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**RULES OF PROCEDURE FOR THE
AUDIT COMMITTEE OF THE SUPERVISORY BOARD
OF
DEUTSCHE TELEKOM AG**

Last revised: December 30, 2020

The Audit Committee adopts the following Rules of Procedure in accordance with § 11 (6) of the Rules of Procedure of the Supervisory Board of Deutsche Telekom AG (DTAG):

§ 1 General

- (1) The Audit Committee of the Supervisory Board of DTAG has been formed on the basis of § 7 (1), no. 4 of the Rules of Procedure of the Supervisory Board of DTAG. Where these Rules of Procedure do not stipulate otherwise, the regulations laid down in the Rules of Procedure of the Supervisory Board of DTAG shall apply accordingly.
- (2) The Rules of Procedure of the Audit Committee govern the duties and responsibilities of the Committee resulting from the applicable legal provisions, the Articles of Incorporation, the Rules of Procedure and resolutions passed by the Supervisory Board of DTAG, taking into account the requirements set out in the German Corporate Governance Code.

§ 2 Members and Chair of the Committee

- (1) The Audit Committee shall have equal representation. It shall consist of 6 members. The members and the Chair¹ of the Audit Committee shall be appointed by the Supervisory Board from amongst its members by majority of the votes cast.
- (2) All members of the Audit Committee must be very familiar with the sector in which the company is active. At least one member of the Audit Committee must have expertise in the areas of accounting or auditing.
- (3) Unless there are special reasons for this being the case, the Chair of the Supervisory Board shall not simultaneously be Chair of the Audit Committee. The Chair of the Audit Committee shall be a shareholders' representative on the Supervisory Board and shall have specialist knowledge and experience in the application of accounting principles and internal control processes, as well as be familiar with the audit of the financial statements. He should be independent of the company, the Board of Management, and the controlling shareholder.

§ 3 Summary of the tasks of the Audit Committee

- (1) The tasks of the Audit Committee derive from the applicable statutory provisions, from these Rules of Procedure and from the resolutions passed by the Supervisory Board, taking into account the German Corporate Governance Code.
- (2) The Audit Committee shall deal with auditing the accounts and monitoring
 - (a) the accounting process;

¹ For reasons of linguistic clarity, masculine pronouns are used throughout the Rules of Procedure. These pronouns nonetheless refer to both genders.

- (b) the effectiveness of the internal control system, the risk management system, and the internal auditing system;
- (c) the auditing, specifically the selection and rotation, performance, suitability, and independence of the auditor, of the annual financial statements and consolidated financial statements of DTAG, the audit fee, and any additional service provided by the auditor, taking into account the appropriateness of all non-audit services provided for the Group;
- (d) compliance, including the compliance management system.

§ 4

Preparatory tasks of the Audit Committee

- (1) The Audit Committee shall prepare the negotiations and resolutions of the Supervisory Board on the audit and adoption of the annual financial statements and the management report, on the proposal by the Board of Management on the appropriation of net income, and on the approval of the consolidated financial statements and the Group management report, the audit of the electronic copies – created for the purpose of disclosure – of the aforementioned financial statements and management reports (“ESEF² documents”), as well as the audit of the non-financial (Group) statement. The Audit Committee shall make the relevant recommendations for resolution to the Supervisory Board.

The Audit Committee shall discuss the audit reports with the Board of Management and the auditor. It shall discuss the audit procedure, the main focuses of the audit, and the audit methods with the external auditor, receive the audit reports from the external auditor regarding the audit results, including with regard to the internal control and risk management system for the accounting process, and discuss the findings with the Board of Management and the external auditor. Together with the commissioned external auditor, it shall – where necessary – also discuss his result of the review/audit of the non-financial (Group) statement.

