levels within market standards
- ▶ Strong focus on pay for performance
- ▶ Focus on shareholders' interests while accounting for stakeholders' interests
- ▶ As consistent as possible with the compensation system for executives within the Group
- ▶ Intuitive and easy-to-understand compensation system

Over the past seven years, it was the aspiration and strategy of Deutsche Telekom to become the “leading European telco. We have implemented this strategy extremely successfully and consistently, anticipated changes to our ecosystem early on, and adapted our strategy in areas where altered market conditions required it. Digitalization is the main catalyst for the principal trends, and from our position as “leading European telco”, our new mission is to become the “leading digital telco”. This will necessitate further bold changes in the way we deal with our customers, our business models, and the technology and architecture of our production landscape.



Lead in digital life and work

The relevancy of convergent and differentiated networks continues to increase. We want to offer all our customers (B2C and B2B) a seamless and technology-neutral telecommunications experience and will orchestrate this across partner networks and independently from our own infrastructure. We want our customers to have the best customer experience, whether on the fixed or mobile network, online or offline, across all services and products. Within the context of digitalization, all customers will therefore be offered a uniform, individualized, context-relevant experience spanning all channels. This uniform customer experience will evolve into a convergent product world where services and devices are seamlessly integrated and personalized.

Lead in business productivity

The advancing digitalization of critical processes within companies is dependent on reliable, secure, global connectivity. In future, we want to continue to supply companies with globespanning connectivity requirements and we will go where our customers are. That is why we are investing in robust, global fixed network and mobile connectivity and acting as a “one-stop connectivity shop” by orchestrating our own and our partners’ networks. To accommodate the new hybrid work environments and satisfy customers’ demands for user-friendliness and flexibility, we are working to replace our existing production chains with a flexible, modular, cloud-based production system, complemented by security solutions which fuse with the network to create a highly secure end-to-end solution.

Magenta Advantage

In our core business, we create substantial value and capabilities that other companies do not have. This is our Magenta Advantage. We interact with 18 million consumers in Europe and have 9 million pay TV customers. What’s more, our business customer arm gives us access to the world’s biggest corporations across all industries. In close collaboration with our partners, our aim is to use our reach more effectively, and develop new digital business models alongside the core business. Through us, our partners can make new services accessible to a broad audience faster. Everything we do is closely aligned with our market promise of reliability, security and trust.

Building and scaling telco as a platform

We underscore our claim to technological leadership by investing in the development of cloud-based service platforms as well as network infrastructure. We are consistently expanding our fixed and mobile networks and interlinking them to give our customers to get the fastest possible highquality connection, anytime, anywhere. Almost all our European NatCos are leading the field in expanding the optical fiber-based fixed network. We are using the fifth-generation (5G) communications standard to create an ultrareliable mobile network. We use our global footprint to generate Groupwide synergies and compete with the global tech giants. We also complement our own infrastructure with that of our strategic partners and integrate alternative access networks. This presupposes a technology- and domain-independent technical orchestration in order to control our “network of networks”. This is reliant on further network automation, cloudification, and disaggregation.

To be successful in these areas of operation, Deutsche Telekom will continue to make heavy investments. We generate the leeway for this by making savings in other areas and becoming more efficient for example. It is also for this reason that we want to make Deutsche Telekom – on the whole – simpler, more digital, and faster. For example, we will simplify our offerings and further automate our internal processes. This will ensure that we can cut costs while responding to our customers’ needs even more quickly.

We are also continuing to drive our cultural transformation, with our brand at its core. Its market value has risen continuously in recent years; what is more, it is also pivotal to our employees’ self-image. In future we will continue to consistently align our employees’ capabilities with our strategic needs and further accelerate the skills transformation with a particular focus on digital skills. Mindful of our social responsibilities, we never waver from focusing on the sustainability of our core corporate processes. Our climate change program #Green Magenta has been designed to

make an effective contribution toward protecting the climate and conserving resources, in a further expansion of our climate strategy.

Alongside further aspects, the remuneration system for the Board of Management greatly contributes to promoting this long-term corporate strategy. By selecting appropriate liquidity and profitability KPIs as financial performance indicators, this system creates incentives to generate the required means to be able to successfully implement Deutsche Telekom's investment strategy. By using KPIs for the customer and employee satisfaction ratios as non-financial KPIs, the stakeholders' interests – which are also important to be able to be successful in the strategic areas of operation and achieve the financial performance indicators – are also appropriately taken into consideration. The Supervisory Board has also added ecological objectives to the remuneration system. As part of the Company's sustainability strategy to ensure – in the framework of the Company's sustainability strategy – the “Act responsibly” and “Enable sustainability” mission is also emphasized via the remuneration of the Board of Management.

Through consideration of the share price in various components of the remuneration of the Board of Management and the direct obligation to acquire and maintain shares in the company, the objective is to ensure the greatest possible reconciliation of interests between the shareholders and the Board of Management of Deutsche Telekom.

The remuneration system should be structured in such a manner that the challenging task of the members of the Board of Management, namely managing a global telecommunications company that operates in a very dynamic competitive field and is subject to intense regulation, is taken into consideration. At the same time, the remuneration of the Board of Management should be globally competitive to support Deutsche Telekom when searching for highly-qualified managers.

Through this approach, the Board of Management remuneration system provides incentives to successfully implement the corporate strategy, to ensure a sustainable development of the company, and is also focused on creating long-term value for the shareholders. This meets all requirements of the German Stock Corporation Act and all recommendations of the German Corporate Governance Code 2020 (GCGC) governing the Board of Management's remuneration.

This remuneration system was developed over a period of around two years alongside the regulatory developments. It was continually refined within the context of the General Committee meetings and interim states were also regularly discussed in the Supervisory Board meetings. Alongside this, discussions were held in 2020 with investors and proxy advisors in order to be able to also consider the investors' perspective regarding the requirements and structure of an effective remuneration system. The Chair of the Supervisory Board used these events to align the opinion of the Supervisory Board with the requirements of the investors, explain the reasoning of the Supervisory Board, to respond to criticisms from the investors, and to notify the Supervisory Board of the investor feedback during the course of the coordination of the remuneration system. At the Supervisory Board meeting on December 15, 2021 and on February 23, 2022, three adjustments to the existing Board of Management remuneration system versus the system adopted by the Shareholders' Meeting on April 1, 2021 were resolved.

2. Procedure to determine the concrete total remuneration of the Board of Management and review of the Board of Management remuneration system.

2.1 Determination of the remuneration amounts

In accordance with § 87 (1) AktG, the Supervisory Board defines the total remuneration for each member of the Board of Management. To this end, the Supervisory Board obtains support from the General Committee for issues regarding the remuneration of the Board of Management. The General Committee drafts suggestions for the Board of Manage-

ment remuneration system, analyzes further developments, and prepares decisions for the definition of targets and derives the target achievements. These suggestions are then discussed and resolved by the Supervisory Board. In the event that the Supervisory Board would like to call upon an external remuneration expert for its discussions, the independence of this person is ensured.

The Supervisory Board defines the concrete target total remuneration and the maximum remuneration for the upcoming financial year. Here, the Supervisory Board ensures that this remuneration is in appropriate relation to the duties and performances of the member of the Board of Management as well as to the situation of the company and that it does not exceed the usual remuneration without good reason. The Supervisory Board has aligned the remuneration structure with a sustainable and long-term development of the company in which the variable components of remuneration have a basis of assessment lasting several years. With regard to the variable remuneration, the percentage of the long-term targets is greater than the percentage of the short-term targets. The performance criteria relevant for the variable remuneration components are defined by the Supervisory Board for each member of the Board of Management. These criteria are based on operational, and, primarily, strategic targets. Here, the Supervisory Board determines the extent to which the targets are decisive for each individual member of the Board of Management and for all members of the Board of Management as a whole. It is not possible to retrospectively amend the target values or the comparison parameters.

Following the end of the financial year, the General Committee – in line with the target achievement – recommends the amount of the individual remuneration components to be paid for the relevant financial year. These components are discussed and resolved by the Supervisory Board. In doing so, the Supervisory Board ensures that the remuneration of the Board of Management is comprehensible in terms of reason and size.

The level of the total remuneration is regularly subject to a review of its appropriateness by the Supervisory Board. Here, the General Committee prepares a horizontal and vertical comparison of remuneration. Using this comparison of remuneration, the Supervisory Board discusses the appropriateness and the normality of the remuneration and makes a decision regarding a need to amend the remuneration if the comparison indicates a need to do so.

2.1.1 Horizontal comparison of remuneration

With regard to the horizontal comparison of remuneration, Deutsche Telekom primarily aligns itself to the remuneration granted by DAX 30 companies. In doing so, the criteria “revenue”, “number of employees”, and “market capitalization” are used in order to perform a statistical comparison of Deutsche Telekom with the reference group. Here, the objective is to ensure that the remuneration at Deutsche Telekom represents an offer that is market-standard yet also competitive compared to other DAX-listed companies. According to the statistical comparison, Deutsche Telekom is currently in the upper quarter of the DAX 30 companies and therefore wishes to ensure that the remuneration of the Board of Management is also on this level. In addition to the fundamental orientation towards the level of remuneration at DAX 30 companies, the Supervisory Board also regularly observes and examines the development of the European and global remuneration level in the telecommunications sector. Due to the highly fluctuating sizes of the competing telecommunications companies and the significantly different remuneration models and levels in the respective target markets, the horizontal remuneration comparison is given a greater weight on the basis of the data from the DAX-30 peer group; the results from the industrial comparison supplement the knowledge gained.

2.1.2 Vertical comparison of remuneration

The Supervisory Board also takes the remuneration structures within Deutsche Telekom into account when defining the remuneration of the Board of Management. With this in mind, a qualitative assessment is performed of the remuneration components that are offered at various employee levels within the Company, which components have differences in terms of their structure, and how high the average employee remuneration is at the individual hierarchical

levels. Within this vertical comparison of remuneration, the Supervisory Board limits its assessment to the German workforce and also takes into account senior management and the workforce as a whole, whereby a distinction is made between seven employee levels. With this comparison, the development of the remuneration over time is also taken into consideration.

2.2 Review of the Board of Management remuneration system

The General Committee prepares the regular review of the remuneration system by the Supervisory Board. Where necessary, the General Committee recommends potential changes to the system to the Supervisory Board. If a change to the system is made, it is presented to the Shareholders' Meeting once again for approval. If the remuneration system remains the same over time, the system is submitted to the Shareholders' Meeting not later than four years after the last approval of the system. If the Shareholders' Meeting fails to give its approval to a remuneration system, the General Committee will recommend a new, amended remuneration system to the Supervisory Board for consultation and resolution, which the Supervisory Board will subsequently present for approval at the next ordinary Shareholders' Meeting.

3. Contractual terms, durations of appointment, and age limits

The Supervisory Board takes the regulations of § 84 AktG and the German Corporate Governance Code into account with regard to the appointment of members of the Board of Management and the term of Board of Management contracts.

The initial appointment of members of the Board of Management is for a maximum of three years. The maximum term for reappointments or extensions to the term of office is five years.

The Supervisory Board has defined a standard age limit of 65 years for members of the Board of Management.

4. Components of the total remuneration of the Board of Management

FIXED COMPENSATION ELEMENTS	VARIABLE COMPENSATION ELEMENTS
Basic remuneration Twelve monthly payments <div style="text-align: right;">+</div>	STI Single-year variable, performance-based compensation for the current business year. <div style="float: right; border: 1px dashed black; padding: 2px;"> Obligatory own investment: share deferral </div> <div style="text-align: right;">+</div>
Remuneration in kind <ul style="list-style-type: none"> ▪ Company car ▪ Driver ▪ Insurance coverage ▪ Non-cash benefits <div style="text-align: right;">+</div>	Share matching plan After four years the share deferral will be matched by the Company 1:1 with T-Shares <div style="text-align: right;">+</div>
Other fringe benefits <ul style="list-style-type: none"> ▪ Relocation costs ▪ Dual household maintenance costs ▪ Compensatory payments for the loss of variable compensation elements from previous employer 	LTI Variable long-term performance-based compensation over four years. Consists of four equally weighted KPIs <div style="text-align: right;">+</div>
	Share-ownership Guidelines (SOG) Building up the equivalent of an annual basic remuneration.

4.1 Fixed remuneration components

Overview of the potential fixed elements of the compensation system for the Board of Management		
Compensation component	Structure	Objectives and bearing on strategy
Basic remuneration	<ul style="list-style-type: none">▪ Fixed agreed compensation▪ Paid out at the end of each month	<ul style="list-style-type: none">▪ Reflects the person's position within the Board of Management, personal experience, and market conditions▪ Guaranteed element of the compensation of the Board of Management
Remuneration in kind	<ul style="list-style-type: none">▪ Provision of a company car/Driver▪ Annual health checkup▪ Insurances▪ Consultation on security-related issues and measures for structural and technical security	<ul style="list-style-type: none">▪ Assumption of costs which are incurred in the Company's interests
Other fringe benefits	<ul style="list-style-type: none">▪ Reimbursement of any job-related relocation costs incurred▪ Time-limited reimbursement of dual household maintenance costs▪ Compensatory payments for the loss of variable compensation elements from previous employer in the event of a transfer to Deutsche Telekom	<ul style="list-style-type: none">▪ Compensation for financial losses which arise as part of Board activities or are incurred due to the transfer to Deutsche Telekom

4.1.1 Basic remuneration

The basic remuneration is determined for all Board of Management members based on market conditions in accordance with the requirements of stock corporation law and is paid on a monthly basis. It takes the individual role of the member of the Board of Management on the Board of Management, experience, the area of responsibility, and the market conditions into consideration. In the event of temporary incapacity for work caused by illness, accident or any other reason for which the respective Board of Management member is not responsible, the fixed basic remuneration continues to be paid. The continued payment of remuneration ends at the latest after an uninterrupted period of absence of six months, or for a maximum of three months following the end of the month in which the Board of Management member's permanent incapacity for work is established.

4.1.2 Remuneration in kind

According to market-oriented and corporate standards, the company grants all members of the Board of Management additional benefits, some of which are viewed as non-cash benefits and taxed accordingly. Within the context of a specified budget, members of the Board of Management are eligible for a company car for business and private use. Where necessary, they may also make use of a personal chauffeur. In accordance with the contract, the members of the Board of Management are obligated to have an annual health check. The costs for this check are assumed by the company. The Company grants the members of the Board of Management accident and liability insurance and bears the allocated non-cash benefits. Required means of communication are also made available to the members of the Board of Management – also at their homes – free of charge. Members of the Board of Management can also receive consultation regarding security-relevant measures. If necessary, costs for measures to ensure structural security can be assumed.

4.1.3 Fringe benefits

The fringe benefits are not a permanent and guaranteed component of the remuneration of the Board of Management and, in fact, are only granted by the Supervisory Board if necessary. The need for the benefits as described below generally arises in connection with an engagement of a new member of the Board of Management who has an active employment relationship with another employer. If a member of the Board of Management moves their main place of residence to Germany at the request of the Company, the Supervisory Board can grant either a full or a flat-rate financial reimbursement for additional services such as those related to relocation, dual household maintenance, accommodation, language courses, and costs associated with international schools for the children of members of the Board of Management. The same applies for assuming the costs for tax consulting services if a member of the Board of Management relocates to Germany from abroad and must pay tax in other countries beside Germany. Furthermore, the Supervisory Board can also define a remuneration payment if a new member of the Board of Management is affected by significant losses to their variable remuneration components as a result of their transfer to Deutsche Telekom.

4.2 Variable remuneration components

The variable remuneration should establish the right incentives to achieve the operational and strategic targets of the Company, to link the interests of shareholders and members of the Board of Management, and also to support the sustainability drive of Deutsche Telekom in the long term without, at the same time, leading to temptation to take inappropriate risks. The variable remuneration components reflect both the performances of the members of the Board of Management as a collective as well as the individual performances of individual members, and the economic development of Deutsche Telekom. When defining target-relevant success factors, the Supervisory Board ensured that they are in line with Deutsche Telekom's strategy. The financial success factors are derived from the corporate planning and measure the fulfillment of budget values. The Supervisory Board of Deutsche Telekom will retrospectively disclose the concrete ambition level of the used success factors of a variable remuneration to be paid out in the remuneration report.

Overview of the potential variable elements of the compensation system for the Board of Management

Compensation component	Structure	Objectives and bearing on strategy
Variable remuneration that is calculated on the basis of the achievement of short-term objectives (STI)	<ul style="list-style-type: none"> Term of one year Disbursement date: after the shareholders meeting of the following year Possible target achievements: 0–150 percent The relevant target achievements are; <ul style="list-style-type: none"> 1/3 Group targets 1/3 Segment targets 1/3 ESG targets Applicability of individual performance factor: 0.8–1.2 Possible total target achievement taking into account the individual performance factor: 0–180 percent 	<ul style="list-style-type: none"> Achieving single-year corporate targets derived from medium-term planning Operational successes at Group and segment level taken into account Continual development of the operating business Creating the conditions for dividend and investment capabilities Sustainable and ecological aspects of the Company's business taken into account Taking stakeholders' interest into account Performance of individual members of the Board of Management may also be taken into account
Obligation to invest (personal investment)	<ul style="list-style-type: none"> Each year after the STI is defined by the Supervisory Board Minimum investment volume is 1/3 of the STI Maximum investment volume is 1/2 of the STI Holding period of 4 years (from time of investment) 	<ul style="list-style-type: none"> Reaching target figures and short-term corporate targets Acts as incentive for long-term increase in shareholder value Synchronizes the interests of members of the Board of Management with those of shareholders Retention effect for the member of the Board of Management
Share matching plan (SMP)	<ul style="list-style-type: none"> Requires the personal investment made four years earlier Each year following the end of the four-year holding period for the personal investment Matching ratio: 1:1 for each share of the personal investment one share will be transferred as matching share Limited share price development: at 150 percent of the paid STI. In the event that during the holding period the share price increases by more than 150 percent of the STI relevant for the personal investment, the member of the Board of Management will not participate in any further increase of the share price. In this case the matching ratio is below 1:1 	<ul style="list-style-type: none"> Acts as incentive for long-term increase in shareholder value Synchronizes the interests of members of the Board of Management with those of shareholders Retention effect for the member of the Board of Management
Variable remuneration arising from the achievement of long-term objectives (LTI)	<ul style="list-style-type: none"> Type of plan: cash-settled and share-based Term: 4 years (rolling) Target parameters: 4 equally weighted targets <ul style="list-style-type: none"> Return On Capital Employed (ROCE) Earning Per Share (EPS) Customer satisfaction Employee satisfaction Share-based by mapping as virtual shares during the planned term Taking into account actual dividend payments Possible achievement of the targets: 0–150 percent Maximum disbursement possibilities capped at 200 percent 	<ul style="list-style-type: none"> Achieving multiple-year corporate targets derived from medium-term planning Acts as incentive for implementation of the long-term corporate strategy Taking stakeholders' interests into account Synchronizes the interests of members of the Board of Management with those of shareholders Retention effect for the member of the Board of Management

4.2.1 Annual variable remuneration (Short-Term Incentive/STI) with assessment period of one year

The economic success of the current financial year should be reflected within the framework of the STI. Furthermore, the Supervisory Board has decided to support the significance of the sustainability strategy by implementing two ESG targets in the variable remuneration with an assessment period of one year. The Supervisory Board considers it important that 1/3 of the STI of the members of the Board of Management responsible for the operative business is assessed based on the success of the operating segment for which responsibility is assumed. For members of the Board of Management who do not have any operating responsibility, this measurement takes place on a Group level and, depending on the area of responsibility, includes or excludes U.S. business. The objective of this is to reinforce the crossarea collaboration in the Board of Management team and, at the same time, to align a significant percentage of the annual variable remuneration of members of the Board of Management with responsibility for operating business towards the development of the respective operating segment.

GROUP FINANCIAL TARGETS		+	SEGMENT FINANCIAL TARGETS		+	ESG TARGETS		×	PERFORMANCE FACTOR
1/3 of the target amount			1/3 of the target amount			1/3 of the target amount			Personal strategic target + Value adherence
Service revenues	30%		Service revenues	33%	Reduction in CO ₂ emissions	50%			
EBITDA AL (unadjusted)	30%		EBITDA AL (unadjusted)	33%	Reduction of energy consumption	50%			
Free cash flow AL	40%		Indirect costs AL (adjusted)	33%					
0%–150%			0%–150%			0%–150%			0,8–1,2

The suffix AL in the table refers to the respective “after leases” KPI.

Group financial targets

Service revenues

Service revenues are the revenues that are generated from customers by services (i.e., revenue from fixed and mobile network voice calls – incoming and outgoing calls – as well as data services) plus roaming revenues, monthly basic charges and visitor revenues, as well as revenues generated from the ICT business. As a result, the service revenues are an important indicator for the successful implementation of the growth strategy of the Group. Starting 2021, they will form a component of the annual variable remuneration with an assessment period of one year. Only total revenue was taken into account to date. The reason for this change is the intended focus on revenue elements with greater value in order to avoid an inappropriate incentivization of the Board of Management to maximize revenue in the short-term through low-margin terminal equipment business and the expansion of revenue that is more valuable in the long-term. When defining the ambition level, the Supervisory Board uses the prepared medium-term planning of Deutsche Telekom. Reaching the budget value of the planning leads to a target achievement degree of 100 percent. When defining the target achievement, the Supervisory Board has the opportunity to amend the service revenues in order to, at the same time, take significant and extraordinary effects that were not taken into account at all or were considered differently in the corporate planning.

