

Compliance Declaration

The Management Board and the Supervisory Board of Telefónica Deutschland Holding AG (the "Company") last issued a compliance declaration pursuant to section 161(1) AktG (German Stock Corporation Act - Aktiengesetz) on 9/10 March 2021, updated on 26/27 July 2021.

The Management Board and Supervisory Board of the Company hereby declare pursuant to Section 161 (1) of the German Stock Corporation Act (AktG) that the recommendations of the German Corporate Governance Code as amended on 16 December 2019 ("GCGC"), published in the Bundesanzeiger (Federal Gazette) on 20 March 2020, will be complied with in the future and have been complied with- to the extent required by the GCGC - since the last Compliance Declaration was issued, with the following exceptions.

1. The Supervisory Board establishes the performance criteria for all variable remuneration components at the beginning of a financial year, as the completion of the previous year is awaited in order to be able to adjust performance criteria accordingly if necessary. G.7, which recommends a determination in the respective previous year for the upcoming financial year, was and will be deviated from with regard to the time component.
2. The Company complies with the statutory obligations (in particular Section 162 of the German Stock Corporation Act (AktG)) with regard to the publication of the comprehensibility of the achievement of targets and does not provide any additional information, as in the case of strategically important targets this may conflict with the Company's confidentiality interests. In this respect, the Company has deviated and continues to deviate in part from G.9, which recommends that the rationale and the amount should be comprehensible.
3. Mostly, it is possible to dispose of long-term variable grant amounts after three years. This is considered appropriate, as the Company operates in an extremely volatile and innovative market environment. In this respect, we have deviated and will deviate from G.10, which recommends a period of four years.
4. The Supervisory Board is of the opinion that it is strategically reasonable for the members of the Management Board to participate in share-based programs of Telefónica, S.A. These provide that in the event of termination of a Management Board contract, payment is made upon exit. In this respect, deviations from G.12, which recommends payment according to the due dates or holding periods specified in the contract, have been and will be made.
5. Members and chairmen of the committees with regular meetings (Audit Committee and Remuneration Committee) receive additional remuneration. The Company is of the opinion that a distinction from the other committees, which are only active occasionally, is appropriate. In this respect, the Company has deviated and will continue to deviate in part from G.17, which is based exclusively on the higher time commitment.

27 October 2021

25 October 2021

Management Board

Supervisory Board