- (2) The Audit Committee shall prepare the negotiations and resolutions of the Supervisory Board on the recommendation to the shareholders' meeting for the election of an external auditor and shall submit a recommendation to the Supervisory Board accordingly. If the audit of financial statements is put out for tender based on legal requirements, this recommendation must contain a minimum of two proposals for the external auditor, stating a justified preference. In such cases, the Audit Committee shall be responsible for the tender process.
- (3) To draw up its proposal in accordance with (1) and (2) above, the Audit Committee shall regularly assess the quality of the audit of the financial statement and the suitability of the external auditor. The Audit Committee shall discuss the risks with regard to the independence of the external auditor, including taking into account the total fees paid to the auditor, as well as the protective measures applied and documented by the external auditor to minimize this risk, with the external auditor.

² European Single Electronic Format

To this end, the Audit Committee shall receive a written statement each year from the external auditor for the purpose of assessing its independence. This statement shall contain the following information as a minimum:

- (a) A statement that the auditor or the audit company, auditing partner, and the members of the higher level of management, as well as the supervisory personnel responsible for carrying out the audit are independent of the audited company;
 - (b) The extent to which, in the previous financial year, non-audit services were rendered for the Group, and the extent to which such services have been contracted for the current financial year;
 - (c) Confirmation that the external auditor responsible for the audit of the annual financial statements and consolidated financial statements of DTAG in the respective financial year has not provided audit services in a similar function for more than the preceding six business years;
 - (d) Confirmation that no prohibited non-audit services as set out in the Audit Committee's Policy for Commissioning Auditor Services were performed.
- (4) The specific requirements regarding the tender process and the selection process for the appointment of the external auditor are to be dealt with in a separate Audit Committee guideline that is to be adopted on the "Selection process for the appointment of the external auditor" (Annex 1).

§ 5 Concluding tasks of the Audit Committee

The Audit Committee shall deal conclusively with the subjects listed below and shall adopt resolutions on these as required:

- (1) The Audit Committee shall monitor the effectiveness of the internal control system, the compliance management system, and the risk management system by considering the essential questions and significant issues. Alongside financial risks, the presentation of risks should also include reputational risks. In addition, the Audit Committee shall also deal with legal disputes, data privacy, as well as cybersecurity and the resulting risks for the Group. It shall deal with internal auditing and fraud reporting. The Audit Committee shall discuss these topics with the Board of Management, particularly with regard to the accounting process.
- (2) The Audit Committee shall also discuss individual topics of Group-wide significance with the Board of Management, where these are relevant to accounting in the annual financial statements and the consolidated financial statements, to the management report and the Group management report and its functions in accordance with (1).
- (3) The Audit Committee shall audit the accounts and monitor the accounting process. It shall discuss in particular the handling of essential topics such as the use of new accounting standards or the changing

of those used to date, together with accounting options exercised. The Audit Committee can put forward recommendations or proposals to the Supervisory Board for safeguarding the integrity (compliance) of the accounting process.

- (4) The Audit Committee shall discuss the condensed financial statements, the interim report and other financial reports drawn up in the course of the year, including the external auditor's report, with the Board of Management and the external auditor. The Audit Committee shall have information submitted to it by the Board of Management as soon as possible about significant off balance-sheet transactions and other significant financial measures and transactions that are not covered by the annual financial statements or the consolidated financial statements.
- (5) In implementing the resolution of the shareholders' meeting on the selection of the external auditor, the Audit Committee shall commission the external auditor to carry out the audit of the annual and consolidated financial statements, including the relevant management reports, as well as the review of the condensed financial statements and the interim management report, and other financial reports drawn up in the course of the year. The audit engagement shall set out the specific details of the scope of audit, the audit planning and methods, the focal points of the audit set out by the Audit Committee, the agreement on fees, and the external auditor's obligation to provide information.