EBITDA AL (unadjusted)

EBITDA AL is the most important KPI when it comes to measuring the operating performance of the Company and reflects the result of our growth strategy on the customer side (consumers and business customers) as well as the savings for promoting investment. EBITDA AL (earnings before interest, taxes, depreciation and amortization) is calculated by adjusting EBITDA for depreciation of the right-of-use assets and for interest expenses on recognized lease liabilities. As a result of the mandatory first-time application of the IFRS 16 accounting standard since the start of the 2019 financial year, this has been taking place i.a. in order to establish the best possible comparability with the KPIs

we previously used (in this case EBITDA). As a result, EBITDA AL plays a particular role in capital market communication and, for this reason, is a principle ratio when it comes to the annual capital market guidance (where, as part of the comparability with other telecommunications companies, EBITDA AL adjusted is reported). When defining the ambition level, the Supervisory Board uses the prepared medium-term planning of Deutsche Telekom. Reaching the budget value of the planning leads to a target achievement degree of 100 percent.

Free Cash Flow AL

FCF AL is a further important KPI when it comes to measuring the operating performance of the Company that is directly linked to the financial strategy of the Company (ability to pay a dividend and the ability to reduce liabilities). When determining the free cash flow AL, the FCF (cash generated from operations minus payments for investments) is adjusted for the repayment of lease liabilities. As a result of the mandatory first-time application of the IFRS 16 accounting standard since the start of the 2019 financial year, this has been taking place i.a. in order to establish the best possible comparability with the KPIs we previously used (in this case FCF). As a consequence, FCF AL plays a particular role in capital market communication and, for this reason, is a principle ratio when it comes to the annual capital market guidance. When defining the ambition level, the Supervisory Board uses the prepared medium-term planning of Deutsche Telekom. Reaching the budget value of the planning leads to a target achievement degree of 100 percent.

To improve comparability of our performance indicators with the EBITDA and free cash flow indicators reported in the financial statements of T-Mobile US in accordance with U.S. GAAP, which continues to differentiate between operating and finance leases, expenses and repayments for finance leases at T Mobile US will not be taken into account when determining EBITDA AL and free cash flow AL.

When defining the target achievement, the Supervisory Board has the opportunity to amend the unadjusted EBITDA AL and the free cash flow AL in order to, at the same time, take significant and extraordinary effects that were not taken into account at all or were considered differently in the corporate planning.

Segment financial targets

Service revenue and EBITDA AL (unadjusted)

The statements made above apply to both target parameters. The members of the Board of Management in the Germany, Europe, T-Systems and Group Development & U.S. segments are given the KPIs broken down for the segments as defined in the corporate planning as their set of targets. In doing so, the Supervisory Board wishes to incentivize the operational responsibility for the respective segment by linking it to a significant percentage of the annual variable remuneration. The segment targets for the Chair of the Board of Management and the Chief Financial Officer are the Group targets for both objectives, the non-operating members of the Board of Management responsible for HR as well as Technology and Innovation are given the respective Group targets excl. U.S.

Indirect costs AL (adjusted, Group-external)

The adjusted indirect costs AL are an important metric for the operational efficiency of the Company and underline the strategic efforts to make savings in order to support investment in growth. Savings made in terms of indirect costs contribute towards the improvement of the operating performance that is reflected in EBITDA AL and free cash flow AL and, consequently, have a positive impact on the valuation of the Company on the capital market. In terms of the incentivization of the members of the Board of Management with operational responsibility, the focus is placed on the Groupexternal, adjusted indirect costs AL for the respective segment excl. the U.S.; as things stand, setting targets based on the indirect costs in the case of T-Mobile US is not a wise choice as the U.S. Business – as a growth area – is currently not focused on optimizing costs. In a similar manner to the determination of EBITDA AL, the adjusted in-

direct costs for the adjusted indirect costs AL are also calculated by adjusting for depreciation of the right-of-use assets and for interest expenses on recognized lease liabilities. The segment target for the Chair of the Board of Management and the members of the Board of Management for Finance, HR, and Technology & Innovation is the adjusted external indirect costs AL for the Group excl. U.S. as the target and the members of the Board of Management with operating responsibility for Group Development & U.S., Germany, Europe, and T-Systems are given the segment-specific target respectively.

Description of the ESG targets

Reduction of energy consumption

Climate change and environmental devastation pose existential threats to the whole world. In the coming years, it is essential to sustainably decouple the economic growth from the use of resources. Companies must therefore significantly increase their energy and resource efficiency and further restrict their absolute energy consumption. This is necessary because even the production of green electricity has a negative impact on the environment. Not only that, there will also be capacity bottlenecks in the production and distribution of green electricity in the foreseeable future that will render it impossible to fully cover the needs of all market participant with green energy. Consequently, the reduction of the absolute energy consumption and, as a result, a decoupling of economic growth and the use of resources will be pursued. For the information and communications technology industry, the aspect of energy and resource efficiency will become increasingly important and it will be expected that the basic consumption of energy remains at least stable in the medium term or even slightly declines despite the build-out of the telecommunications network.

Deutsche Telekom is also aiming to increasingly decouple its growth from the use of resources. Despite an extensive build-out of the telecommunications networks in the coming years, Deutsche Telekom is aiming to keep its absolute energy consumption stable in the medium-term. To achieve this, the energy efficiency must be significantly increased in light of a high increase in data volume.

The Supervisory Board therefore considers it important to incentivize the Board of Management to at least ensure that energy consumption that is harmful to the environment is kept at least stable in the medium term. This objective is supported by the introduction of programs and investments in energy-saving measures for all energy sources while, at the same time, implementing optimizations and innovations in terms of the future infrastructure and the use of innovative technology components.

Reduction of CO₂ emissions

In addition to reducing energy consumption resulting from operating its core business model, Deutsche Telekom is also fulfilling its responsibility to climate protection and resource conservation by pursuing a variety of initiatives aimed at reducing the CO₂ emissions caused by its business activities. Therefore, Deutsche Telekom will switch to using 100 percent green electricity in 2021, thus reducing its CO₂ emissions by almost 90 percent. Furthermore, the focus is now being directed at the utilized fossil fuels. By incentivizing the Board of Management with regard to the target of significantly reducing CO₂ emissions, the Supervisory Board expects to sustainably anchoring the use of 100 percent green electricity, optimizing consumption levels in buildings, and successively switching the Group's vehicle fleet from fossil fuels to emission-free or low-emission engine types.

The Supervisory Board reserves the right to amend the utilized ESG targets in the future if this appears necessary due to updates of the sustainability strategy in order to ensure that Deutsche Telekom is able to implement its ecological responsibility as well as possible.

In terms of the annual variable remuneration, the Group financial/segment/ESG targets are given an equal weighting and can each have a target achievement of between 0 and 150 percent. Any target achievements for individual targets that exceed 150 percent are not taken into account (as 150 percent is the maximum score) and cannot be used to offset any targets with a poorer target achievement level.

Once the total target achievement of these three targets have been defined, the Supervisory Board will apply a performance factor. The performance factor can be between 0.8 and 1.2. When defining the performance factor, the Supervisory Board assesses the strategic individual targets that were agreed with the respective member of the Board of Management prior to the start of the financial year and also assesses the individual value adherence of the member of the Board of Management. Here, the application of the performance factor acts as a penalty for the member of the Board of Management for everything below 1.0 and acts as a bonus for everything above 1.0.

The strategic targets for the Board of Management goals may be structured as follows:

Example overview of potential strategic implementation target

Acceleration of the digital transformation
Further development of the “new normal”
Implementation of the workforce strategy
Minimization of legal and regulatory risks
Efficiency increase by lowering indirect costs
Ensuring ability to refinance
Ensuring ability to finance strategic priorities of the Group
Transformation of the IT business
Ensuring a value-oriented portfolio management
Ensuring the resiliency of the supply chain and improvements to the effectiveness of the partnering approach
Increasing innovation potential in terms of delivery and networks

The value adherence consists of six categories which are used in order to help evaluate actions in line with the Group's Guiding Principles on the basis of a 10-point scale. The categories used to determine value adherence are as follows:

Value adherence categories

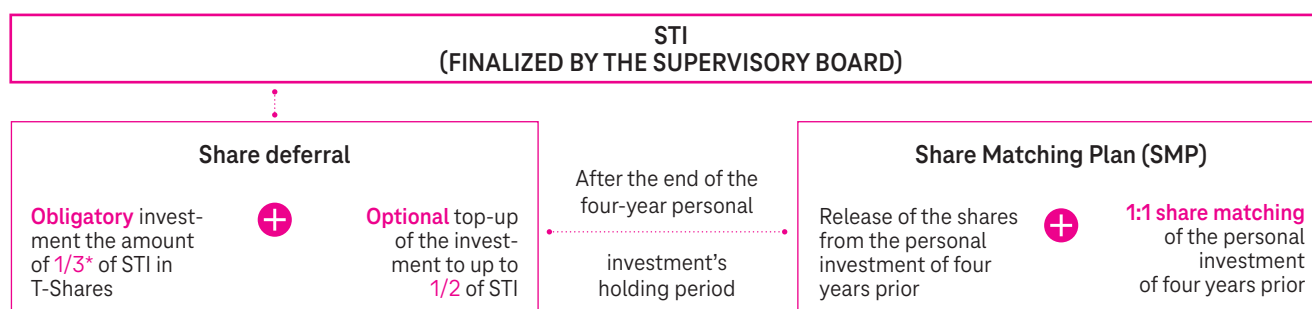
Delight our Customers
Act with respect and integrity
Team together/Team apart
I am T – count on me
Stay curious and grow
Get things done

The members of the General Committee discuss their personal impression of the performance of each member of the Board of Management in all categories of value adherence, individually and in relation to the performance of the other members of the Board of Management. With regard to the performances of the ordinary members of the Board of Management, the Chair of the Board of Management also provides an evaluation of their daily work with their colleagues. At the end of the discussions, the members of the General Committee evaluate each value adherence category on a scale of 1–10 points. Using this evaluation, a mathematical average for all categories is formed which represents the basis of the target achievement for the value adherence. The General Committee then provides the calculated results to the members of the Supervisory Board for resolution. In the relevant Supervisory Board meeting, the target achievement values as calculated in the General Committee are presented and justified in terms of its content before the target achievement levels are finally defined.

If a top score is achieved in all components in the STI, the highest target achievement level is therefore 180 percent (150 percent x 1.2).

4.2.2 Obligation to invest/personal investment

Members of the Board of Management are obligated to invest a sum totaling at least one-third of the annual gross STI as determined by the Supervisory Board in Deutsche Telekom AG shares for every year of their appointment. Members of the Board of Management have the option of extending their personal investment to a maximum of 50 percent of the gross STI. The shares are subject to a four-year lock-up period starting from the date of purchase. The shares acquired by the member of the Board of Management for this purpose are held in a special blocked security deposit of the administering bank so that it is not possible to access the shares early. Once the four-year retention period has ended, the personal investment made by the member of the Board of Management is automatically transferred into the depositing account of the member of the Board of Management by the administering bank and is then available for the member to use as they see fit. The personal investment made by the member of the Board of Management then qualifies them to participate in the share matching plan.



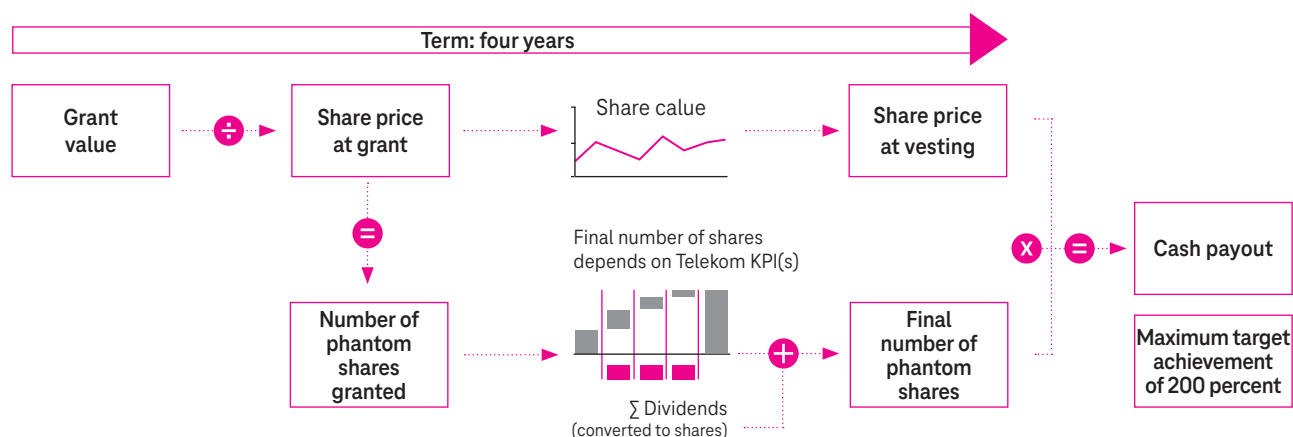
4.2.3 Share matching plan (SMP)

The personal investment made by the member of the Board of Management then allows them to participate in the share matching plan. Once the four-year retention period for the personal investment is over, it is not only the obligation to retain the share that is ended, a free additional share is transferred to the deposit account of member of the Board of Management for each share purchased by way of personal investment. The shares transferred in this manner are available for the member to use as they see fit as soon as they are transferred for the member of the Board of Management. However, the transfer of the shares results in a non-cash benefit for the member of the Board of Management and is taxed as income within the context of the salary statement which follows the transfer of the shares. When the matching shares are transferred, the share price development in relation to the equivalent value is capped at 150 percent of the relevant STI in the year of the personal investment. This ensures that, when the matching shares are transferred, the equivalent value of these shares do not amount to more than 150 percent of the relevant STI. If this case should become a reality, the cap would mean that the matching ratio of a share would decrease to the detriment of the member of the Board of Management for each invested share.

4.2.4 Long-term variable remuneration (long-term-incentive LTI) with a perennial assessment period

Potential payments from the LTI are significantly determined by the strategic success factors derived from the long-term corporate planning to ensure that members of the Board of Management orient their actions in particular towards the KPIs that are especially important for the long-term development of the Company. Furthermore, payments from the LTI also depend on the share price development of Deutsche Telekom over the four-year planning period. This ensures that the interests of shareholders are in line with the interests of the Board of Management. As is the case with the share matching plan, a further aim of the LTI is to help retain members of the Board of Management at the Company.

All four utilized strategic success factors are given the same weighting and, prior to the plan's start, are given an appropriate ambition level by the Supervisory Board for the entire four-year planning period. Each success factor can earn a target achievement level of between 0 and 150 percent. The impact of the share price development on the amount of the LTI has been capped by the Supervisory Board in such a manner that the maximum payout volume of the LTI cannot exceed 200 percent of the grant value.



The LTI that is exclusively oriented towards the achievement of long-term targets will be issued annually in tranches over a four-year period. The members of the Board of Management participate in the respective tranche to the amount of the grant value as stated in the contract which is converted into phantom shares on the basis of a 100 percent target achievement level at the start of the planning period. During the conversion, the non-weighted averages of the closing prices of the Deutsche Telekom shares in the XTRA trading system of Deutsche Börse during the last ten trading days before the start or end of the plan are used.

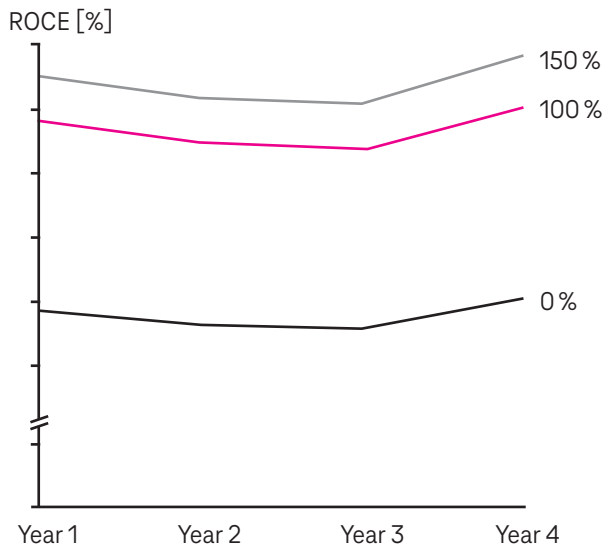
The volume of phantom shares increases over the term of the LTI as a result of the dividends actually paid out by Deutsche Telekom during the planning period. Each dividend payout is converted into phantom shares on the basis of the closing price of the XETRA trading system of Deutsche Börse on the day after the Shareholders' Meeting and increases the volume of phantom shares held by the members of the Board of Management.

At the end of the planning period, the resulting final number of phantom shares is calculated following the final determination of the target achievement of the strategic success factors from the final plan year by the Supervisory Board. The conversion of the shares into a monetary value is carried out in a similar way to the conversion at the start of the plan. Following the first Shareholders' Meeting following the end of the planning period, the LTI can be paid out together with the last dividend payout to the members of the Board of Management.

Return on Capital Employed (ROCE)

A central financial performance indicator of the Deutsche Telekom Group is the Return on Capital Employed (ROCE). ROCE is the ratio of operating result after depreciation, amortization and impairment losses plus imputed taxes (net operating profit after taxes (NOPAT)) to the average value of the assets tied up in the course of the year (net operating assets, NOA). The objective of ROCE is to achieve or exceed the return targets imposed on us by providers of debt capital and equity on the basis of capital market requirements. We measure return targets using the weighted average cost of capital (WACC). The indicator measures how efficiently revenue is generated with the capital employed. ROCE is especially informative when taking a long-term view, because it takes into account both the value of the assets that are tied up in the capital-intensive infrastructure, and their utilization. This reveals the crucial advantage of this KPI. It does not focus on the absolute amount of the earnings generated, but rather how much earnings the capital employed generates.

Example of the ambition curve of the ROCE performance parameter in an LTI tranche:



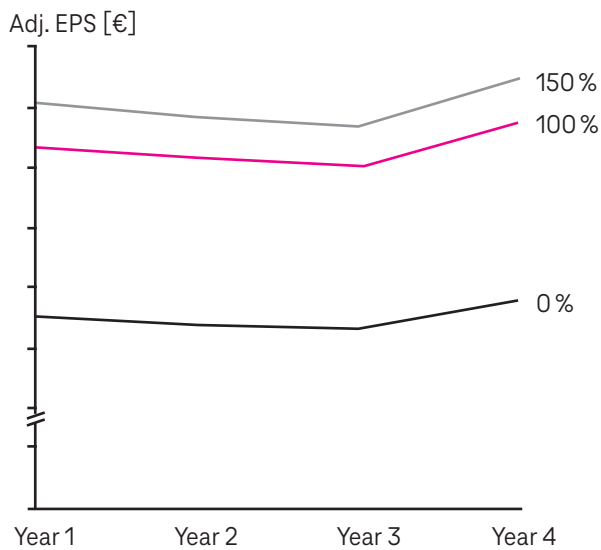
When defining the ambition level, the Supervisory Board uses the prepared medium-term planning of Deutsche Telekom. Reaching the values of the planning (budget as well as following planning years) and the ROCE derived therefrom result in a target achievement degree of at least 100 percent. Positive deviations to the planning values can increase the target achievement for each plan year to a maximum of 150 percent and negative deviations can reduce it to 0 percent. When deriving the target achievement, the Supervisory Board has the option of adjusting the ROCE for significant and extraordinary effects that were not taken into account at all or were considered differently in the corporate planning in order to ensure that the Board of Management does not make decision that could lead to the maximization of ROCE but do not correspond to the long-term interests of the Company.

Adjusted Earnings Per Share (EPS)

A further significant performance indicator at Deutsche Telekom is the adjusted earnings per share (adjusted EPS). The earnings per share is calculated as the adjusted net profit in relation to the adjusted, weighted average number of ordinary shares outstanding. As the net profit takes all income and expenses as well as the minority interests from the current period into consideration, the earnings per share are a very good gage to determine the level of the dividend (currently anchored in the Group's financial strategy).

When defining the ambition level, the Supervisory Board uses the prepared medium-term planning of Deutsche Telekom. Reaching the values of the planning (budget as well as following plan years) results in a target achievement degree of at least 100 percent. When defining the target achievement, the Supervisory Board has the opportunity to amend the adjusted earnings per share in order to, at the same time, reflect significant and extraordinary effects that were not taken into account at all or were considered differently in the corporate planning.

Example of the ambition curve of the EPS performance parameter in an LTI tranche:



Customer loyalty/satisfaction (TRI*M)

At Deutsche Telekom, the customer loyalty/satisfaction is determined with the help of the globally recognized TRI*M method. The results of systematic surveys from an external service provider are expressed by an indicator known as the TRI*M index. This index combines questions on customer satisfaction, the likelihood of recommendation to others, the further willingness of use, and the competitive advantage and, consequently, covers the decisive aspects for the evaluation of customer loyalty and, as a result, offers a greater added value compared to other determination methods that, in some instances, only measure customer loyalty via a single category. In doing so, the TRI*M indexes calculated for all the included operating entities are aggregated as an approximation of the respective entities' percentage of total revenue to create a TRI*M Group value. When preparing the ambition level, the Supervisory Board takes the individual competitive situation of the individual units involved into consideration. In principle, the target is to also become the leader in terms of customer loyalty in the markets. With regard to the consolidated units, there are companies that are already the leaders in the markets in terms of perceived customer loyalty so that maintaining this competitive advantage already represents the economically required ambition level. In other markets, the Group companies are significantly behind the market leaders so that the Supervisory Board expects increases with regard to customer loyalty in order to achieve the desired level. The total target achievement of the customer loyalty/satisfaction success factor is determined from the average of the results from the four plan years.

