

# 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.