As part of the audit engagement, the Audit Committee and the external auditor in particular agree

- (a) that the Chair of the Audit Committee shall be informed immediately if, during the financial year at the end of which the financial statements to be audited are prepared or during the audit of the financial statements, reasons – especially relationships of a business, financial, or personal nature – occur that give rise to concerns of bias;
- (b) that the external auditor shall immediately report on all significant findings and incidents which emerge during the audit and which have a direct bearing on the Supervisory Board's tasks;
- (c) that the external auditor shall report on all accounting activities and principles which the auditors consider to be critical and on all alternative accounting options under the accounting standards applying for Deutsche Telekom, which were discussed with the management;
- (d) that the external auditor shall deliver to the Audit Committee any other significant correspondence conducted with the Board of Management, for instance a summary of differences of opinion not yet resolved between the Board of Management and the external auditor;
- (e) that the external auditor shall report significant differences of opinion between the Board of Management and the external auditor if the underlying facts and circumstances have not been documented in writing;

- (f) that the external auditor shall advise the Audit Committee and make a note in the audit report of any facts discovered during the audit which might indicate a discrepancy in the Declaration of Conformity with the German Corporate Governance Code submitted by the Board of Management and Supervisory Board; and
- (g) that the external auditor shall inform the Audit Committee of all other circumstances which, in particular in accordance with EU Regulation no. 537/2014 on the audit of financial statements, are to be legally disclosed or reported to the Audit Committee.

The Audit Committee is empowered to appoint the external auditor on behalf of the Supervisory Board. In its external relationship DTAG is, in this respect, represented by the Chair of the Audit Committee and the Chair of the Supervisory Board.

- (6) The commissioning of all services of the external auditor and all members of its network³ shall require the prior agreement of the Audit Committee. The Audit Committee shall set out which audit services and non-audit services are agreed in advance ("pre-approval") in the "Policy for Commissioning Auditor Services" (Annex 2), which is to be resolved separately. In addition, at the start of the financial year, the Audit Committee shall set out the relevant fee caps and shall review the relevant service categories. Specific prior approval by the Audit Committee is necessary before the fee caps set by same may be exceeded.
- (7) The Audit Committee shall receive regular reports on all of the services provided by the external auditor, including those performed at subsidiaries of the Deutsche Telekom Group, the fees agreed for these services, and the cost incurred. In addition, the Audit Committee shall receive regular reports on the scope of the non-audit services provided and the resulting ratio of permissible non-audit services to audit fees for Group companies that are public-interest entities.

§ 6 Right to information on the part of the Audit Committee

- (1) For the purpose of fulfilling the task assigned to it, the Audit Committee is entitled to obtain all necessary information from the external auditor and from the Board of Management and to request the Board of Management to submit the company's business documents.⁴
- (2) The Audit Committee can authorize the Chair of the Audit Committee to exercise the rights assigned to the Audit Committee in (1) alone. It is the obligation of the Chair of the Audit Committee to report in sufficient scope to the members of the Audit Committee on the information provided to him.
- (3) The Audit Committee shall have the right to commission independent advisors insofar as is necessary in connection with conducting the duties of the Audit Committee.

³ For the definition of the term "network," see § 319b of the German Commercial Code.

⁴ Further rights to information are regulated in a gatekeeper agreement, most recently from December 12, 2016, between the Chair of the Audit Committee and the Board of Management.

§ 7 Meetings

- (1) The meetings of the Audit Committee shall take place at least four times per year. The procedural rules set out in the Rules of Procedure of the Supervisory Board shall apply analogously to convening and conducting meetings and making resolutions.
- (2) In addition to the members of the Audit Committee, the member of the Board of Management for Finance, the member of the Board of Management for Human Resources and Legal Affairs, and the external auditor of the consolidated financial statements generally attend the meetings of the Audit Committee. The Chair of the Audit Committee may request other members of the Board of Management or other persons providing information to attend the meetings.
- (3) The Office of the Supervisory Board shall produce minutes of each meeting of the Audit Committee, which are to be signed by the meeting chair and provided to the members of the Audit Committee and the members of the Supervisory Board for information.

§ 8 Reporting to the Supervisory Board

- (1) The Chair of the Audit Committee shall report regularly to the Supervisory Board on the work and the meetings of the Audit Committee, and in particular on the results of the audit of the financial statements, the contribution that the audit of the financial statements made to the integrity (compliance) of the accounting process, and the role that the Audit Committee played in the auditing process.
- (2) The Audit Committee shall review the efficiency of its work regularly and shall report to the Supervisory Board accordingly.