Employee satisfaction

The most important feedback instruments across the Group (excluding T-Mobile US) for assessing employee satisfaction include regular employee surveys and the pulse surveys carried out twice a year. To this end, an "engagement index" – determined from the results of the most recent employee survey – is measured as an employee performance indicator at Deutsche Telekom. From the regularly used set of questions, the Supervisory Board selects some of the questions that it believes are of particular significance when it comes to evaluating employee satisfaction. For these questions, the Supervisory Board analyzes the development of the response behavior from the past and defines target levels that it considers to be worthwhile for future survey results. For each plan year, the Supervisory Board consequently generates an ambition level as an average value of the relevant questions whereby all questions are given the same weighting. When deriving the target achievements, the Supervisory Board calculated the average of the relevant questions from the current survey results from the current year and compares them to the determined target values at the start of the plan. Every over achievement or under achievement in terms of the plan value by a value of one percentage point increases/decreases the final target achievement by ten percentage points respectively. The total target achievement of the customer satisfaction success factor is calculated from the average of the results from all four tranches.

An example of the method used for target achievement is provided below:

	Target value year 01	Result year 01	Determination of the total target achievement	
Question 1	60	60	Target achievement year 01	120 %
Question 2	68	70	Target achievement year 02	90%
Question 3	55	57	Target achievement year 03	100 %
Question 4	54	61	Target achievement year 04	130 %
Question 5	72	71		
Average	62	64		
Target achievement year 01		120 %	Total target achievement	110 %

The Supervisory Board considers it important that the response behavior of the employees remains free from opportunities to interfere, i.e., by managers. For this reason, the Supervisory Board does not publish questions it believes to be particularly relevant – either internally or externally – that it has made part of the employee satisfaction performance parameter within the framework of the LTI.

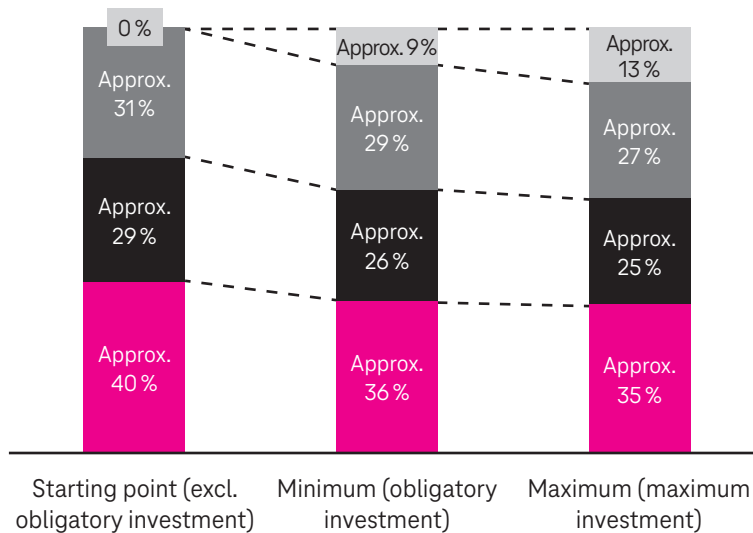
5. Components no longer present in the remuneration system

Board of Management pension plan

With the introduction of the new Board of Management remuneration system, the Supervisory Board has decided to no longer commit to granting a company pension scheme for newly appointed members of the Board of Management. As a result, the financing of a pension plan is the sole responsibility of the respective member of the Board of Management. This decision means that, in the future, the individual biometric risks and the interest rate risks to finance the pension commitment for the company will not apply. A special rule applies for the pension plans that are already in place for the members of the Board of Management who were already on the Board of Management at Deutsche Telekom before this new system was introduced. Please see the explanations under “12. Temporary deviations from the remuneration system”.

6. Remuneration structure

The relation of the variable remuneration components to each other at Deutsche Telekom is, in accordance with the regulatory provisions, primarily oriented towards the achievement of long-term targets. This focus ensures that the remuneration structure is oriented towards a sustainable and long-term development of the company and the remuneration of the members of the Board of Management contributes towards supporting the company strategy and the long-term development of the company. The extent to which the long-term component exceeds the short-term portion is, among other things, determined by the investment behavior of the members of the Board of Management. The following illustration shows the relation of the remuneration components based on the contractually agreed target values to one another. The non-variable components are exclusively presented using the basic remuneration and do not include remuneration in kind or other fringe benefits.



- 1:1 match from the share matching plan
- Variable remuneration (LTI) arising from the long-term objectives
- Variable remuneration (STI) arising from the short-term objectives
- Basic remuneration

Other fringe benefits and remuneration in kind are not included in this illustration.

In the first column, the remuneration relation is calculated excluding the consequences regarding the members of the Board of Management obligation to invest and the share matching plan. When reviewing the system, the recruitments of new members of the Board of Management, and the monetary-based graduation of the individual members of the Board of Management, the Supervisory Board is guided by this form of presentation. The presentation in the second column shows the relation in consideration of the obligatory investment and the share matching plan and the third column illustrates the relation in the event of maximum investment.

The existing relation of the remuneration components to each other also ensures that the variable remuneration components are primarily invested in company shares or are based on shares. The Board of Management remuneration system at Deutsche Telekom includes both variants. The share matching plan with the existing prior obligation to invest is based on real Deutsche Telekom shares. The phantom share plan takes into consideration the share price performance on the basis of virtual shares that are converted to cash sums at the start and end of the plan. Based on this, the following relations with respect to the proportion of long-term compared to short-term remuneration as well as share-based compared to non-share-based remuneration of the members of the Board of Management are calculated.

Taking into consideration the minimum investment	Long-term	:	Short-term
	Share-based	:	Non-share-based
	73	:	27

Taking into consideration the maximum investment	Long-term	:	Short-term
	Share-based	:	Non-share-based
	81	:	19

In both investment versions, the share of the long-term targets significantly exceeds the share of the short-term targets. The same applies to the share-based components compared to the non-share-based components within the variable remuneration components.

Mr. Höttges is in a different situation as a result of the deviations concerning the remuneration system on account of his commitment to the company pension scheme.

7. Limitation of the variable remuneration components and the total remuneration (caps)

When defining the target parameters relevant for the variable remuneration components, the Supervisory Board ensures that they are challenging and that they offer a balanced risk and opportunity profile without tempting the members of the Board of Management to take inappropriate risks. All of the variable remuneration components for the remuneration of the Board of Management are capped in terms of monetary value.

Remuneration component	Cap	Structure
Annual variable remuneration (STI) with an assessment period of one year	180 %	<ul style="list-style-type: none"> Maximum of 150 % for each KPI used Through the application of the performance factor, maximum total target achievement of 180 % of the STI target value
Share matching plan (SMP)	150 %	<ul style="list-style-type: none"> Share price performance of the shares to be transferred is capped at a maximum value of 150 % of the STI in the year of the investment
Long-term variable remuneration (LTI) with an assessment period of several years	200 %	<ul style="list-style-type: none"> Maximum of 150 % for each KPI used While taking the share price development of the phantom shares into account, the total target achievement is capped at 200 %.

The maximum remuneration defined pursuant to § 87a (1) sentence 2 no. 1 will amount to € 5,300,000 for ordinary members of the Board of Management and € 9,100,000 for the Chair of the Board of Management and will limit remuneration to this amount. The maximum threshold level for the total remuneration comprises all of the remuneration components as presented below:

Elements of the maximum total compensation threshold

Fixed compensation elements	<ul style="list-style-type: none"> Basic remuneration Remuneration in kind Other fringe benefits
Variable compensation elements	<ul style="list-style-type: none"> Annual variable compensation (STI) Share matching plan (SMP) Long-term variable compensation (LTI)

8. Clawback rules for variable remuneration components

In accordance with § 87 (2) AktG, the Supervisory Board is authorized to reduce remuneration for the future to an appropriate level or to amend the structure of the total remuneration as well as the structure of the remuneration components in order to ensure an appropriate level of remuneration. In doing so, the position of the company and that of the affiliated companies must be taken into consideration.

In addition to the relevant statutory provisions which stipulate that the Supervisory Board shall – in the event of a breach of duty by members of the Board of Management – minimize the financial damage to the Company and, where necessary, make claims for damages against the members of the Board of Management, the following clawback rule applies for the members of the Board of Management of Deutsche Telekom: The Supervisory Board has the right to reclaim payments made to the members of the Board of Management from the STI and LTI if it is found that the payment was carried out wrongfully, entirely or in part, because the Supervisory Board had received information regarding the decision determining the level of target achievement which was evidently incomplete or incorrect. The reimbursement claims expire three years after the erroneous definition of the target achievement was made.

9. Share ownership guideline (SOG)

In order to harmonize the interests of the Board of Management and the shareholders of Deutsche Telekom as well as to reinforce a sustainable development, the obligations to purchase and retain shares (share ownership guideline) are a significant element of the remuneration system for the Board of Management. Members of the Board of Management are obligated to invest a third of the gross amount of the annual variable remuneration as stipulated by the Supervisory Board (STI) in Deutsche Telekom shares (deferral). Members of the Board of Management also have the option of extending their obligatory personal investment to a maximum of 50 percent of the gross STI. The shares purchased in this way will be held in a separate blocked security deposit at the bank responsible for the administration for exactly four years so that the shares cannot be sold early. After this four-year period, the member of the Board of Management receives the shares from the personal investment in their deposit account and is free to use them as they see fit. Within the context of the share matching plan and provided that the member of the Board of Management is still in the role at the Company, the member of the Board of Management receives one share free of charge from Deutsche Telekom for each released share from the personal investment for their free disposal. Structuring this share deferral in combination with the share matching plan ensures that the members of the Board of Management establish and maintain a significant amount of shares within the four-year rolling lock-up period during their appointment with which they are also participating in the long-term development of the company – both positively and negatively. In this way, the requirements from the German Corporate Governance Code (GCGC) and all stipulations from the AktG concerning the alignment of remuneration towards a sustainable company development are met. The member of the Board of Management is given the duration of initial appointment to build up their number of shares. The equivalent value of an annual basic remuneration must be demonstrably obtained in Deutsche Telekom shares no later than the payment of the third STI.

The following table illustrates an example of how the personal investments and transfers from the share matching plan respectively develop for an investment of one-third (first table) or half (second table) over a period of eight years (three years for the initial appointment and a reappointment for five years). The calculations assume that, for the period in question, the STI always remains the same at € 1,000,000, that no shares are sold during the eight-year period, that the share price remains the same for the entire period, and that the member of the Board of Management receives a basic remuneration of € 1,000,000.

Therefore, making an annual obligatory investment amounting to one-third of the STI results in achieving an equivalent value of an annual basic remuneration in Deutsche Telekom shares in year 04. Making the maximum investment totaling 50 percent of the annual STI will result in reaching the equivalent value of one annual basic remuneration in shares after three years.

Example of the development of the share volume when obligatory investment is made

	Year 01	Year 02	Year 03	Year 04	Year 05	Year 06	Year 07	Year 08
STI	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Obligatory investment ½ of the STI in €		333,333	333,333	333,333	333,333	333,333	333,333	333,333
Transfer of matching shares in €						333,333	333,333	333,333
Value of obligatory investment and matching shares per year in €		333,333	333,333	333,333	333,333	666,667	666,667	666,667
Accumulated value over time in €		333,333	666,667	1,000,000	1,333,333	2,000,000	2,666,667	3,333,333
Equivalent value of a basic remuneration in %				100 %	133 %	200 %	267 %	333 %

Example of the development of the share volume when the maximum investment is made

	Year 01	Year 02	Year 03	Year 04	Year 05	Year 06	Year 07	Year 08
STI	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Maximum investment ½ of the STI in €		500,000	500,000	500,000	500,000	500,000	500,000	500,000
Transfer of matching shares in €						500,000	500,000	500,000
Value of obligatory investment and matching shares in €		500,000	500,000	500,000	500,000	1,000,000	1,000,000	1,000,000
Accumulated value over time in €		500,000	1,000,000	1,500,000	2,000,000	3,000,000	4,000,000	5,000,000
Equivalent value of a basic remuneration in %			100 %	150 %	200 %	300 %	400 %	500 %

In both scenarios, the earliest point in which some of the shares from the personal investment and the received matching shares can be sold is in 06.

Within the context of the new remuneration system, the Supervisory Board can introduce additional share ownership guidelines that go beyond the rules as described here.

10. Commitments in connection with the termination of a position on the Board of Management

10.1 Severance payments

The existing rules concerning the payout of a severance payment if the membership on the Board of Management is terminated early at the Company's instigation do not exceed the value of two annual remunerations (severance cap) and do not total more than the remaining term of the service contract. If compensation is paid for the period of prohibition of competition due to an existing post-contractual prohibition of competition, it is ensured that these compensation payments are set off against the volume of the severance entitlement.

10.2 Processing of the remuneration components upon termination

In the event of termination, the existing remuneration components are significantly defined by the primary reason for the termination. Essentially, the member of the Board of Management will continue to receive the monthly basic remuneration and the ongoing fringe benefits until the point of termination. This also applies to the entitlement to participate in the variable remuneration that is calculated on the basis of the achievement of short-term incentives (STI). The STI is paid out in the same way and at the same time as for the still-active members of the Board of Management in accordance with the respective rules of the company. The concrete reason for the termination is decisive with regard to the further participation in the variable remuneration calculated based on the achievement of long-term incentives (LTI) and the share matching plan. Depending on the reason for the termination, the plans may be completely forfeited or the members may be able to continue participating on a full or pro rata basis. It is ensured that, when outstanding variable remuneration components are paid, no deviations from the agreed targets and comparison parameters or from the due dates or holding period as defined in the contract occur.

10.3 Post-contractual prohibitions of competition

Board of Management member service contracts generally stipulate a post-contractual prohibition of competition. Pursuant to these provisions, members of the Board of Management are prohibited from rendering services to or on behalf of a competitor for the duration of one year following their departure. To this end, the members of the Board of Management are paid a compensation for the period of prohibition of competition. The sum is 50 percent of the most recent basic remuneration and 50 percent from the most recent Variable I (STI) assuming a target achievement of 100 percent. Remuneration to be paid for the period of prohibition of competition will be set off against the total of a potential severance payment. In the event of an upcoming contract termination, Deutsche Telekom AG has the right to cancel the post-contractual prohibition of competition provided that appropriate notice is observed. If the agreed deadline is observed, the member of the Board of Management would not receive a remuneration payment.

10.4 Incapacity for work

Temporary incapacities for work as a result of an uninterrupted period of illness-related absence up to a period of one month have no impact on the continued payment of the contractually agreed remuneration components. In the event of longer absences due to illness, the basic remuneration will be paid for a maximum of six months and, with regard to variable remuneration components, participation is only permitted on the basis of a pro rata calculation. Service contracts for the Board of Management will end automatically at the end of the month in which a permanent incapacity for work is determined for the member of the Board of Management in question. In such a case, there is no entitlement to a severance payment.

10.5 Change of control clauses

The service contracts for the Board of Management at Deutsche Telekom AG contain no commitments in relation to the early termination of the member of the Board of Management Member due to a change of control.

11. Board-related payments

11.1 Group-internal boards

It is expected that members of the Board of Management assume certain Group-internal Supervisory Board or Advisory Council seats within the context of the responsibilities as regulated in the schedule of responsibilities. Wherever legally possible, the members of the Management Board will forgo the remuneration payable for such seats. If this is not possible or if the acceptance of the remuneration results in an economic advantage for Deutsche Telekom, the remuneration payable can be accepted but, in such a case, it will be offset against the payable basic remuneration so that, ultimately, the member of the Board of Management has no economic advantage.

11.2 Group-external boards

External secondary occupations always require an explicit preapproval from the Supervisory Board. In every case, the Supervisory Board very closely examines the expected time associated with such a seat on a board and the advantages that such a seat will bring for Deutsche Telekom AG and will also bring for the personal development of the member of the Board of Management. Furthermore, the Supervisory Board also ensures that no member of the Board of Management now assumes more than two seats on the Supervisory Board of non-group listed companies or similar roles and that no role is taken as Chair of the Supervisory Board of a non-group listed company. If a seat on the supervisory board of a non-group company is assumed, the Supervisory Board will always decide whether or to what extent the remuneration for this seat will be offset against the remuneration of the Board of Management.

12. Temporary deviations from the remuneration system

12.1 General temporary deviations

In special justified exceptional cases, it is possible to temporarily deviate from individual components of the remuneration system as described here if this is necessary for Deutsche Telekom's long-term wellbeing and is appropriate to maintain the incentive effect of the remuneration of the Board of Management. The remuneration of the Board of Management will continue to be oriented towards the sustainable and long-term development of the company and shall not overwhelm the financial capacity of the company. Such a justified exceptional case could include unusual and far-reaching changes to the economic situation which make it impossible for the originally defined target criteria to be achieved, thus nullifying the incentive effect of the remuneration system of the Board of Management if they or their concrete impacts for the Supervisory Board were not foreseeable at the time at which the targets were defined. However, general unfavorable market developments explicitly do not qualify as a justified exceptional case. The Supervisory Board at Deutsche Telekom AG must adopt a resolution for such a temporary deviation. Temporary deviations may occur within the context of the obligatory personal investment if, at the time of the obligation to purchase, information relevant in terms of insider trading policy was available that would make the trading of shares with Deutsche Telekom impossible. In such a case, the period to accumulate shares within the framework of the share ownership guideline could also become affected. This guideline would also need to be amended. In exceptional cases, temporary deviations may also have to take place within the framework of the STI or LTI performance criteria.

12.2 Chair of the Board of Management deviations

Among the current members of the Board of Management, only Mr. Höttges has a performance-based pension benefit in the form of lifelong pension payments, in which up to 50 percent of the pension entitlement can be paid out optionally as a lump sum upon entering retirement. By including this optional payment option as a lump sum, the Supervisory Board is intending to converge with the contribution-based 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. The Supervisory Board has therefore resolved to continue Mr. Höttges' pension commitment further in this Board of Management remuneration system. The details of the existing pension commitment of Mr. Höttges will therefore be presented here.

The company pension scheme of Mr. Höttges is directly linked to his annual basic remuneration. Up until 2018, Mr. Höttges received a defined percentage of the most recent basic remuneration prior to the qualifying event as a company pension scheme for each completed year of service. The pension commitment may be in the form of a life-long retirement pension upon reaching the age of 62 or in the form of an early retirement pension upon reaching the age of 60. Opting for the early retirement pension scheme is connected with actuarial deductions. The company pension is calculated by multiplying a basic percentage rate of 5 percent by the number of years of service as a member of the Board of Management. After ten years of service, Mr. Höttges had attained the maximum pension level of 50 percent of the last fixed annual remuneration. Following Mr. Höttges' reappointment and the adjustment to his basic remuneration, the Supervisory Board decided to dynamically increase his pension entitlements accrued up to December 31, 2018 by 2.4 percent per year. The primary measurement base for calculation for the dynamization was the basic remuneration valid up to December 31, 2018. Future increases in his remuneration will thus not lead to higher pension payments. The pension payments to be made upon retirement increase dynamically, at a rate of 1 percent per year. In addition, the pension agreement includes arrangements for pensions for surviving dependents in the form of entitlements for widows and orphans. In specifically provided exceptional cases, entitlement to a widow's pension is ruled out. The standard criteria for eligibility in the pension commitments are in line with market conditions. In the event of a permanent incapacity for work (invalidity), the beneficiary is also entitled to the pension credit accrued.

The Supervisory Board believes that the presented remuneration system of the Board of Management corresponds to the national and international standards of good and responsible corporate governance. All of the recommendations of the German Corporate Governance Code (2020 version) and the requirements of the German Stock Corporation Act are met. The success parameters relevant in terms of the remuneration of the Board of Management are in line with the strategy and objective of Deutsche Telekom meaning that the remuneration of the Board of Management contributes towards a sustainable development of the company.

Annex 4: Remuneration of the Supervisory Board

1. Objectives of Supervisory Board remuneration and relevance to the Company strategy

The key duties of the Supervisory Board include monitoring the Board of Management's activities to manage the business. Supervisory Board remuneration must be structured to ensure the required level of independence of the Supervisory Board for its monitoring duties. Supervisory Board remuneration at Deutsche Telekom AG consists of fixed remuneration components on the one hand and attendance fees on the other. The amount of remuneration paid to individual Supervisory Board members therefore depends on the duties assumed on the Supervisory Board and/or its committees, as well as the extent of meeting attendance. In this way, the structure of Supervisory Board remuneration provides a counterweight to Board of Management remuneration, which is heavily dependent on the success of Deutsche Telekom. This approach strengthens the independence of the Supervisory Board and, in turn the long-term development of Deutsche Telekom AG. Although Supervisory Board remuneration is not directly linked to the success of the Company's strategy, it still contributes to its successful implementation.

2. Process for determining Supervisory Board remuneration

The remuneration received by Supervisory Board members is specified under § 13 of the Articles of Association. Under agenda item 9 of the shareholders' meeting on April 7, 2022, the Board of Management and Supervisory Board are proposing an amendment to § 13 of the Articles of Association. The amended § 13 of the Articles of Association which underlies the remuneration system as described here, is as follows:

„§ 13 Remuneration

- (1) In addition to reimbursement for cash expenses and value-added tax paid on remuneration and expenses, the members of the Supervisory Board shall receive a fixed annual remuneration of € 100,000.
- (2) The Chair of the Supervisory Board shall receive € 100,000 in addition to the remuneration stated in (1) hereof, and the Deputy Chair € 50,000.
- (3) Members of the Supervisory Board shall also receive remuneration as follows for activities on Supervisory Board committees:
 - (a) The Chair of the Audit Committee € 100,000, all other Audit Committee members € 40,000,
 - (b) The Chair of the General Committee € 70,000, all other General Committee members € 30,000,
 - (c) The Chair of the Nomination Committee € 25,000, all other Nomination Committee members € 12,500,
 - (d) The Chair of another committee € 40,000, all other members of a committee € 25,000.There is no remuneration for chairing or being a member of the Mediation Committee.
- (4) Additionally, members of the Supervisory Board will receive an attendance fee amounting to € 2,000.00 for each meeting of the Supervisory Board or its committees attended by them, whereby only one meeting per day shall be considered.
- (5) Members of the Supervisory Board who are on the Supervisory Board for only part of the financial year in question shall receive one twelfth of the remuneration for every month of membership or part thereof. The same shall apply to the increase in remuneration for the Supervisory Board Chair and Deputy Chair pursuant to (2) hereof and to the increase in remuneration for chairing or being a member of a Supervisory Board committee pursuant to (3) hereof.

(6) The remuneration pursuant to (1) hereof and the attendance fee shall fall due at the end of the Shareholders' Meeting to which the consolidated financial statements for the financial year in question are presented or which decides on its approval."

The remuneration of the Supervisory Board for the full 2022 financial year shall be determined in accordance with the amended § 13 of the Articles of Association as set out above, provided the above amendment to the Articles of Association is entered into the commercial register in the current financial year and thereby becomes effective. The Board of Management and Supervisory Board also propose a corresponding resolution on this temporal scope under agenda item 9 of the shareholders' meeting.

3. Process for reviewing Supervisory Board remuneration

The Supervisory Board reviews on an ad hoc basis the appropriateness of the components, amount, and structure of its remuneration. The Supervisory Board is supported by the General Committee in these efforts. To this end, the General Committee evaluates Supervisory Board remuneration at similar companies, particularly those also represented in the DAX index; compares them with the remuneration of the Supervisory Board at Deutsche Telekom AG with regard to components, amount, and structure of said remuneration; and reports the results to the Supervisory Board. Based on this analysis and taking into account the importance and effort required by the work on the Supervisory Board and its committees, the Supervisory Board then decides whether changes to its remuneration are necessary. Based on this process, at the initiative of the Supervisory Board, a proposal has been made to the Shareholders' Meeting on April 7, 2022 to amend the remuneration of the Supervisory Board.

Given the particular nature of Supervisory Board remuneration, which is granted for activities that are fundamentally different from the activities of employees of Deutsche Telekom AG and the Deutsche Telekom Group, a "vertical comparison" with employee remuneration is not relevant to the review and determination of remuneration. Accordingly, it is also unnecessary to define a group of employees to be included in such a comparison.

Pursuant to § 113 (3) sentence 1 AktG, the shareholders' meeting must adopt a resolution on the remuneration of the Supervisory Board members once every four years, whereby it is also possible to adopt a resolution confirming the remuneration. In preparation for this resolution, the Supervisory Board will perform an analysis of its remuneration at least every four years. The Supervisory Board and Board of Management will submit the remuneration of the Supervisory Board members for resolution at least every four years. If there are grounds for changing the remuneration of the Supervisory Board members, the Board of Management and Supervisory Board will submit a proposal for a corresponding amendment to § 13 of the Deutsche Telekom AG Articles of Association. This may also provide that the Supervisory Board remuneration be determined according to the changed provision in the Articles of Association for the entire financial year in which the change to the Articles of Association is entered in the commercial register. Should the shareholders' meeting fail to achieve the needed majority for a resolution, a reviewed Supervisory Board remuneration must be submitted by the next shareholders' meeting at the latest.

It is only natural that the members of the Supervisory Board be involved in the structuring of the remuneration and underlying remuneration system applicable to them. The resulting conflict of interest is offset, however, by the fact that the final decision on the structure of the remuneration and the underlying remuneration system is legally the responsibility of the Shareholders' Meeting, which will be presented with a resolution proposal by both the Supervisory Board and the Board of Management.

4. Remuneration-related transactions, term of appointment

The remuneration entitlements of individual Supervisory Board members result from the cooperative legal relationship established between the Company and the Supervisory Board member through their election to the Supervisory Board and their acceptance, and which is structured by the Articles of Association and, where applicable, a resolution on Supervisory Board remuneration by the shareholders' meeting. Accordingly, no agreements on Supervisory Board remuneration exist between Deutsche Telekom AG and the Supervisory Board members.

The term of appointment of Supervisory Board members is governed by § 9 (2) of the Deutsche Telekom AG Articles of Association as follows:

“The members of the Supervisory Board shall be elected for the period ending with the Shareholders' Meeting that approves the actions of the Supervisory Board for the fourth financial year following commencement of tenure of office. The financial year in which tenure of office commences shall not be counted. For members representing shareholders, the Shareholders' Meeting may determine a shorter tenure of office at the time of their election. A successor to a member representing shareholders who has resigned prior to expiry of their tenure of office shall be elected for the remainder of the retired member's tenure of office, unless the successor's tenure of office is otherwise determined by the Shareholders' Meeting.”

The Supervisory Board has decided to define the standard term in office for nominations of shareholder members as the period ending with the Shareholders' Meeting that approves the actions of the Supervisory Board for the third financial year following commencement of term of office. The financial year in which term of office commences shall not be counted.

The discharge of Supervisory Board members is possible according to the requirements of the statutory provisions applicable at the time. Members of the Supervisory Board may resign from their office pursuant to § 9 (4) of the Deutsche Telekom AG Articles of Association by giving four weeks' written notice to the Chair of the Supervisory Board or to the Board of Management. This shall be without prejudice to the right to resign on compelling grounds.

5. Components, amount, and structure of Supervisory Board remuneration

According to the provisions defined in the Articles of Association and amended this year, each member of the Supervisory Board receives a fixed basic annual remuneration of € 100,000.00. The Chair and Deputy Chair of the Supervisory Board receive an increased basic remuneration in recognition of the increased organizational and administrative efforts associated with their activities and their responsibility for ensuring the successful, efficient collaboration of the overall Board. The increase amounts to € 100,000.00 for the Chair and € 50,000.00 for the Deputy Chair.

Additional remuneration is paid for membership of committees of the Supervisory Board in recognition of the importance of committee work and the increased preparation and work required. The amounts vary according to the individual committee. The Chair of the Audit Committee receives € 100,000.00, each other member of the Audit Committee receives € 40,000.00, the Chair of the General Committee receives € 70,000.00, each other member of the General Committee receives € 30,000.00, the Chair of the Nomination Committee receives € 25,000.00, and each other member of the Nomination Committee receives € 12,500.00. For all other committees with the exception of the Mediation Committee, the respective committee Chair receives € 40,000.00 and each other committee member receives € 25,000.00. Chairpersonship and membership of the Mediation Committee are not remunerated.

To take proper account of the time spent attending meetings, members of the Supervisory Board also receive an attendance fee of € 2,000.00 for each meeting of the Supervisory Board and its committees that they attend, whereby only one meeting per day shall be considered.

The remuneration and attendance fees shall fall due at the end of the Shareholders' Meeting to which the consolidated financial statements for the financial year in question are presented or which decides on its approval.

In the interests of the Company, Supervisory Board members are covered by a directors' and officers' (D&O) liability insurance policy. The Company shall pay the premiums.

The Company shall reimburse all Supervisory Board members for their expenses and for the value-added tax on their remuneration. The Company shall also support the members of the Supervisory Board, within reason, with their induction and with further education and training measures.

Annex 5: Remuneration report for the 2021 financial year

A. Remuneration of the Board of Management

1. Review of annual remuneration for 2021

- 1.1. Changes in the composition of the Board of Management
- 1.2. Approval of the Board of Management remuneration system by the Shareholders' Meeting
- 1.3. Application and date of application of the remuneration system
- 1.4. Review of appropriateness and customariness of Board of Management remuneration

2. Overview of the remuneration system in 2021

- 2.1. Non-performance-based remuneration components
- 2.2. Performance-based remuneration components
- 2.3. Clawback rule
- 2.4. Benefits from third parties
- 2.5. Benefits in case of early or regular termination
- 2.6. Board of Management remuneration for 2021 and compliance with maximum total remuneration

3. Remuneration granted and due in accordance with § 162 AktG

- 3.1. Remuneration granted and due for current members of the Board of Management in accordance with § 162 AktG
- 3.2. Remuneration granted and due for former members of the Board of Management in accordance with § 162 AktG
- 3.3. Comparative information

4. Outlook

B. Remuneration of the Supervisory Board

1. Review of annual remuneration for 2021
2. Remuneration of the Supervisory Board in the 2021 financial year
3. Comparative figures
4. Outlook

Auditor's Report

This remuneration report is a part of reporting by the Board of Management and the Supervisory Board in accordance with § 162 of the Stock Corporation Act (Aktiengesetz, AktG). It presents in detail the remuneration for the current and former members of the Board of Management and the Supervisory Board of Deutsche Telekom AG. The remuneration report has undergone a formal and substantive audit by the auditor PricewaterhouseCoopers (PWC). The audit opinion resulting from this audit is provided in full at the end of the remuneration report. In addition, the recommendations of the German Corporate Government Code (GCGC) were met, with the exception of recommendation C.5 (Maximum number of supervisory board mandates), which is in any case not directly linked to Board of Management or Supervisory Board remuneration.

A. Remuneration of the Board of Management

1. Review of annual remuneration for 2021

1.1. Changes in the composition of the Board of Management

The Board of Management members Birgit Bohle and Thorsten Langheim were both reappointed to the Board of Management of Deutsche Telekom for a further five years effective January 1, 2022, in the Supervisory Board meeting on February 25, 2021.

In the Supervisory Board meeting on December 15, 2021, the Supervisory Board extended Chairman of the Board of Management Timotheus Höttges' appointment ahead of schedule. The appointment was extended by five years, until December 31, 2026.

1.2. Approval of the Board of Management remuneration system by the Shareholders' Meeting

On April 1, 2021, the Shareholders' Meeting approved with a majority the proposed remuneration system for members of the Board of Management. The proposed remuneration system remains available on the Company's website. Even though no major changes are to be made to the remuneration system, given the ongoing dialog with the Company's investors following the Shareholders' Meeting on April 1, 2021, the Supervisory Board has decided to amend three points and to present this modified remuneration system to the Shareholders' Meeting on April 7, 2022 for approval. The planned amendments particularly include the waiving of the option to grant the members of the Board of Management a bonus for extraordinary performance, which was still included in the most recently approved remuneration system. This will respond to the criticisms leveled by investors concerning this remuneration component. The amended remuneration system will be available on the company's website (like the previous proposed remuneration system).

1.3. Application and date of application of the remuneration system

As outlined in the remuneration system submitted to the Shareholders' Meeting, following approval of the system, the Supervisory Board implemented the new remuneration system with retroactive effect to January 1, 2021, and transferred the members of the Board of Management to the new system with amended service contracts for the Board of Management. All current members of the Board of Management were transferred to the new system.

However, it should be noted that, due to the transition to the new system, the details provided below of the remuneration system and the figures for Board of Management remuneration for 2021 and the subsequent years still include payments that have been made or will be made resulting from a previous Board of Management remuneration system which applied prior to the transition. These are multi-year variable components of remuneration from the old system that will continue unchanged until the end of the agreed term and will lead to future payments. The report will include an explicit indication when components of remuneration from the old system are included in the figures.

In the 2021 financial year, there was no deviation from the components of the remuneration system that were included in the approval of the remuneration system in the 2021 Shareholders' Meeting.

1.4. Review of appropriateness and customariness of Board of Management remuneration

The Supervisory Board determines the structure of the Board of Management remuneration system and transferred the system approved by the 2021 Shareholders' Meeting in the 2021 financial year to new service contracts for the Board of Management. The Supervisory Board reviews this structure and the appropriateness and customariness of remuneration at regular intervals. It is ensured that Board of Management remuneration is oriented toward the sustained development of the Company and that there is a multi-year measurement base for the variable components for a target achievement level of 100 %. Secondary occupations generally require prior approval. No additional remuneration is generally paid for being a member of the management or supervisory board of other Group entities.

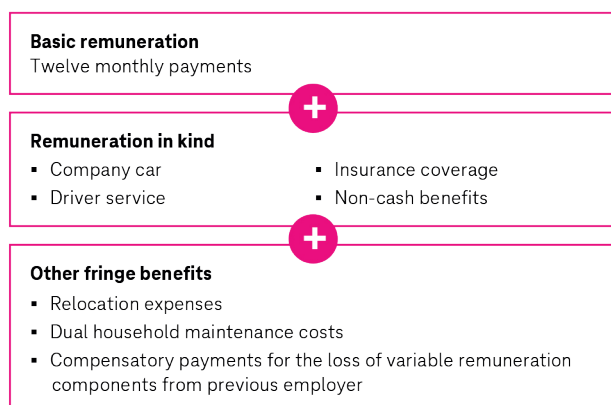
The General Committee of the Supervisory Board last reviewed the appropriateness and customariness of Board of Management remuneration at Deutsche Telekom on December 1, 2021. The results and proposals resulting from this analysis were recommended to the Supervisory Board for resolution and were passed in the Supervisory Board meeting on December 15, 2021. The review was carried out based on a study done by an external service provider on the remuneration components and remuneration levels at DAX-30 companies. The Supervisory Board ascertained that the remuneration components applied in the Board of Management remuneration system are in keeping with and normal for the market, and that the members of the Board of Management are compensated at a level appropriate to their tasks and performance and to the situation of the Company. Based on the statistical size criteria of revenue, employees, and market capitalization, Deutsche Telekom was initially positioned as a company within the DAX-30. A review was then carried out of whether remuneration levels at Deutsche Telekom were similar to those of other companies of a similar size. From this analysis, the Supervisory Board ascertained that the maximum remuneration at Deutsche Telekom set the previous year is significantly lower than at companies of a comparable size. In order to continue to provide competitive Board of Management remuneration that is in keeping with the market, the Supervisory Board therefore resolved a moderate increase of approx. 7% in Mr. Hötting's maximum remuneration in 2022 and to present an amended remuneration system for approval at the Shareholders' Meeting in 2022. This decision by the Supervisory Board remains considerably below the upper remuneration threshold for DAX-30 companies that would have been possible given Deutsche Telekom's size and would still have meant that remuneration was appropriate and in keeping with the market. An increase in the upper limit for remuneration does not automatically lead to an increase in Board of Management remuneration. Members of the Board of Management can only receive higher remuneration if business development is better than expected, because the limit on remuneration is only applicable at a higher target amount than the current upper limit for remuneration.

In the same meetings, the General Committee and the Supervisory Board also reviewed the relation between Board of Management remuneration and remuneration of the upper management level and the workforce as a whole. Trends in remuneration over time were also taken into account in this regard. In addition, a qualitative analysis was carried out of the remuneration components of the individual employee groups, and average remuneration within employee groups was also taken into consideration. The German workforce was used for the vertical comparison of remuneration and a total of seven categories of employee group were considered. The process has been used regularly in this way for several years, making it possible to observe changes in remuneration over time.

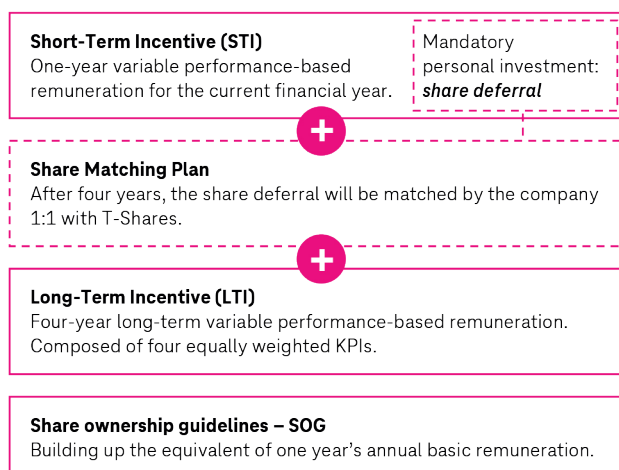
2. Overview of the remuneration system in 2021

The current Board of Management remuneration system meets the requirements of § 87a AktG and complies with the recommendations of the German Corporate Governance Code, with full compliance in 2021 in regard to Board of Management remuneration. The Deutsche Telekom Board of Management remuneration system consists of non-performance-based and performance-based remuneration components and is detailed in the overview below.

Fixed remuneration components



Variable remuneration components



2.1. Non-performance-based remuneration components

Members of the Board of Management receive the following non-performance-based (fixed) remuneration components, which are intended to achieve the objectives of Deutsche Telekom AG stated below.

Overview of possible fixed components of Board of Management remuneration in the remuneration system

Remuneration components	Structure	Objectives and bearing on strategy
Basic remuneration	<ul style="list-style-type: none"> Fixed agreed remuneration Paid out at the end of each month 	<ul style="list-style-type: none"> Reflects the person’s position within the Board of Management, personal experience, and market conditions Guaranteed component of remuneration of the Board of Management
Remuneration in kind	<ul style="list-style-type: none"> Provision of a company car/driver Annual health checkup Insurance payouts Consultation on security-related issues and measures for structural and technical security 	<ul style="list-style-type: none"> Assumption of costs which are incurred in the company’s interests
Other fringe benefits	<ul style="list-style-type: none"> Reimbursement of job-related relocation costs Time-limited reimbursement of dual household maintenance costs Compensatory payments for the loss of variable remuneration components from previous employer in the event of a transfer to Deutsche Telekom 	<ul style="list-style-type: none"> Compensation for financial losses which arise as part of Board activities or are incurred due to the transfer to Deutsche Telekom

Basic remuneration

Basic remuneration is always paid out in monthly installments. In combination with the remuneration in kind, it represents the minimum amount of remuneration that a member of the Board of Management will receive in a year. When setting the amount, the Supervisory Board differentiates between the Chair and the ordinary members of the Board of Management. In addition, the level of basic remuneration varies according to the number of reappointments and the level of individual experience of each member of the Board of Management.

Remuneration in kind

According to market-oriented and corporate standards, the company grants all members of the Board of Management additional benefits, some of which are viewed as non-cash benefits and taxed accordingly. These include the provision of a company car, the possible service of a personal driver, and the provision of accident and personal liability insurance.

Other fringe benefits

In the 2021 financial year, the Supervisory Board did not take up the opportunity provided for in the remuneration system to offer “Other fringe benefits” in certain cases.

2.2. Performance-based remuneration components

As of 2021, the members of the Board of Management participate in the following performance-based (variable) remuneration components.

Overview of possible variable components of Board of Management remuneration in the remuneration system

Remuneration components	Structure	Objectives and bearing on strategy
Variable remuneration arising from the achievement of short-term objectives (STI)	<ul style="list-style-type: none"> ▪ Term: 1 year ▪ Payout date: After the shareholders' meeting of the following year ▪ Possible achievement of the target parameters: 0 % - 150 % ▪ The relevant target parameters are: <ul style="list-style-type: none"> ▪ 1/3 Group financial targets ▪ 1/3 segment financial targets ▪ 1/3 ESG targets ▪ Application of individual performance factor: 0.8 - 1.2 ▪ Possible total target achievement taking into account the performance factor: 0 % - 180 % 	<ul style="list-style-type: none"> ▪ Achieving single-year corporate targets derived from medium-term planning ▪ Operational successes at Group and segment level taken into account ▪ Continual development of the operating business ▪ Creating the conditions for being able to pay out dividends and make investments ▪ Sustainable and ecological aspects of the company's business taken into account ▪ Stakeholder interests taken into account ▪ Performance of individual members of the Board of Management may also be taken into account
Obligation to invest (personal investment)	<ul style="list-style-type: none"> ▪ Rolling each year after the STI is defined by the Supervisory Board ▪ Minimum investment volume: 1/3 of the STI ▪ Maximum investment volume: 1/2 of the STI ▪ Lock-up period: 4 years (from time of investment) 	<ul style="list-style-type: none"> ▪ Achieving budget figures and short-term company targets ▪ Acts as incentive for a long-term increase in shareholder value ▪ Synchronizes the interests of members of the Board of Management with those of shareholders ▪ Retention effect for the member of the Board of Management
Share Matching Plan (SMP)	<ul style="list-style-type: none"> ▪ Requires four years of personal investment in advance ▪ Rolling each year following the end of the four-year lock-up period for the personal investment ▪ Matching ratio: 1:1; for each share of the personal investment, 1 share is transferred as a matching share ▪ Limitation on share price development: at 150 % of the paid STI In the event that during the lock-up period the share price increases by more than 150 % of the STI relevant for the personal investment, the member of the Board of Management will not participate in any further increase of the share price. In this case, the matching ratio would be below 1:1. 	<ul style="list-style-type: none"> ▪ Acts as incentive for a long-term increase in shareholder value ▪ Synchronizes the interests of members of the Board of Management with those of shareholders ▪ Retention effect for the member of the Board of Management
Variable remuneration arising from the achievement of long-term objectives (LTI)	<ul style="list-style-type: none"> ▪ Type of plan: cash-settled and share-based ▪ Term: 4 years (rolling) ▪ Payout date: After the shareholders' meeting following the end of the 4-year term of plan ▪ Target parameters: 4 equally weighted targets <ul style="list-style-type: none"> ▪ Return on capital employed (ROCE) ▪ Earnings per share (EPS) ▪ Customer satisfaction ▪ Employee satisfaction ▪ Based on phantom shares over the term of the plan ▪ Taking into account actual payments of dividends ▪ Possible achievement of the target parameters: 0 % - 150 % ▪ Maximum payment limited to 200 % 	<ul style="list-style-type: none"> ▪ Achieving multiple-year corporate targets derived from medium-term planning ▪ Acts as incentive for implementation of the long-term corporate strategy ▪ Stakeholder interests taken into account ▪ Synchronizes the interests of members of the Board of Management with those of shareholders ▪ Retention effect for the member of the Board of Management

Variable remuneration arising from the achievement of short-term objectives (STI)

Functioning

The STI is the short-term variable remuneration instrument, with a term of one year. The STI is based in equal parts (one-third each) on Group financial targets, segment financial targets, and ESG targets. To determine the final target achievement, the Supervisory Board takes into account an individual performance factor, based on which calculated target achievement can be adjusted between 0.8 and 1.2. When deciding to apply the performance factor, the Supervisory Board assesses the strategic individual targets agreed with the respective member of the Board of Management and also assesses individual value adherence. Target achievement is applied to the target amount resulting from the service contract for the Board of Management, and the performance factor can then be applied. Maximum target achievement per KPI is limited to 150 %. If the performance factor is applied, total target achievement is limited to a maximum of 180 % of the target amount.

Contribution to long-term development of the Company

The economic success of the current financial year should be reflected within the framework of the STI. The Supervisory Board considers it important that 1/3 of the STI for the members of the Board of Management responsible for the operating business is determined on the basis of the success of the respective segment for which they are responsible. For members of the Board of Management who do not have any operating responsibility, this measurement takes place on a Group level and, depending on the area of responsibility, includes or excludes U.S. business. For the Chair of the Board of Management and the Member of the Board of Management for Finance, the target includes U.S. business. The objective of this is to reinforce the crossarea collaboration in the Board of Management team and, at the same time, to align a significant percentage of the annual variable remuneration of members of the Board of Management with responsibility for operating business towards the development of the respective operating segment. Furthermore, the Supervisory Board has decided to support the significance of the sustainability strategy by implementing two ESG targets in the variable remuneration with an assessment period of one year. It has therefore implemented the reduction of energy consumption and the reduction of CO2 emissions as sustainability targets for the 2021 reporting year.

Target achievement for the STI in the 2021 financial year

2021 was a successful financial year for Deutsche Telekom. Deutsche Telekom exceeded the original capital market expectations in the relevant areas (including EBITDA AL, FCF AL, net income) in 2021 and was in a position to raise its outlook for 2021 multiple times due to performance being better than expected.

Total target achievement for the successful 2021 financial year can be seen in the following table. The STI will be paid out in the 2022 financial year after the 2022 Shareholders' Meeting.

	Group financial targets (weighting: 33.3 %)				Segment financial targets (weighting: 33.3 %)				ESG (weighting: 33.3 %)			Target achievement	Perfor- mance factor	Total target achieve- ment
	Service revenues	EBITDA AL (unadj.)	FCF AL	Σ	Service revenues	EBITDA AL (unadj.)	Ext. adj. indirect costs AL	Σ	Reduction in CO ₂ emissions	Reduction in energy consump- tion	Σ			
Member of the Board of Management	(30%)	(30%)	(40%)		(33.3%)	(33.3%)	(33.3%)		(50%)	(50%)		(0.8 – 1.2)		
Adel Al-Saleh	110%	150%	150%	138%	111%	131%	147%	130%	150%	150%	150%	139%	1.05	146%
Birgit Bohle	110%	150%	150%	138%	107%	150%	132%	130%	150%	150%	150%	139%	1.00	139%
Srinivasan Gopalan	110%	150%	150%	138%	109%	150%	135%	131%	150%	150%	150%	140%	1.15	161%
Timotheus Höttges	110%	150%	150%	138%	110%	150%	132%	131%	150%	150%	150%	140%	1.15	160%
Dr. Christian Illek	110%	150%	150%	138%	110%	150%	132%	131%	150%	150%	150%	140%	1.05	147%
Thorsten Langheim	110%	150%	150%	138%	115%	150%	147%	137%	150%	150%	150%	142%	1.20	170%
Dominique Leroy	110%	150%	150%	138%	116%	150%	143%	136%	150%	150%	150%	141%	1.05	149%
Claudia Nemat	110%	150%	150%	138%	107%	150%	132%	130%	150%	150%	150%	139%	1.05	146%

Group financial targets

Before the start of the financial year, the Supervisory Board derives the target and threshold values for the Group financial targets and the segment financial targets from the medium-term company planning. The 100 % target value is the budget value from the planning. Target achievement for each KPI can range between 0 % and 150 %.

Service revenues are defined as the revenues that are generated by customer use of services (i.e., revenue from fixed-network and mobile communications – voice services – incoming and outgoing calls – as well as data services) plus roaming revenue, monthly basic charges and visitor revenue, as well as revenue generated from the ICT business. As a result, the service revenues are an important indicator for the successful implementation of the growth strategy of the Group.

EBITDA AL (unadjusted) is the most important KPI when it comes to measuring the operating performance of the company and is the result of our growth strategy on the customer side (consumers and business customers) as well as the savings for promoting investment. EBITDA AL is calculated by adjusting EBITDA (earnings before interest, taxes, depreciation and amortization) for depreciation of the right-of-use assets from lease arrangements and for interest expenses on recognized lease liabilities.

Free Cash Flow (FCF) AL is a further important KPI when it comes to measuring the operating performance of the Group that is directly linked to the financial strategy (the ability to pay a dividend and the ability to reduce liabilities). When determining the FCF AL, the free cash flow (cash generated from operations minus payments for investments) is adjusted for the repayment of lease liabilities.

The target values listed below and the target achievement derived from them, also listed below, applied for the 2021 financial year.

billions of €

	Weighting	Lower target achievement threshold 0 %	Target value 100 % target achievement	Upper target achievement threshold 150 %	Result¹	Target achievement
Service revenues	30 %	71.6	79.5	82.7	80.2	110 %
EBITDA AL (unadjusted)	30 %	29.8	33.1	33.7	35.0	150 %
FCF AL	40 %	6.8	7.5	7.8	9.1	150 %

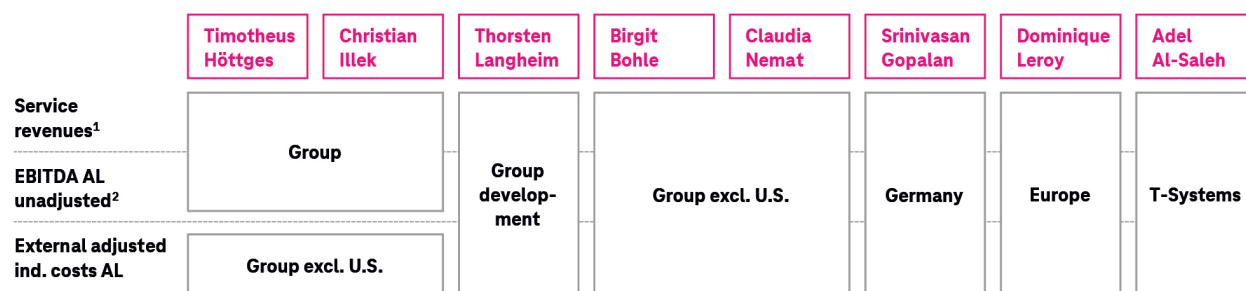
¹ The actual values have been adjusted to include non-budgeted inorganic effects (first-time consolidations and deconsolidations of companies during the course of the year, exchange rate fluctuations) and one-time effects.

In regard to service revenues, the United States in particular performed better than budgeted, while the Group operating segments excluding the United States were at budget level; this leads to a total result that is slightly above budget, and target achievement of 110 %. Results for the KPIs EBITDA AL (unadjusted) and FCF AL were considerably better than assumed in the budget for both the Group excluding the United States and for the United States, leading to target achievement of 150 %. This results in weighted target achievement for the Group financial targets for the 2021 financial year of 138 %.

Segment financial targets

The explanations for the Group financial targets above in regard to the targets of service revenues and EBITDA AL (unadjusted) apply to the segment financial targets.

The segment target “external adjusted indirect costs AL” is an important metric for the operational efficiency of the company and underlines the strategic efforts to make savings in order to support investment in growth. Savings made in terms of indirect costs contribute towards the improvement of the operating performance that is reflected in EBITDA AL and free cash flow AL and, consequently, have a positive impact on the valuation of the company on the capital market. In a similar manner to the determination of EBITDA AL, the adjusted indirect costs for the adjusted indirect costs AL are also calculated by adjusting for depreciation of the right-of-use assets from lease arrangements and for interest expenses on recognized lease liabilities. The segment targets are distributed among the individual members of the Board of Management as follows:



¹ Instead of Total Service Revenue, external T-Systems revenue is now used for T-Systems.

² Instead of unadjusted EBITDA AL, unadjusted EBIT is now used for T-Systems.

ESG targets

The aim of the reduced energy consumption target is to incentivize the members of the Board of Management to behave in a way that will ensure that energy consumption, which is harmful to the environment, is kept at least stable in the medium term. This target supports the implementation of programs and investments in energy-saving measures for all energy sources while, at the same time, implementing optimizations and innovations in terms of the future infrastructure and the use of innovative technology components.

By applying the target of reducing CO₂ emissions, the Board of Management is to be motivated to sustainably anchor the use of green electricity, to optimize consumption levels in buildings, and to successively switch the Group's vehicle fleet from fossil fuels to emission-free or low-emission engine types.

The level of ambition and target achievement can be seen in the following table:

	<i>Weighting</i>	<i>Lower target achievement threshold 0 %</i>	<i>Target value 100 % target achievement</i>	<i>Upper target achievement threshold 150 %</i>	<i>Result</i>	<i>Target achievement</i>
Reduction in CO ₂ emissions (in ktCO ₂ e)	50 %	355	277	259	247	150 %
Reduction in energy consumption (in GWh)	50 %	14,168	13,623	13,351	13,323	150 %

The high target achievement for the reduction of energy consumption is due mainly to the significant overfulfillment of the target values in Germany, Europe, and the international T-Systems units. There were additional measures to those originally planned to reduce energy consumption in the Germany and Europe segments, which had a positive impact on target achievement. T-Mobile US only slightly exceeded plan estimates. This is particularly due to network build-out measures which were more comprehensive than originally planned.

A somewhat stronger effect from the COVID-19 pandemic than expected, in conjunction with noteworthy efficiency measures, meant that the target values were exceeded at T-Mobile US, the international T-Systems companies, and Germany in particular. The Europe segment is almost at the level planned for the reduction of CO₂ emissions.

This leads to weighted target achievement for the ESG targets in the 2021 financial year of 150 %.

Performance factor

To measure the performance factor, the Supervisory Board focuses on the one hand on value adherence by the individual member of the Board of Management and on the other, on achievement of the strategic implementation targets that were agreed with each member of the Board of Management individually prior to the start of the financial year.

Value adherence is determined based on the behavior of the member of the Board of Management using the following categories, which represent adherence to the values of the Group's Guiding Principles:

- Delight our customers
- Act with respect and integrity
- Team together – Team apart
- I am T – count on me
- Stay curious and grow
- Get things done

The members of the General Committee rate each value adherence category per Board of Management member with between 1 and 10 points, and then calculate the average value for each member of the Board of Management. The mathematical result is then put forward as a proposed value in the Supervisory Board meeting in which total target achievement is decided.

For the 2021 financial year, the Supervisory Board agreed the following individual strategic implementation targets with the members of the Board of Management and derived the relevant target achievement from them after the reporting year.

Individual strategy implementation

Timotheus Höttges	<ul style="list-style-type: none"> ▪ Increased value creation TMUS ▪ Continuation of TSI Transformation ▪ Refinement of ways of working in the Group ▪ Creation of more competitive conditions for optical fiber/FTTH and 5G build-out ▪ Successful organization of Capital Markets Day
Adel Al-Saleh	<ul style="list-style-type: none"> ▪ Transformation of classic IT business ▪ Strengthening of TSI growth areas ▪ Improvement in employee experiences at TSI ▪ Increase in customer satisfaction with TSI
Birgit Bohle	<ul style="list-style-type: none"> ▪ Closing of the skills gap at Deutsche Telekom ▪ Further shaping the “new normal” in the Group ▪ Implementation of the workforce strategy ▪ Minimization of legal and regulatory risks ▪ Improvement in employee experiences in the Group
Srinivasan Gopalan	<ul style="list-style-type: none"> ▪ Ensuring profitable revenue growth in Germany ▪ Increased efficiency through digitalization in Germany ▪ Accelerated FTTH build-out and ensuring 5G leadership in Germany ▪ Improved customer satisfaction in Germany
Dr. Christian Illek	<ul style="list-style-type: none"> ▪ Increased value creation TMUS ▪ Improved Group efficiency ▪ Ensuring the Group’s refinancing options ▪ Ensuring the Group’s strategic priorities ▪ Successful organization of Capital Markets Day
Thorsten Langheim	<ul style="list-style-type: none"> ▪ Value creation TMNL ▪ Value creation DFMG ▪ Value creation TMUS ▪ Ensuring value-oriented portfolio management
Dominique Leroy	<ul style="list-style-type: none"> ▪ Acceleration of the digital transformation in Europe ▪ Improvement in customer satisfaction in Europe ▪ Improvement in employee experiences in Europe ▪ Ensuring profitable revenue growth in Europe
Claudia Nemat	<ul style="list-style-type: none"> ▪ Increased innovations in delivery ▪ Increased innovations for customer experience ▪ Increased innovations in networks ▪ Ensuring resilience of the supply chain and the network and improving the effectiveness of the partnering approach

In a comprehensive evaluation, the Supervisory Board translated the scores for value adherence and the individual strategic implementation targets into the following performance factors for each member of the Board of Management. The excellent levels of achievement of the strategic targets were largely responsible for the fact that all Board of Management members were awarded performance factors ≥ 1.0 for the 2021 financial year.

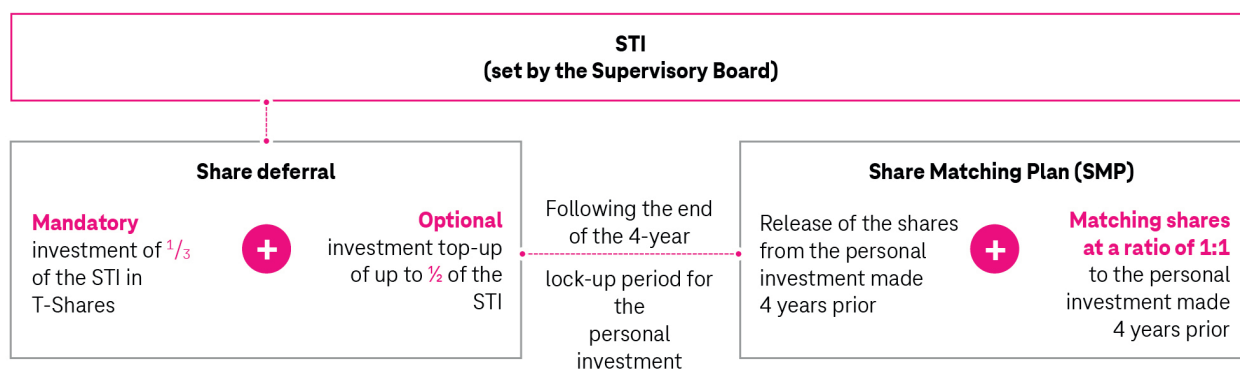
Performance factor

Adel Al-Saleh	1.05
Birgit Bohle	1.00
Srinivasan Gopalan	1.15
Timotheus Höttges	1.15
Dr. Christian Illek	1.05
Thorsten Langheim	1.20
Dominique Leroy	1.05
Claudia Nemat	1.05

Obligation to invest (personal investment)

Members of the Board of Management are obligated to invest a sum totaling at least one-third of the annual gross STI as determined by the Supervisory Board in Deutsche Telekom AG shares. They have the option of extending their personal investment to 50 % of the gross STI. The shares are subject to a four-year lock-up period starting from the date of purchase. The shares acquired by the member of the Board of Management for this purpose are held in a special blocked security deposit of the administering bank so that it is not possible to access the shares early. The personal investment made by the member of the Board of Management then qualifies them to participate in the Share Matching Plan.

The relationship between share investment obligations from the STI and participation in the Share Matching Plan can be seen in the following illustration:



Share Matching Plan (SMP)

The personal investment made by the member of the Board of Management results in participation in the Share Matching Plan. Once the four-year lock-up period for the personal investment is over, the member of the Board of Management may dispose freely of their personal investment and a free additional share is transferred to their deposit account for each share purchased by way of personal investment. The matching shares transferred are available to the Board of Management member immediately, to use as they wish. The transfer of the shares results in a non-cash benefit for the member of the Board of Management and is taxed as income in the salary statement which follows the transfer of the shares. When the matching shares are transferred, the share price development in relation to the equivalent value is capped at 150 % of the relevant STI in the year of the personal investment. This ensures that, when the matching shares are transferred, the equivalent value of these shares does not amount to more than 150 % of the relevant STI. If this case should become a reality, the cap would mean that the matching ratio of a share would decrease to the detriment of the member of the Board of Management for each invested share.

The table below shows the relevant amount of the STI applicable to personal investment in 2020/2021, the minimum investment obligation and maximum possible investment amount resulting from it, the amount invested by each member of the Board of Management, and the specific number of shares acquired in each case. The number of shares acquired in 2021 is equal to the number of matching shares granted by Deutsche Telekom. The table also shows the number of matching shares transferred in 2020 and 2021, based on personal investment in the 2016 and 2017 financial years.

Member of the Board of Management	Financial year	Variable I (STI) as measurement base for the personal investment	Mandatory personal investment/maximum personal investment (33.33 % - 50 %)	Personal investment made	Number of shares acquired/matching shares granted	Number of shares transferred
Adel Al-Saleh	2021	€ 863,555	€ 287,852 - € 431,778	€ 431,767	25,128	0
	2020	€ 771,525	€ 257,175 - € 385,763	€ 385,763	31,550	0
Birgit Bohle	2021	€ 731,313	€ 243,771 - € 365,657	€ 365,648	21,280	0
	2020	€ 699,600	€ 233,200 - € 349,800	€ 330,366	24,219	0
Srinivasan Gopalan	2021	€ 916,421	€ 305,474 - € 458,211	€ 458,195	26,666	0
	2020	€ 723,800	€ 241,267 - € 361,900	€ 361,636	26,450	0
Timotheus Höttges	2021	€ 2,494,800	€ 831,600 - € 1,247,400	€ 1,247,397	72,596	36,155
	2020	€ 2,334,600	€ 778,200 - € 1,167,300	€ 1,167,128	101,450	38,969
Dr. Christian Illek	2021	€ 925,655	€ 308,552 - € 462,828	€ 449,998	26,189	14,060
	2020	€ 895,725	€ 298,575 - € 447,863	€ 334,969	24,000	11,121
Thorsten Langheim	2021	€ 915,975	€ 305,325 - € 457,988	€ 457,971	26,653	0
	2020	€ 839,700	€ 279,900 - € 419,850	€ 418,539	31,800	0
Dominique Leroy	2021	€ 112,500	€ 37,500 - € 56,250	€ 56,239	3,273	0
	2020	n/a	n/a	n/a	n/a	0
Claudia Nemat	2021	€ 907,200	€ 302,400 - € 453,600	€ 453,590	26,398	15,632
	2020	€ 845,775	€ 281,925 - € 422,888	€ 420,526	27,350	18,120

Overview of the number of shares granted as part of the Share Matching Plan

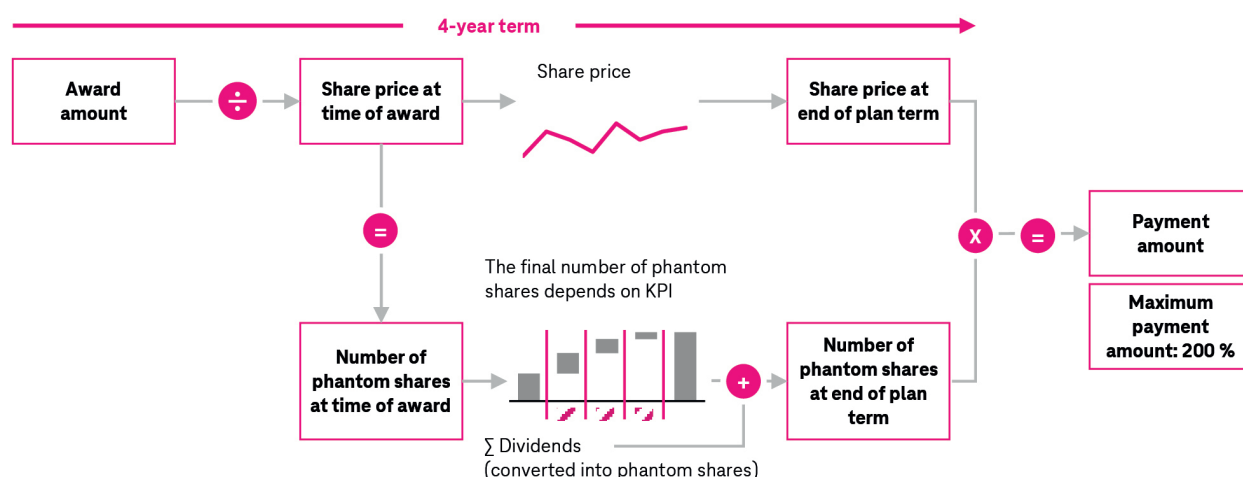
As of December 31, 2021, the following commitments were made for matching shares resulting from the personal investment of each member of the Board of Management. When the personal investment is carried out, a commitment is made to the member of the Board of Management that they will receive the same number of matching shares four years after the date of purchase in question.

	Adel Al-Saleh	Birgit Bohle	Srinivasan Gopalan	Timotheus Höttges	Dr. Christian Illek	Thorsten Langheim	Dominique Leroy	Claudia Nemat
Matching shares granted 2018 tranche	–	–	22,730	64,896	25,500	–	–	30,000
Due date			May 2022	May 2022	June 2022			June 2022
Matching shares granted 2019 tranche	26,820	–	23,505	59,367	26,000	–	–	26,440
Due date	May 2023		April 2023	April and May 2023	June 2023			June 2023
Matching shares granted 2020 tranche	31,550	24,219	26,450	101,450	24,000	31,800	–	27,350
Due date	April 2024	April, May, and June 2024	May 2024	April 2024	May 2024	April and June 2024		June 2024
Matching shares granted 2021 tranche	25,128	21,280	26,666	72,596	26,189	26,653	3,273	26,398
Due date	May 2025	May 2025	May 2025	May 2025	May 2025	May 2025	May 2025	May 2025
Total	83,498	45,499	99,351	298,309	101,689	58,453	3,273	110,188

LTI / Variable II

The LTI for members of the Board of Management in the 2021 financial year is share-based in the new Board of Management remuneration system. The first payment from the 2021 tranche of the LTI will be made in 2025. Until then, the Variable II tranches allocated in previous years will apply, as the predecessor system of what is now the LTI. The term and the strategic performance parameters (return on capital employed (ROCE), adjusted earnings per share (EPS), customer satisfaction and employee satisfaction) remain the same for the two plans. The targets for the performance parameters ROCE and EPS were derived from the medium-term planning, and both represent key performance indicators for

Deutsche Telekom. These two parameters were supplemented with customer satisfaction, which is measured using the globally recognized TRI*M method, and employee satisfaction, which the Supervisory Board assesses based on what it considers to be particularly relevant questions for the pulse and employee surveys carried out during the year. The four parameters are weighted equally and the resulting target achievement level can vary between 0 and 150 %. The aim of moving to a share-based plan is to further harmonize the interests of the Board of Management and the shareholders. The LTI is also intended to ensure retention of the members of the Board of Management at Deutsche Telekom. At the start of the LTI plan, the participation contribution of a member of the Board of Management is converted into phantom shares in the Company and divided equally among each of the four years of the plan. The number of phantom shares increases during the term of the plan due to the dividends paid out during the term, which are also converted into phantom shares. The number of phantom shares also changes depending on the level of achievement of the target parameters determined by the Supervisory Board for each of the years of the plan. When the term of the plan is over, the phantom shares are converted into a sum of money based on the relevant share price. This sum of money is then paid out to the member of the Board of Management along with the dividend for the last year of the plan. The level of achievement of each target parameter is limited to a maximum of 150 %. The maximum amount paid out within the LTI is limited to a maximum of 200 % of the participation contribution taking the share price development into account. The following graphic shows how the LTI, which is in use as of 2021, works.



The term of Variable II (2018 tranche), which was part of the old Board of Management remuneration system, ended on December 31, 2021. The Supervisory Board set the final level of target achievement of the 2018 tranche at 119 % and will make the payment in the 2022 financial year. The details of the target achievement are as follows:

(Weighting)	Year 2018 (25 %)			Year 2019 (25 %)			Year 2020 (25 %)			Year 2021 (25 %)			Σ Total target achievement
	Target value	Actual value	Target achievement	Target value	Actual value	Target achievement	Target value	Actual value	Target achievement	Target value	Actual value	Target achievement	
ROCE	4.9 %	4.8 %	91 %	4.7 %	4.8 %	110 %	4.7 %	7.3 %	150 %	5.0 %	7.4 %	150 %	125 %
Adj. EPS	0.93	0.97	128 %	0.92	1.11	150 %	0.9	1.29	150 %	0.98	1.32	150 %	145 %
Customer satisfaction	68.1	67.7	94 %	69.3	66.5	61 %	70.4	70.4	100 %	71.6	70.6	86 %	85 %
Employee satisfaction	65	63	80 %	65	65	100 %	66	73	150 %	67	73	150 %	120 %
Total target achievement 2018 tranche												119 %	

The actual values have been adjusted to include key issues which were not taken into account for the medium-term planning (increased investments for spectrum in the U.S., introduction of the IFRS-16 standard, T-Mobile US business combination).

Share ownership guidelines

In order to harmonize the interests of the Board of Management and the shareholders of Deutsche Telekom as well as to reinforce the sustainable development of the Company, the obligations to purchase and retain shares (share ownership guidelines) are a significant element of the remuneration system for the Board of Management. The annual personal investment that is a obligatory part of the STI, with the associated lock-up period of four years and the additional 1:1 match provided by the Share Matching Plan when the lock-up period for shares bought as personal investment ends, ensures that members of the Board of Management acquire and retain a significant number of shares, which means that they are active participants in the Group's long-term development, both positive and negative. In this way, the requirements from the German Corporate Governance Code (GCGC) and all stipulations from the Stock Corporation Act concerning the alignment of remuneration towards a sustainable company development are met. The member of the Board of Management is given the duration of initial appointment to build up their obligatory number of shares. The equivalent value of one year's annual basic remuneration must be obtained in Deutsche Telekom shares no later than the payment of the third STI.

All members of the Board of Management except Birgit Bohle and Dominique Leroy already owned the obligatory number of shares by December 31, 2021. Birgit Bohle is obligated to prove that she has met her retention obligation in the 2022 financial year for the first time and Dominique Leroy is obligated to do so in the 2023 financial year.

2.3. Clawback rule

In addition to the relevant statutory provisions, which stipulate that the Supervisory Board shall – in the event of a breach of duty by members of the Board of Management – minimize the financial damage to the company and, where necessary, make claims for damages against the members of the Board of Management, the following clawback rule also applies for the members of the Board of Management of Deutsche Telekom: The Supervisory Board has the right to reclaim payments made to the members of the Board of Management from the short-term variable remuneration (STI / Variable I) and the long-term variable remuneration (LTI / Variable II) if it is found that the payment was carried out wrongfully, entirely or in part, because the Supervisory Board had received information regarding the decision determining the level of target achievement which was evidently incomplete or incorrect. The reimbursement claims expire three years after the erroneous determination of the target achievement was made.

In the 2021 financial year, the Supervisory Board saw no reason which would justify the use of the option to reclaim components of variable remuneration from the members of the Board of Management.

2.4. Benefits from third parties

In the 2021 financial year, no member of the Board of Management received or was promised benefits from a third party for their activity as a Board of Management member.

2.5. Benefits in case of early or regular termination

Processing of the remuneration components upon termination

In the event of termination, the primary reason for the termination is the decisive factor in defining the existing remuneration components. Essentially, the member of the Board of Management will receive the monthly basic remuneration and the ongoing fringe benefits until the point of termination. This also applies to the entitlement to participate in the variable remuneration that is calculated on the basis of the achievement of Short-Term Incentives (STI). The STI is paid out in the same way and at the same time as for the still-active members of the Board of Management in accordance with the respective rules of the company. The concrete reason for the termination is decisive with regard to the further participation in the variable remuneration calculated based on the achievement of long-term performance targets (LTI) and the Share Matching Plan (SMP). Depending on the reason for the termination, the plans may be completely forfeited or the members may be able to continue participating on a full or pro-rata basis. It is ensured that, when outstanding variable remuneration components are paid, no deviations from the agreed targets and comparison parameters or from the due dates or lock-up period as defined in the contract occur.

On his reappointment as member of the Board of Management in February 2021, Thorsten Langheim's application to be able to terminate his appointment early at his own request without this negatively affecting his participation in the LTI and SMP was granted; in this case, a pro-rata rule would be applied proportional to the reduced time period.

Incapacity for work

Temporary incapacity for work as a result of an uninterrupted period of illness-related absence up to a period of one month has no impact on the continued payment of the contractually agreed remuneration components. In the event of longer absences due to illness, the basic remuneration will be paid for a maximum of six months and, with regard to variable remuneration components, participation will be solely on the basis of a pro-rata calculation. Service contracts for the Board of Management will end automatically at the end of the month in which permanent incapacity for work is determined for the member of the Board of Management in question. In such a case, there is no entitlement to a severance payment.

Post-contractual prohibition of competition

Board of Management member service contracts generally stipulate a post-contractual prohibition of competition. Pursuant to these provisions, members of the Board of Management are prohibited from rendering services to or on behalf of a competitor for the duration of one year following their departure. To this end, the members of the Board of Management are paid compensation for the period of prohibition of competition. The sum is 50 % of the most recent basic remuneration and 50 % from the most recent STI assuming target achievement of 100 %. Compensation to be paid for the period of prohibition of competition will be set off against the total of a potential severance payment. In the event of an upcoming contract termination, Deutsche Telekom AG has the right to cancel the post-contractual prohibition of competition provided that appropriate notice is observed. If the agreed deadline is observed, the member of the Board of Management does not receive a compensation payment.

Change of control clause

The service contracts for the Board of Management contain no commitments in relation to the early termination of the employment contract of the member of the Board of Management due to a change of control.

Severance payments

The existing service contracts for the Board of Management stipulate a severance entitlement in certain cases of early termination at the instigation of the company. In such cases, the severance payment will not exceed the value of two years of annual remuneration (severance cap) and compensate no more than the remaining term of the contract. If compensation is paid for the period of prohibition of competition due to an existing post-contractual prohibition of competition, it is ensured that this compensation is offset against the severance entitlement. A severance payment is not considered an element of the maximum remuneration set for members of the Board of Management.

Board of Management pension plan

Under the new Board of Management remuneration system, new members of the Board of Management are not entitled to a Board of Management pension plan. Contribution-based pension commitments from the previous Board of Management remuneration system will be maintained on the basis of the account balance earned as at December 31, 2020, as vested entitlements. This means that in the 2021 financial year, with the exception of the pension commitment for Timotheus Höttges, no further service costs arose for pension commitments from the old Board of Management remuneration system.

Since 2009, newly appointed Board of Management members had received a contribution-based pension commitment. This commitment provided the member of the Board of Management with a contractually agreed specific amount for each year of service, which, plus interest in keeping with market-based rates, was added to the personal pension plan account for the respective member of the Board of Management. Upon retirement the member of the Board of Management receives the accrued balance as a one-off payment.

As at December 31, 2021, the defined benefit obligations (DBO) for members of the Board of Management with contribution-based pension commitments were as shown below in accordance with IFRS reporting.

<i>Board of Management</i>	<i>Defined benefit obligation (DBO)</i>
Birgit Bohle	€ 659,500
Srinivasan Gopalan	€ 1,289,985
Dr. Christian Illek	€ 1,675,512
Thorsten Langheim	€ 577,006
Claudia Nemat	€ 3,198,070

Board of Management members Dominique Leroy and Adel Al-Saleh received commitments to “pension substitutes” under the previous Board of Management remuneration system. For each complete year of service, they were given an annual one-off payment instead of a pension commitment.

This pension substitute commitment was not continued under the new remuneration system. Adel Al-Saleh received his last payment in the 2020 financial year. Dominique Leroy received a further pro-rata payment for the period November – December 2020, which was paid out in the 2021 financial year and which is listed in the table “Remuneration granted and due” as part of the non-performance-based remuneration components.

In Point 12.2 of the remuneration system, the Shareholders’ Meeting of Deutsche Telekom AG agreed that the existing pension commitment for Timotheus Höttges is to remain in place in the new system. Mr. Höttges is the only current member of the Board of Management who has a legacy pension commitment (granted prior to 2009). This model of pension commitment is directly related to individual basic remuneration and is paid out as a monthly retirement pen-

sion when the member of the Board of Management reaches retirement. On his reappointment as Chairman of the Board of Management in 2019, Timotheus Höttges' pension commitment was adjusted such that his pension entitlements accrued up to December 31, 2018 were increased by 2.4 % per further complete year of service using his basic remuneration valid up to December 31, 2018 as the measurement base. Future increases in his basic remuneration as of that date will thus not lead to higher pension payments. Additionally, as part of the pension commitment, pension payments to be made upon retirement increase dynamically at a rate of 1 % per year. The pension agreement also includes arrangements for pensions for surviving dependents in the form of entitlements for widowed spouses and orphans. The pension for surviving dependents for widowed spouses amounts to 60 % of the retirement pension to which Timotheus Höttges would have been entitled to at that point in time. The orphan's pension is 12 % for half orphans and 20 % for full orphans, not exceeding a total of 60 % of the retirement pension to which Timotheus Höttges would be entitled to at the time of provision. In the event of a permanent incapacity for work (invalidity), Mr. Höttges is also entitled to the pension payments.

As at December 31, 2021, Timotheus Höttges was entitled to the defined benefit obligation (DBO) stated below, calculated based on IAS 19. In the 2021 financial year, the following service costs arose.

	<i>Service costs</i>	<i>Defined benefit obligation (DBO)</i>
Timotheus Höttges	€ 509,506	€ 19,854,236

2.6. Board of Management remuneration for 2021 and compliance with maximum total remuneration

The following tables are based on the tables used in the past by the German Corporate Governance Commission to show benefits granted and benefits received in order to give investors an overview of which remuneration components the members of the Board of Management were granted for the 2021 financial year and which they received in 2021. The section of the table for benefits granted shows the target values based on an implicit target achievement for variable remuneration components of 100 %, supplemented by the minimum remuneration in the absence of all variable remuneration instruments, and the maximum remuneration that would result if all variable remuneration components were calculated for maximum target achievement. The resulting maximum remuneration calculated would, however, then only be paid out up to the amount approved as a maximum remuneration by the Shareholders' Meeting. The definition of benefits received is based on the method used by the German Corporate Government Commission in its version from February 7, 2017, of the table of benefits received. This means that the "Benefits received" column discloses basic remuneration, remuneration in kind, and fringe benefits received in the 2021 financial year. The "Benefits received" column also shows the STI for 2021, which was earned in full by December 31, 2021, with the amount to be paid out in 2022 on the basis of the resolution of the Supervisory Board. The same applies to Variable II (2018 tranche) from the previous remuneration system, the term of which encompasses the years 2018 – 2021 and which, like the 2021 STI, was earned in full by the members of the Board of Management by December 31, 2021. Here again, the amount to be paid out in 2022 on the basis of the resolution of the Supervisory Board is used. The amount received for matching shares is expressed as the value of the matching shares at the time of their transfer, which was the amount taxed as income.

		Adel Al-Saleh				Birgit Bohle			
		Member of the Board of Management since January 1, 2018 Board Department: T-Systems				Member of the Board of Management since January 1, 2019 Board Department: Human Resources and Legal Affairs			
		Target remune- ration	Minimum remune- ration	Maximum remune- ration	Received	Target remune- ration	Minimum remune- ration	Maximum remune- ration	Received
Non-perfor- mance- based remune- ration	Basic remuneration	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 900,000	€ 900,000	€ 900,000	€ 900,000
	Remuneration in kind	€ 26,171	€ 26,171	€ 26,171	€ 26,171	€ 15,292	€ 15,292	€ 15,292	€ 15,292
	Fringe benefits	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
	Total	€ 1,126,171	€ 1,126,171	€ 1,126,171	€ 1,126,171	€ 915,292	€ 915,292	€ 915,292	€ 915,292
Perfor- mance- based remune- ration	STI (2021)	€ 780,000	€ 0	€ 1,404,000	€ 1,138,800	€ 635,000	€ 0	€ 1,143,000	€ 882,650
	LTI (Variable II 2018)	-	-	-	€ 803,250	-	-	-	€ 0
	LTI (2021)	€ 845,000	€ 0	€ 1,690,000	-	€ 700,000	€ 0	€ 1,400,000	-
	SMP (investment 2017)	-	-	-	€ 0	-	-	-	€ 0
	SMP (2021)	€ 335,656	€ 0	€ 1,170,000	-	€ 273,255	€ 0	€ 952,500	-
	Total	€ 1,960,656	€ 0	€ 4,264,000	€ 1,942,050	€ 1,608,255	€ 0	€ 3,495,500	€ 882,650
Pension plan	Service costs	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total remuneration		€ 3,086,827	€ 1,126,171	€ 5,390,171	€ 3,068,221	€ 2,523,547	€ 915,292	€ 4,410,792	€ 1,797,942

		Srinivasan Gopalan				Timotheus Höttges			
		Member of the Board of Management since January 1, 2017 Board Department: T-Deutschland				Member of the Board of Management since December 1, 2006 Board Department: Chairman of the Board of Management			
		Target remune- ration	Minimum remune- ration	Maximum remune- ration	Received	Target remune- ration	Minimum remune- ration	Maximum remune- ration	Received
Non-perfor- mance- based remune- ration	Basic remuneration	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 1,750,000	€ 1,750,000	€ 1,750,000	€ 1,750,000
	Remuneration in kind	€ 19,522	€ 19,522	€ 19,522	€ 19,522	€ 26,530	€ 26,530	€ 26,530	€ 26,530
	Fringe benefits	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
	Total	€ 1,119,522	€ 1,119,522	€ 1,119,522	€ 1,119,522	€ 1,776,530	€ 1,776,530	€ 1,776,530	€ 1,776,530
Perfor- mance- based remune- ration	STI (2021)	€ 780,000	€ 0	€ 1,404,000	€ 1,255,800	€ 1,800,000	€ 0	€ 3,240,000	€ 2,880,000
	LTI (Variable II 2018)	-	-	-	€ 654,500	-	-	-	€ 1,596,980
	LTI (2021)	€ 845,000	€ 0	€ 1,690,000	-	€ 2,000,000	€ 0	€ 4,000,000	-
	SMP (investment 2017)	-	-	-	€ 0	-	-	-	€ 633,591
	SMP (2021)	€ 335,656	€ 0	€ 1,170,000	-	€ 774,599	€ 0	€ 2,700,000	-
	Total	€ 1,960,656	€ 0	€ 4,264,000	€ 1,910,300	€ 4,574,599	€ 0	€ 9,940,000	€ 5,110,571
Pension plan	Service costs	€ 0	€ 0	€ 0	€ 0	€ 509,506	€ 509,506	€ 509,506	€ 0
Total remuneration		€ 3,080,178	€ 1,119,522	€ 5,383,522	€ 3,029,822	€ 6,860,635	€ 2,286,036	€ 12,226,036	€ 6,887,101

		Dr. Christian Illek				Thorsten Langheim			
		Member of the Board of Management since April 1, 2015 Board Department: Finance				Member of the Board of Management since January 1, 2019 Board Department: USA and Group Development			
		Target remune- ration	Minimum remune- ration	Maximum remune- ration	Received	Target remune- ration	Minimum remune- ration	Maximum remune- ration	Received
Non-perfor- mance- based remune- ration	Basic remuneration	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 1,100,000
	Remuneration in kind	€ 42,332	€ 42,332	€ 42,332	€ 42,332	€ 14,206	€ 14,206	€ 14,206	€ 14,206
	Fringe benefits	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
	Total	€ 1,142,332	€ 1,142,332	€ 1,142,332	€ 1,142,332	€ 1,114,206	€ 1,114,206	€ 1,114,206	€ 1,114,206
Perfor- mance- based remune- ration	STI (2021)	€ 780,000	€ 0	€ 1,404,000	€ 1,146,600	€ 780,000	€ 0	€ 1,404,000	€ 1,326,000
	LTI (Variable II 2018)	-	-	-	€ 793,954	-	-	-	€ 0
	LTI (2021)	€ 845,000	€ 0	€ 1,690,000	-	€ 845,000	€ 0	€ 1,690,000	-
	SMP (investment 2017)	-	-	-	€ 251,421	-	-	-	€ 0
	SMP (2021)	€ 335,656	€ 0	€ 1,170,000	-	€ 335,656	€ 0	€ 1,170,000	-
	Total	€ 1,960,656	€ 0	€ 4,264,000	€ 2,191,975	€ 1,960,656	€ 0	€ 4,264,000	€ 1,326,000
Pension plan	Service costs	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total remuneration		€ 3,102,988	€ 1,142,332	€ 5,406,332	€ 3,334,307	€ 3,074,862	€ 1,114,206	€ 5,378,206	€ 2,440,206

		Dominique Leroy				Claudia Nemat			
		Member of the Board of Management since November 1, 2020 Board Department: Europe				Member of the Board of Management since October 1, 2011 Board Department: Technology and Innovation			
		Target remune- ration	Minimum remune- ration	Maximum remune- ration	Received	Target remune- ration	Minimum remune- ration	Maximum remune- ration	Received
Non-perfor- mance- based remune- ration	Basic remuneration	€ 990,000	€ 990,000	€ 990,000	€ 990,000	€ 1,112,500	€ 1,112,500	€ 1,112,500	€ 1,112,500
	Remuneration in kind	€ 11,349	€ 11,349	€ 11,349	€ 11,349	€ 78,547	€ 78,547	€ 78,547	€ 78,547
	Fringe benefits	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
	Total	€ 1,001,349	€ 1,001,349	€ 1,001,349	€ 1,001,349	€ 1,191,047	€ 1,191,047	€ 1,191,047	€ 1,191,047
Perfor- mance- based remune- ration	STI (2021)	€ 715,000	€ 0	€ 1,287,000	€ 1,065,350	€ 790,000	€ 0	€ 1,422,000	€ 1,153,400
	LTI (Variable II 2018)	-	-	-	€ 0	-	-	-	€ 803,250
	LTI (2021)	€ 777,500	€ 0	€ 1,555,000	-	€ 860,000	€ 0	€ 1,720,000	-
	SMP (investment 2017)	-	-	-	€ 0	-	-	-	€ 269,277
	SMP (2021)	€ 307,684	€ 0	€ 1,072,500	-	€ 339,961	€ 0	€ 1,185,000	-
	Total	€ 1,800,184	€ 0	€ 3,914,500	€ 1,065,350	€ 1,989,961	€ 0	€ 4,327,000	€ 2,225,927
Pension plan	Service costs	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total remuneration		€ 2,801,533	€ 1,001,349	€ 4,915,849	€ 2,066,699	€ 3,181,008	€ 1,191,047	€ 5,518,047	€ 3,416,974

With the introduction of § 87a (1) sentence 2 no. 1 AktG, the Supervisory Board has set the maximum remuneration for the Chairman of the Board of Management at € 8,500,000 and for the ordinary members of the Board of Management at € 5,300,000 in the new Board of Management remuneration system, capping the remuneration received at these maximum amounts. The maximum remuneration limits the remuneration components basic remuneration, benefits in kind, other fringe benefits, annual variable remuneration (STI/Variable I), long-term variable remuneration (LTI/Variable II) and bonuses for extraordinary performance. This maximum remuneration threshold was approved by the Deutsche Telekom Shareholders' Meeting on April 1, 2021. In addition, the individual variable remuneration components include specific maximum target achievement, which acts as an additional limitation on each variable remuner-

ation component. The individual thresholds per variable remuneration component are shown in chapter 2.2 of this report. Compliance with maximum total remuneration can only be evaluated retrospectively when the last remuneration component from the financial year in question is paid out. The current Board of Management remuneration system and the previous remuneration system each include two multi-year variable elements of remuneration. The LTI (Variable II in the old system) and the Share Matching Plan (SMP) each have a term of four years. To participate in the SMP, the Board of Management member must use the STI paid out in the previous year to make a personal investment in Deutsche Telekom shares which they must then retain for a minimum of four years from date of purchase. At the end of the lock-up period, the same number of shares as in the personal investment is transferred to the member of the Board of Management. This means that it is only possible to report on compliance with maximum total remuneration for the 2021 financial year in the remuneration report for the 2026 financial year. If it should become clear before this that the maximum total remuneration will be exceeded, the payment of the remuneration component causing the maximum remuneration to be exceeded is capped. In this case, compliance with the maximum total remuneration would be reported in the financial year in which the capping took place.

3. Remuneration granted and due in accordance with § 162 AktG

3.1. Remuneration granted and due for current members of the Board of Management in accordance with § 162 AktG

The remuneration granted and due and the relative share of these for current members of the Board of Management, which are to be made public in accordance with § 162 (1) sentence 1 AktG, are shown in the following table. The table shows the basic remuneration paid out in the 2021 financial year, the remuneration in kind, the STI (Variable I) paid out in the 2021 financial year which was set for 2020, the LTI (Variable II, 2017 tranche) paid out in the 2021 financial year for which the term of the plan was from 2017 to 2020, and the monetary value (value of the shares at the time of transfer) of the matching shares transferred in the 2021 financial year based on the participation in the Share Matching Plan. The STI (Variable I) and the LTI (Variable II) are still components of the remuneration system that applied until 2020.

	<i>Fixed remuneration components</i>				<i>Variable remuneration components</i>					<i>Total remuneration</i>	
	Basic remuneration	%*	Benefits in kind/fringe benefits	%*	Short-Term Incentive (Variable I)	%*	Long-Term Incentive (Variable II)	%*	Matching shares transferred		%*
Adel Al-Saleh	€ 1,100,000	55 %	€ 26,171	1 %	€ 863,555	44 %	€ 0	0 %	€ 0	0 %	€ 1,989,726
Birgit Bohle	€ 900,000	55 %	€ 15,292	1 %	€ 731,313	44 %	€ 0	0 %	€ 0	0 %	€ 1,646,605
Srinivasan Gopalan	€ 1,100,000	41 %	€ 19,522	1 %	€ 916,421	34 %	€ 627,000	24 %	€ 0	0 %	€ 2,662,943
Timotheus Höttges	€ 1,750,000	25 %	€ 26,530	1 %	€ 2,494,800	35 %	€ 2,129,880	30 %	€ 633,591	9 %	€ 7,034,801
Dr. Christian Illek	€ 1,100,000	37 %	€ 42,332	1 %	€ 925,655	32 %	€ 627,000	21 %	€ 251,421	9 %	€ 2,946,408
Thorsten Langheim	€ 1,100,000	54 %	€ 14,206	1 %	€ 915,975	45 %	€ 0	0 %	€ 0	0 %	€ 2,030,181
Dominique Leroy	€ 990,000	86 %	€ 53,016	4 %	€ 112,500	10 %	€ 0	0 %	€ 0	0 %	€ 1,155,516
Claudia Nemat	€ 1,112,500	35 %	€ 78,547	2 %	€ 907,200	29 %	€ 769,500	25 %	€ 269,277	9 %	€ 3,137,024

* As a % of total remuneration

The disclosure of the long-term incentive amount (Variable II) for Timotheus Höttges includes a bonus of € 600,000 for extraordinary performance, which the Supervisory Board approved in 2020 for the performance of activities in connection with the successful finalization of the business combination of T-Mobile US and Sprint, and which was paid out in January 2021. Due to the point in time of the payment in the 2021 financial year and the new regulatory requirements under § 162 AktG, this payment must be reported again, although it was already included in the reporting of Board of Management remuneration in the 2020 combined management report. The remuneration in kind / fringe benefits for Dominique Leroy include a payment of € 41,667 from the pension substitute received, representing pro-rata participation for two months, November and December 2020. This is disclosed at this point in the remuneration report because

the sum was paid out in the 2021 financial year. The pension substitute and the resulting pro-rata payment of the pension substitute is based on the Board of Management remuneration system that applied until 2020. It does not exist in the new remuneration system that applies as of the 2021 financial year.

Short-Term Incentive (Variable I – 2020)

The short-term variable remuneration (Variable I) paid out in the 2021 financial year is based on the Board of Management remuneration system that applied up to and including 2020 and consisted of 50 % from Group financial targets and 50 % from individual targets (value adherence and strategic targets) for members of the Board of Management. Target achievement for the targets applied can range between 0 % and 150 %. Variable I is largely similar to the STI, which is a part of the remuneration system approved in 2021 by the Shareholders' Meeting. Please see the details provided in chapter 2.2. In addition to the different weighting of the target parameters and the financial targets selected, Variable I also differs from the STI in that it did not yet include any ESG targets and no performance factors were used. The stipulated targets, the target achievement and the resulting payment amounts can be seen in the following table.

	Group financial targets (weighting: 50 %)				Individual targets (weighting: 50 %)			Target amount of Variable I	Payment of Variable I
	Revenue (40 %)	Unadjusted EBITDA AL (40 %)	FCF AL (20 %)	Σ	Value adherence (20 %)	Strategic targets (30 %)	Total target achievement		
Member of the Board of Management									
Adel Al-Saleh	133 %	150 %	150 %	143 %	107 %	117 %	128 %	€ 675,000	€ 863,555
Birgit Bohle	133 %	150 %	150 %	143 %	103 %	136 %	133 %	€ 550,000	€ 731,313
Srinivasan Gopalan	133 %	150 %	150 %	143 %	123 %	132 %	136 %	€ 675,000	€ 916,421
Timotheus Höttges	133 %	150 %	150 %	143 %	130 %	137 %	139 %	€ 1,800,000	€ 2,494,800
Dr. Christian Illek	133 %	150 %	150 %	143 %	117 %	141 %	137 %	€ 675,000	€ 925,655
Thorsten Langheim	133 %	150 %	150 %	143 %	120 %	134 %	136 %	€ 675,000	€ 915,975
Dominique Leroy	100 %	100 %	100 %	100 %	100 %	100 %	100 %	€ 112,500	€ 112,500
Claudia Nemat	133 %	150 %	150 %	143 %	115 %	133 %	134 %	€ 675,000	€ 907,200

As Dominique Leroy's appointment only took in two months of 2020, the target achievement for her STI (Variable I) was contractually set at 100 %.

Group financial targets

The Group financial targets set by the Supervisory Board and the Group target achievement derived from these can be seen in the table below.

billions of €				
Group	Weighting	Target value	Actual value ¹	Target achievement
Revenue	40 %	101.2	103.8	133 %
EBITDA AL (unadjusted)	40 %	29.5	31.8	150 %
Free cash flow AL	20 %	5.2	5.9	150 %
Achievement of Group financial targets				143 %

¹ The actual values have been adjusted to include non-budgeted inorganic effects (first-time consolidations and deconsolidations of companies during the course of the year, exchange rate fluctuations) and one-time effects.

In the target parameter of revenue, the performance of the operating segments USA, Germany and Europe means the Group is considerably over budget, with 133 % target achievement. Results for the KPIs EBITDA AL (unadjusted) and FCF AL were considerably better than assumed in the budget for both the Group excluding the United States and for the United States, leading to target achievement of 150 % for both. Overall, weighted target achievement for the 2020 financial year is 143 %.

Individual targets

Value adherence

The process for setting and deriving the target achievement for the value adherence is in line with the process detailed for the new Board of Management remuneration system. Please refer to the details on the performance factor in chapter 2.2. The individual target achievement levels for value adherence in the above table depicting the Short-Term Incentive are based on a qualitative comprehensive evaluation of the criteria for value adherence.

Strategic targets

For the 2020 financial year, the Supervisory Board agreed the following individual strategic implementation targets with the members of the Board of Management. In regard to the strategic targets, it should be noted that Srinivasan Gopalan only took over the Board of Management Department for Germany on November 1, 2020, so his individual targets reflect the targets of the Board of Management Department for Europe, which he headed until October 31.

Individual strategy implementation

Timotheus Höttges	<ul style="list-style-type: none">▪ Increased value creation TMUS▪ Increased broadband coverage▪ Acceleration of infrastructure build-out in Germany▪ Implementation of the future B2B business structure▪ Pushing forward a relaunch (rejuvenation) of the brand
Adel Al-Saleh	<ul style="list-style-type: none">▪ Reduction in external indirect costs AL▪ Increased customer satisfaction with TSI▪ Implementation of the future B2B business structure▪ Acceleration of an increase in external revenue for T-Systems
Birgit Bohle	<ul style="list-style-type: none">▪ Quality improvement of the (top) HR products and services▪ Improved employer attractiveness▪ Increased efficiency by a reduction in adjusted TWC▪ Minimization of legal and regulatory risks▪ Optimization of the E2E skills management process
Srinivasan Gopalan	<ul style="list-style-type: none">▪ Reduction in external indirect costs AL in Europe▪ Improved customer satisfaction in relation to specific NatCo targets▪ Increased app channel use share▪ Increased B2B FMC and B2B FMCC revenues
Dr. Christian Illek	<ul style="list-style-type: none">▪ Reduction in Group adjusted external indirect costs AL▪ Stabilization of net debt / adj. EBITDA▪ Implementation of the future B2B business structure▪ Increased customer satisfaction with DTSE
Thorsten Langheim	<ul style="list-style-type: none">▪ Value creation TMNL▪ Value creation DFMG▪ Value creation TMUS
Dominique Leroy	<ul style="list-style-type: none">▪ Not relevant, as initially appointed in November 2020
Claudia Nemat	<ul style="list-style-type: none">▪ Ensuring IT delivery▪ Increased customer satisfaction with Magenta Speaker▪ Introduction of innovative 5G-based Campus networks▪ Increased mobile network quality in Germany

The individual target achievement levels for the strategic implementation targets listed in the above table depicting the Short-Term Incentive are based on a qualitative comprehensive evaluation of the implementation of the strategic implementation targets specified for each individual member of the Board of Management.

Long-Term Incentive (Variable II – 2017 tranche)

The long-term variable remuneration (Variable II, 2017 tranche) paid out in the 2021 financial year is also based on the Board of Management remuneration system that applied up to and including 2020 and consisted of four equally weighted target parameters for each of which target achievement can vary between 0 % and 150 %. Variable II is an entirely cash-based four-year plan with a term from 2017 to 2020. The level of ambition for the target values was set at the start of the plan term for all four years. Target achievement was calculated as follows.

(Weighting)	Year 2017 (25 %)			Year 2018 (25 %)			Year 2019 (25 %)			Year 2020 (25 %)			Σ Total target achievement
	Target value	Actual value	Target achievement	Target value	Actual value	Target achievement	Target value	Actual value	Target achievement	Target value	Actual value	Target achievement	
ROCE ¹	5.0 %	5.8 %	150 %	4.8 %	5.1 %	142 %	4.9 %	5.1 %	126 %	4.9 %	7.5 %	150 %	142 %
Adj. EPS ¹	0.83	1.28	150 %	0.94	1.02	150 %	0.97	1.14	150 %	0.98	1.33	150 %	150 %
Customer satisfaction	70.0	68.6	79 %	71.5	69.2	66 %	72.5	67.9	29 %	73.8	72.0	74 %	62 %
Employee satisfaction	65	64	90 %	65	63	80 %	66	65	90 %	67	73	150 %	103 %
Total target achievement 2017 tranche												114 %	

¹ The actual values have been adjusted to include key issues which were not taken into account for the medium-term planning (increased investments for spectrum in the U.S., introduction of the IFRS-16 standard, T-Mobile US business combination).

Share matching

The amounts shown for total remuneration include the value applicable at the time of transfer of the matching shares in the 2021 financial year, which was the amount taxed as income. All matching shares transferred in the 2021 financial year were transferred four years after the date of the mandatory personal investment in 2017. This means that the date of transfer was different for each member of the Board of Management, as in 2017 there was a window of approximately three months within which the Board member could make the personal investment. This means that Timotheus Höttges received 8,000 shares on April 7 at a share price of € 16.554, and a further 28,155 matching shares on June 29 at a share price of € 17.80. Claudia Nemat received 15,632 matching shares on June 8 at a share price of € 17.226 and Christian Illek received a total of 14,060 matching shares on June 30 at a market rate of € 17.882.

3.2. Remuneration granted and due for former members of the Board of Management in accordance with § 162 AktG

The remuneration granted and due and the relative share of these for former members of the Board of Management, which are to be made public in accordance with § 162 (1) sentence 1 AktG, are shown in the following table. The table shows pension amounts paid out in the 2021 financial year resulting from existing pension commitments; the STI (Variable I) set for the 2020 financial year and paid out in the 2021 financial year for members of the Board of Management whose appointment to the Board of Management ended in the 2020 financial year; and the LTI (Variable II 2017 tranche) paid out in the 2021 financial year to which some members of the Board of Management whose appointment to the Board of Management ended between 2017 and 2020 were entitled on a pro rata basis.

	Fixed remuneration components		Variable remuneration components						Total remuneration
	Pension payments	%*	Short-Term Incentive (Variable I)	%*	Long-Term Incentive (Variable II)	%*	Matching shares transferred	%*	
Dr. Dirk Wössner (until October 31, 2020)	€ 0	0 %	€ 622,875	100 %	€ 0	0 %	€ 0	0 %	€ 622,875
Dr. Thomas Kremer (until March 31, 2020)	€ 2,139,166	76 %	€ 178,063	6 %	€ 509,438	18 %	€ 0	0 %	€ 2,826,667
Thomas Dannenfeldt (until December 31, 2018)	€ 0	0 %	€ 0	0 %	€ 481,900	100 %	€ 0	0 %	€ 481,900
Reinhard Clemens (until December 31, 2017)	€ 0	0 %	€ 0	0 %	€ 185,250	100 %	€ 0	0 %	€ 185,250
Niek Jan van Damme (until December 31, 2017)	€ 0	0 %	€ 0	0 %	€ 397,670	100 %	€ 0	0 %	€ 397,670
Thomas Sattelberger (until May 02, 2012)	€ 279,700	100 %	€ 0	0 %	€ 0	0 %	€ 0	0 %	€ 279,700

* As a % of total remuneration

Pension payments

The pension payment for Dr. Thomas Kremer is the payment of a contribution-based pension commitment that takes the form of a one-time capital payment on reaching retirement, which means that pension payments will not be disclosed in subsequent years.

Short-Term Incentive (Variable I – 2020)

The members of the Board of Management Dr. Thomas Kremer and Dr. Dirk Wössner, who both departed in 2020, participated in Variable I for 2020 on a pro-rata basis. This was paid out in 2021. The stipulated targets, the target achievement and the resulting payment amounts can be seen in the following table.

	<i>Group financial targets</i> (weighting: 50 %)				<i>Individual targets</i> (weighting: 50 %)			Target amount of Variable I	Payment of Variable I
	Revenue	Unadjusted EBITDA AL	FCF AL	Σ	Value adherence	Strategic targets	<i>Total target achievement</i>		
<i>Member of the Board of Management</i>	(40 %)	(40 %)	(20 %)		(20 %)	(30 %)			
Dr. Thomas Kremer	133 %	150 %	150 %	143 %	110 %	120 %	130 %	€ 137,500	€ 178,063
Dr. Dirk Wössner	133 %	150 %	150 %	143 %	115 %	138 %	136 %	€ 458,333	€ 622,875

Individual targets

Value adherence

The process for setting value adherence target achievement is in line with the process detailed for the new Board of Management remuneration system. Please refer to the details on the performance factor in chapter 2.2. The aforementioned individual target achievement levels for value adherence are based on a qualitative comprehensive evaluation of the criteria for value adherence.

Strategic targets

For the 2020 financial year, the Supervisory Board agreed the following individual strategic implementation targets with the two members of the Board of Management who departed in 2020.

<i>Dr. Thomas Kremer</i>	<ul style="list-style-type: none">▪ Successful transfer of the Board of Management department for Data Privacy, Legal Affairs and Compliance to the Board of Management departments for Human Resources, Finance, and Technology & Innovation
<i>Dr. Dirk Wössner</i>	<ul style="list-style-type: none">▪ Reduction in external indirect costs AL in Germany▪ Increased MagentaEins subscriber base▪ Increased first-call resolution rate▪ Increased broadband build-out▪ Implementation of the future B2B business structure

The aforementioned individual target achievement levels for the strategic targets are based on a qualitative comprehensive evaluation of the implementation of the strategic implementation targets specified for each individual member of the Board of Management.

Long-Term Incentive (Variable II – 2017 tranche)

Depending on the reason for departure, members of the Board of Management who leave the Group during the four-year term of Variable II may participate on a pro-rata basis. If this is the case, the members of the Board of Management who have departed receive the payment of the tranche due at the same time and with the same level of target achievement as current members of the Board of Management. The participation contribution that was originally agreed is the only element to be reduced pro rata. This means that the same details for target achievement apply as for the current members of the Board of Management and can be seen in chapter 3.1 under the headline Long-Term Incentive (Variable II – 2017 tranche). The target achievement taken as the basis for the tranche is also 114 %.

3.3. Comparative information

The following table illustrates the annual trend in development of earnings for the Company, remuneration for current and former members of the Board of Management, and the average remuneration of employees over the last five financial years based on FTE.

Development of earnings is calculated based on company income after taxes under German GAAP and adjusted (Group) EBITDA AL. This is intended to illustrate the Company's operating performance.

The basis for the figures used to show development by percentage of Board of Management remuneration is remuneration granted and remuneration due, in accordance with the requirements of stock corporation law. In the first year of appointment to the Board of Management, "n/a" is shown in the details of development of remuneration of Board of Management members because in the first year it is not possible to show the development of their remuneration in comparison with previous years.

The group of employees taken as the basis for employee remuneration are employees from Group companies in Germany who are subject to the Group Works Agreement on the Conditions of Employment for Non-civil Servants outside the Collective Agreement, as these companies have broadly comparable remuneration systems in place and use comparable remuneration components. In a similar manner to the details given for members of the Board of Management, the figure for total gross employee salaries was used (adjusted for severance payments made) for the relevant financial year in order to obtain the figure for remuneration granted and due in accordance with § 162 (1) sentence 1 AktG. The figure for total gross employee salaries was adjusted for severance payments, which were generally paid out as a result of staff restructuring measures.

	<i>Difference 2018 to 2017</i>	<i>Difference 2019 to 2018</i>	<i>Difference 2020 to 2019</i>	<i>Difference 2021 to 2020</i>
Earnings KPIs				
Income after taxes under German GAAP	-15.0 %	-58.2 %	43.8 %	43.3 %
EBITDA AL (adjusted) ¹	4.1 %	6.9 %	41.7 %	6.6 %
Current members of the Board of Management (as at: December 31, 2021)				
Adel Al-Saleh	n/a	3.4 %	-4.7 %	2.3 %
Birgit Bohle	–	n/a	45.6 %	16.3 %
Srini Gopalan	-25.3 %	3.0 %	16.1 %	62.0 %
Tim Höttges	12.2 %	11.5 %	11.8 %	18.7 %
Dr. Christian Illek	11.3 %	50.1 %	8.6 %	15.1 %
Thorsten Langheim	–	n/a	91.1 %	15.7 %
Dominique Leroy	–	–	n/a	282.9 %
Claudia Nemat	-0.2 %	3.8 %	-1.0 %	11.2 %
Former members of the Board of Management (as at: December 31, 2021)				
Reinhard Clemens	56.5 %	-85.3 %	-39.5 %	-46.7 %
Thomas Dannenfeldt	35.4 %	-15.9 %	-72.9 %	-10.4 %
Dr. Thomas Kremer	8.0 %	3.9 %	-11.5 %	38.8 %
Thomas Sattelberger	1.0 %	1.0 %	1.0 %	1.0 %
Niek Jan van Damme	79.7 %	-83.2 %	-28.2 %	-27.1 %
Dr. Dirk Wössner	n/a	-54.7 %	-8.1 %	-56.7 %
Average employee remuneration				
Average remuneration	2.8 %	4.1 %	1.3 %	2.2 %

¹ To calculate the earnings KPI EBITDA AL (adjusted), EBITDA adjusted for special factors was used to calculate the rate of change from 2017 to 2018, as the initial use of the IFRS 16 accounting standard on January 1, 2019 means that the KPI EBITDA AL is not available for the year 2017.

The in some cases very marked changes in remuneration trends for the members of the Board of Management in individual years are not due to changes in remuneration levels in Board of Management service contracts, but to a range of individual factors:

Generally, the changes in Board of Management remuneration are down to the different levels of target achievement in the variable remuneration components STI and LTI, as well as the different share prices at the time of transfer of matching shares.

Newly appointed members of the Board of Management receive the first payment from the LTI in the fifth year of their appointment and do not receive their first transfer of shares from the Share Matching Plan until the sixth year. There are therefore considerable positive effects when these remuneration components are paid out for the first time, although there have been no changes to contractually agreed remuneration entitlements. One example of this can be seen in the table above in the trend in remuneration for Dr. Illek in the comparison between 2017 and 2018. The 50 % increase shown is due to the first-time payment of variable remuneration resulting from achievement of long-term performance parameters (LTI). The sharp increase in remuneration shown for Birgit Bohle and Thorsten Langheim between 2019 and 2020 is due to a similar effect, as both of them received payment of the short-term variable remuneration (Variable I) in 2020 for the first time.

The reduction in remuneration for Srinivasan Gopalan in the comparison between 2017 and 2018 is due to the fact that in the first year of his appointment, Mr. Gopalan received a sign-on bonus for his transfer to Deutsche Telekom that was not included in the payments to be taken into account the following year.

A contractual agreement is in place for former members of the Board of Management under which existing entitlements to Variable I and Variable II payments, as well as transfers of shares in the Share Matching Plan, take place on a pro-rata basis. As a result, remuneration for former members of the Board of Management reduces considerably after their departure, as the pro-rata share of LTI plans with a four-year term decreases continually, given that participants can only earn more limited shares of the plan. The pension commitments of former members of the Board of Management include an annual increase in their pension payments. The annual pension payments therefore rise in line with the agreed increase.

4. Outlook

The Supervisory Board has decided to submit a proposal for another change in the remuneration system to the 2022 Shareholders' Meeting for approval. The structure and components of the remuneration system approved in 2021 remain largely unchanged. The proposed change affects the bonus for extraordinary performance, the increase in maximum remuneration for the Chair of the Board of Management, and a change in the payout options for the pension commitment of the Chair of the Board of Management. Further details will be included in the invitation to the 2022 Shareholders' Meeting.

B. Remuneration of the Supervisory Board

1. Review of annual remuneration for 2021

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

The remuneration system for the Supervisory Board, which is regulated by § 13 of the Articles of Association, was also approved by the Shareholders' Meeting on April 1, 2021, with a majority of 99.15 % of capital represented. The system approved on May 25, 2016 by the Shareholders' Meeting was therefore confirmed without amendment.

Application of the remuneration system for the Supervisory Board in the 2021 financial year

The remuneration system for the Supervisory Board, which is unchanged from previous years, was applied in full as regulated by § 13 of the Articles of Association.

2. Remuneration of the Supervisory Board in the 2021 financial year

Basis for the remuneration system for the Supervisory Board

The remuneration received by the members of the Supervisory Board is specified under § 13 of the Articles of Association of Deutsche Telekom AG. This ensures that the remuneration of Supervisory Board members is always in line with the remuneration system approved by the Shareholders' Meeting.

Components, amount, and structure of Supervisory Board remuneration in the 2021 financial year

According to the provisions defined in the Articles of Association, each member of the Supervisory Board receives a fixed basic annual remuneration of € 70,000.00. The Chair and the Deputy Chair of the Supervisory Board receive increased basic remuneration in recognition of the greater organizational and administrative efforts associated with their activities and their responsibility for the successful, efficient collaboration of the overall Board. The increase is € 70,000.00 for the Chair and € 35,000.00 for the Deputy Chair.

Additional remuneration is paid as follows for membership of committees of the Supervisory Board in light of the importance of committee work and the increased preparation and work required.

- (a) The Chair of the Audit Committee receives € 80,000.00, ordinary members of the Audit Committee € 40,000.00.
- (b) The Chair of the General Committee receives € 70,000.00, ordinary members of the General Committee € 30,000.00.
- (c) The Chair of the Nomination Committee receives € 25,000.00, ordinary members of the Nomination Committee € 12,500.00.
- (d) The Chair of any other committee receives € 40,000.00, ordinary members of any other committee € 25,000.00.

Chairpersonship and membership of the Mediation Committee are not remunerated.

Supervisory Board members who are only on the Supervisory Board or a committee for part of the financial year are remunerated proportionally.

To take proper account of the time spent attending meetings, members of the Supervisory Board also receive an attendance fee of € 1,000.00 for each meeting of the Supervisory Board and its committees that they attend.

In the 2021 financial year, the remuneration system for the Supervisory Board was applied in all aspects as regulated by § 13 of the Articles of Association. The members of the Supervisory Board received no further remuneration and/or benefits during the reporting year for services they provided personally, in particular consultancy or mediation services.

Publication of individual remuneration of the Supervisory Board

The following table lists the fixed and variable remuneration components granted and due to current and former members of the Supervisory Board in the past financial year, including the relative share of these, in accordance with § 162 AktG. Under § 13 (6) of the Company Articles of Association, remuneration falls due at the end of the Shareholders' Meeting to which the consolidated financial statements for the financial year in question are presented or which decides on their approval. The disclosure for the 2021 financial year lists the basic remuneration paid out after the 2021 Shareholders' Meeting for Supervisory Board activities and the remuneration for membership of committees and attending meetings of these committees in the 2020 financial year.

Supervisory Board member	Fixed remuneration		Committee remuneration ¹		Meeting attendance fee		Total sum	Remuneration for seats at subsidiaries and other internal bodies ²
	in €	in %	in €	in %	in €	in %		
Bednarski, Josef until April 30, 2020	€ 23,333.33	39	€ 31,666.67	53	€ 5,000.00	8	€ 60,000.00	€ 3,000.00
Dr. Bössinger, Rolf	€ 70,000.00	37	€ 82,500.00	44	€ 35,000.00	19	€ 187,500.00	
Dr. Bräunig, Günther	€ 70,000.00	51	€ 50,000.00	36	€ 17,000.00	12	€ 137,000.00	
Chatzidis, Odysseus D.	€ 70,000.00	60	€ 29,166.67	25	€ 17,000.00	15	€ 116,166.67	
Greve, Constantin	€ 70,000.00	53	€ 45,833.33	35	€ 17,000.00	13	€ 132,833.33	
Hinrichs, Lars	€ 70,000.00	63	€ 25,000.00	23	€ 16,000.00	14	€ 111,000.00	
Dr. Jung, Helga	€ 70,000.00	64	€ 25,000.00	23	€ 14,000.00	13	€ 109,000.00	
Prof. Dr. Kaschke, Michael	€ 70,000.00	55	€ 40,000.00	31	€ 17,000.00	13	€ 127,000.00	
Koch, Nicole	€ 70,000.00	63	€ 25,000.00	23	€ 16,000.00	14	€ 111,000.00	€ 4,500.00
Kollmann, Dagmar P.	€ 70,000.00	33	€ 117,500.00	55	€ 25,000.00	12	€ 212,500.00	
Kreusel, Petra Steffi	€ 70,000.00	55	€ 40,000.00	31	€ 18,000.00	14	€ 128,000.00	€ 8,833.33
Krüger, Harald	€ 70,000.00	79	€ 4,166.67	5	€ 14,000.00	16	€ 88,166.67	
Prof. Dr. Lehner, Ulrich (Chairman)	€ 140,000.00	42	€ 160,000.00	48	€ 36,000.00	11	€ 336,000.00	€ 9,000.00
Marx, Kerstin since May 1, 2020	€ 46,666.67	33	€ 63,333.33	45	€ 31,000.00	22	€ 141,000.00	€ 7,083.33
Sauerland, Frank (Deputy Chairman since March 27, 2020)	€ 99,166.67	52	€ 64,583.33	34	€ 28,000.00	15	€ 191,750.00	€ 19,000.00
Schröder, Lothar (Deputy Chairman until March 27, 2020)	€ 78,750.00	49	€ 63,750.00	39	€ 19,000.00	12	€ 161,500.00	€ 32,230.00
Seelemann-Wandtke, Nicole	€ 70,000.00	52	€ 45,833.33	34	€ 19,000.00	14	€ 134,833.33	
Spoo, Sibylle	€ 70,000.00	46	€ 65,000.00	43	€ 17,000.00	11	€ 152,000.00	
Streibich, Karl-Heinz	€ 70,000.00	45	€ 65,000.00	42	€ 19,000.00	12	€ 154,000.00	
Suckale, Margret	€ 70,000.00	50	€ 50,000.00	35	€ 21,000.00	15	€ 141,000.00	
Topel, Karin	€ 70,000.00	63	€ 25,000.00	23	€ 16,000.00	14	€ 111,000.00	
	€ 1,507,916.67		€ 1,118,333.33		€ 417,000.00		€ 3,043,250.00	

¹ Fixed remuneration and remuneration for committee activities granted and due in 2021 for Supervisory Board activities in the 2020 financial year. See explanation above.

² Remuneration for seats at subsidiaries of Deutsche Telekom AG and other internal bodies (such as the Data Privacy Advisory Board): allocation of remuneration granted and due in the 2021 financial year.

Employee representatives who are members of a trade union have undertaken to pay their remuneration in line with the guidelines of the German Trade Union Confederation.

3. Comparative figures

The following table illustrates the annual trend in development of earnings for the Company, remuneration granted and due to current and former members of the Supervisory Board, and the average remuneration of employees over the last five financial years based on FTE.

Development of earnings is calculated based on company income after taxes under German GAAP and adjusted (Group) EBITDA AL. This is intended to illustrate the Company's operating performance.

The group of employees taken as the basis for employee remuneration are employees from Group companies in Germany who are subject to the Group Works Agreement on the Conditions of Employment for Non-civil Servants outside the Collective Agreement, as these companies have broadly comparable remuneration systems in place and use comparable remuneration components. In a similar manner to the details given for members of the Board of Management, the figure for total gross employee salaries was used (adjusted for severance payments made) for the relevant financial year in order to obtain the figure for remuneration granted and due in accordance with § 162 (1) sentence 1 AktG. The figure for total gross employee salaries was adjusted for severance payments, which were generally paid out as a result of staff restructuring measures.

	<i>Difference 2018 to 2017</i>	<i>Difference 2019 to 2018</i>	<i>Difference 2020 to 2019</i>	<i>Difference 2021 to 2020</i>
Earnings KPIs				
Income after taxes under German GAAP	-15.0 %	-58.2 %	43.8 %	43.3 %
EBITDA AL (adjusted) ¹	4.1 %	6.9 %	41.7 %	6.6 %
Current members of the Supervisory Board (as at: December 31, 2021)				
Dr. Bössinger, Rolf	–	n/a	68.88 %	9.97 %
Dr. Bräunig, Günther	–	n/a	17.27 %	6.20 %
Chatzidis, Odysseus D.	–	n/a	13.81 %	12.78 %
Greve, Constantin	–	n/a	505.94 %	30.23 %
Hinrichs, Lars	5.83 %	-5.50 %	-1.94 %	9.90 %
Dr. Jung, Helga	-11.68 %	13.23 %	12.60 %	6.86 %
Prof. Dr. Kaschke, Michael	3.33 %	-3.23 %	-2.50 %	8.55 %
Koch, Nicole	-12.57 %	14.38 %	12.57 %	7.77 %
Kollmann, Dagmar P.	1.46 %	-1.44 %	-1.95 %	5.46 %
Kreusel, Petra Steffi	4.10 %	-3.94 %	-1.64 %	6.67 %
Krüger, Harald	–	n/a	48.03 %	17.56 %
Prof. Dr. Lehner, Ulrich (Chairman)	0.62 %	-0.61 %	4.92 %	-1.47 %
Marx, Kerstin	–	–	–	n/a
Sauerland, Frank (Deputy Chairman)	–	n/a	483.18 %	84.38 %
Schröder, Lothar	0.38 %	-0.38 %	4.36 %	-41.38 %
Seeleemann-Wandtke, Nicole	–	n/a	133.21 %	30.91 %
Spoo, Sibylle	-29.93 %	42.72 %	-0.68 %	4.11 %
Streibich, Karl-Heinz	-5.19 %	5.47 %	11.76 %	-4.64 %
Suckale, Margret	n/a	267.01 %	8.71 %	8.46 %
Topel, Karin	n/a	105,42 %	25,35 %	7,77 %
Former members of the Supervisory Board (as at: December 31, 2021)				
Bednarski, Josef	0.53 %	-0.53 %	6.08 %	-70.07 %
Average employee remuneration				
Average remuneration	2.8 %	4.1 %	1.3 %	2.2 %

4. Outlook

Supervisory Board remuneration for the 2021 financial year (payment after the 2022 Shareholders' Meeting) is distributed among the individual members as follows:

Supervisory Board member	Fixed remuneration		Committee remuneration ¹		Meeting attendance fee		Total sum <i>in €</i>	Remuneration for seats at subsidiaries and other internal bodies ²
	in €	in %	in €	in %	in €	in %		
Dr. Böisinger, Rolf	€ 70,000.00	39	€ 82,500.00	46	€ 25,000.00	14	€ 177,500.00	
Dr. Bräunig, Günther	€ 70,000.00	65	€ 25,000.00	23	€ 12,000.00	11	€ 107,000.00	
Chatzidis, Odysseus D.	€ 70,000.00	51	€ 50,000.00	37	€ 16,000.00	12	€ 136,000.00	
Greve, Constantin	€ 70,000.00	65	€ 25,000.00	23	€ 12,000.00	11	€ 107,000.00	
Hinrichs, Lars	€ 70,000.00	65	€ 25,000.00	23	€ 12,000.00	11	€ 107,000.00	
Dr. Jung, Helga	€ 70,000.00	89	€ 0.00	0	€ 9,000.00	11	€ 79,000.00	
Prof. Dr. Kaschke, Michael	€ 70,000.00	57	€ 40,000.00	33	€ 13,000.00	11	€ 123,000.00	
Koch, Nicole	€ 70,000.00	65	€ 25,000.00	23	€ 12,000.00	11	€ 107,000.00	€ 4,500.00
Kollmann, Dagmar P.	€ 70,000.00	34	€ 117,500.00	57	€ 20,000.00	10	€ 207,500.00	
Kreusel, Petra Steffi	€ 70,000.00	56	€ 40,000.00	32	€ 16,000.00	13	€ 126,000.00	€ 3,250.00
Krüger, Harald	€ 70,000.00	65	€ 25,000.00	23	€ 13,000.00	12	€ 108,000.00	
Prof. Dr. Lehner, Ulrich (Chairman)	€ 140,000.00	49	€ 120,000.00	42	€ 27,000.00	9	€ 287,000.00	€ 12,000.00
Marx, Kerstin	€ 70,000.00	36	€ 95,000.00	49	€ 30,000.00	15	€ 195,000.00	€ 3,250.00
Sauerland, Frank (Deputy Chairman)	€ 105,000.00	54	€ 70,000.00	36	€ 20,000.00	10	€ 195,000.00	€ 18,500.00
Schröder, Lothar	€ 70,000.00	57	€ 40,000.00	33	€ 12,000.00	10	€ 122,000.00	€ 12,000.00
Seelemann-Wandtke, Nicole	€ 70,000.00	66	€ 25,000.00	24	€ 11,000.00	10	€ 106,000.00	
Spoö, Sibylle	€ 70,000.00	56	€ 40,000.00	32	€ 15,000.00	12	€ 125,000.00	
Streibich, Karl-Heinz	€ 70,000.00	47	€ 65,000.00	44	€ 13,000.00	9	€ 148,000.00	
Suckale, Margret	€ 70,000.00	51	€ 50,000.00	37	€ 16,000.00	12	€ 136,000.00	
Topel, Karin	€ 70,000.00	65	€ 25,000.00	23	€ 12,000.00	11	€ 107,000.00	
	€ 1,505,000.00		€ 985,000.00		€ 316,000.00		€ 2,806,000.00	

¹ Fixed remuneration and remuneration for committee activities in the 2021 financial year.

² Remuneration for seats at subsidiaries of Deutsche Telekom AG and other internal bodies (such as the Data Privacy Advisory Board) in the 2021 financial year.

For the Board of Management

Timotheus Höttges
Chair of the Board of Management
of Deutsche Telekom AG

For the Supervisory Board

Dr. Christian P. Illek
Board Member for Finance
of Deutsche Telekom AG

Prof. Dr. Ulrich Lehner
Chair of the Supervisory Board
of Deutsche Telekom AG

Independent auditor's opinion

To Deutsche Telekom AG, Bonn

We have reviewed the remuneration report of Deutsche Telekom AG, Bonn, for the financial year from January 1 to December 31, 2021, including the corresponding information, produced to meet the requirements of § 162 AktG.

Responsibility of legal representatives and Supervisory Board

The legal representatives and Supervisory Board of Deutsche Telekom AG are responsible for producing the remuneration report, including the corresponding information, to meet the requirements of § 162 AktG. The legal representatives and the Supervisory Board are also responsible for the internal controls that they determine are necessary to enable the preparation of the remuneration report, including the corresponding information that is free from material misstatement, whether due to fraud or error.

Independent auditor's responsibility

Our responsibility is to express an opinion on this remuneration report, including the corresponding information, based on our audit. We conducted our audit in accordance with the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Accordingly, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the corresponding information, is free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the remuneration report, including the corresponding information. The procedures selected depend on the independent auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report, including the corresponding information, whether due to fraud or error. In assessing those risks, the independent auditor considers the internal control system relevant to the preparation of the remuneration report, including the corresponding information. The aim of this is to plan and perform audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system. An audit also includes assessment of the applied accounting methods, the tenability of the estimated values in the financial statements determined by the legal representatives and the Supervisory Board, and assessment of the overall presentation of the remuneration report, including the corresponding information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, based on the insights gained during the audit, the remuneration report for the financial year from January 1 to December 31, 2021 including the corresponding information, covers all the essential aspects of § 162 AktG.

Note regarding other circumstances – formal audit of remuneration report in accordance with § 162 AktG

The audit of the contents of the remuneration report described in this audit opinion includes the formal audit of the remuneration report required by § 162 (3) AktG, including the issuance of an opinion regarding this audit. Since we submit an unlimited audit opinion regarding the audit of the contents of the remuneration report, this audit opinion includes verification that the information in accordance with § 162 (1) and (2) AktG has been provided in the remuneration report as described in the key requirements.

Restriction of use

We issue this opinion on the basis of the mandate assigned by Deutsche Telekom AG. The audit was performed for the Company's purposes and the audit opinion is intended solely to notify the Company of the result of the audit. According to this mandate, our sole responsibility for the audit and the audit opinion is to the Company. The audit opinion is not intended as a basis for (investment-related and/or asset-related) decisions by third parties. Consequently, we do not take any responsibility, duty of care, or liability to third parties; in particular, no third parties fall within the scope of protection of this agreement. § 334 BGB, under which the promisor is entitled to raise objections under the contract in relation to the third party, is not waived.

Frankfurt am Main, den 23. Februar 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Thomas Tandetzki	Sven Willms
Wirtschaftsprüfer	Wirtschaftsprüfer

Bonn, March 2022
Deutsche Telekom AG
The Board of Management

DEUTSCHE TELEKOM AG
Supervisory Board: Prof. Dr. Ulrich Lehner (Chairman)
Board of Management: Timotheus Höttges, Adel Al-Saleh, Birgit Bohle, Srinivasan Gopalan,
Dr. Christian P. Illek, Thorsten Langheim, Dominique Leroy, Claudia Nemat
Commercial Register: Amtsgericht Bonn HRB 6794
Registered Office: Bonn