

# Management Declaration in accordance with sections 289f in connection with 315d of the German Commercial Code (HGB)

This Management Declaration of Telefónica Deutschland Holding AG is based on Sect. 289f, 315d of the German Commercial Code (HGB) in the version applicable at the time the statement was issued, as well as the German Corporate Governance Code in the version dated 16 December 2019, published in the Federal Gazette on 20 March 2020.

## 1. Declaration of Compliance in accordance with section 161 of the German Stock Corporation Act (AktG)

Pursuant to section 161 of the German Stock Corporation Act (AktG), the Management Board and the Supervisory Board of a listed stock corporation are required to declare annually that the Company has complied and is complying with the recommendations of the "Government Commission for the German Corporate Governance Code" (GCGC), as published in the official part of the Federal Gazette by the Federal Ministry of Justice, or, alternatively, are to declare which recommendations the Company has not followed or does not follow and why not. The declaration shall be made permanently available on the Company's website.

On 25/27 October 2021, the Management Board and Supervisory Board of Telefónica Deutschland Holding AG

("Company") issued a declaration of compliance pursuant to section 161 paragraph 1 German Stock Corporation Act (AktG). This declaration of compliance refers to the German Corporate Governance Code as amended on 16 December 2019 ("GCGC") and published in the Bundesanzeiger (Federal Gazette) on 20 March 2020.

The Management Board and Supervisory Board of the Company that the recommendations of the GCGC 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 on 9/10 March 2021 (updated on 26/27 July 2021), 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 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.

The current Compliance Declaration is available on the Company's website at <http://www.telefonica.de/compliance-declaration-october-2021>. Previous Declarations of Compliance are also available on the Company's website.

## 2. Relevant disclosures of management practices

Telefónica Deutschland Holding AG and its governing bodies are committed to efficient, sustainable and transparent corporate management as well as to values that form the basis of common business principles described in the Company's code of ethics called "Our Business Principles". This code includes various fundamental principles and guidelines aimed to direct both management and employees in their daily work. It provides

valuable help, particularly with respect to business situations in which legal and/or ethical conflicts of interest arise so that decisions can be taken with integrity and professionalism, both in the design and implementation of work processes and in the manner in which the Company interacts with customers, shareholders, employees, suppliers and other stakeholders.

The Company's Business Principles are available on the website of Telefónica Deutschland Holding AG at [www.telefonica.de/geschaeftsgrundsaeetze](http://www.telefonica.de/geschaeftsgrundsaeetze).

Compliance with the Business Principles is of eminent significance since the Company's reputation is built on and affected by decisions and actions taken by its administrative bodies and employees. It is therefore carefully monitored by means of close cooperation between the functions Compliance, Human Resources, Internal Audit, Corporate Responsibility and Legal.

The Company's compliance program includes the main areas of anti-corruption with clear guidelines and procedures, competition law and the avoidance of ethically inappropriate behavior. Employees and third parties have the possibility to report potential breaches of law – especially indications of corruption – in a protected manner e.g. within an external whistleblower system ([www.telefonica.de/ombudsmann](http://www.telefonica.de/ombudsmann)).

### Sustainability (ESG)

In the spirit of responsible corporate governance, the company also keeps an eye on the impact on people and the environment in all its business activities. As part of the Company's CR strategy, sustainability is firmly anchored in the Company and is also expressed, among other things, in the Company's Responsible Business Plan 2025 (see <https://www.telefonica.de/responsibility.html>).

### Risk Management and Internal Control System

For the management and Supervisory Board of Telefónica Deutschland Holding AG, internal control and risk management are fundamental. The handling of risks arising in the course of business is of great importance for the Company's success and for a professional management. At Telefónica Deutschland Holding AG, an internal control system (ICS) to ensure the effectiveness and economic validity of business activities, lawful financial reporting and compliance with the relevant legal regulations, as well as a risk management system to detect, assess, control, manage and monitor risks have therefore been implemented as integral components of corporate governance. Management Board and Supervisory Board, especially the Audit Committee,

receive regular reports on current risks, action plans and developments. The risk management process is designed to timely identify, evaluate and mitigate corporate risks through constant communication with the relevant stakeholders. As part of the risk management, the suitability and the efficacy of the internal control system (IKS) are evaluated each year by the Management Board of Telefónica Deutschland and monitored especially by the audit committee. The internal control system and the risk management system are also continuously improved and reviewed by the external auditor.

You may find further details in the Sections "Report on Risks and Opportunities" respectively "Accounting-Related Internal Control and Risk Management System" within the Annual Report.

### **Compliance**

Telefónica Deutschland Group is committed to comply with all laws, regulations, processes, rules and enactments applicable to its business activity. The Company has a compliance department that is concerned with the implementation and optimisation of the compliance organisation within the whole Company, the coordination of compliance activities and advises employees on their questions. The approach pursued is preventive, raising awareness and informing employees in order to preclude potential violations of rules. Employees and third parties have the possibility to report possible violations of the law e.g. via an external whistleblower system ([www.telefonica.de/ombudsmann](http://www.telefonica.de/ombudsmann)) in a protected manner.

The compliance program focuses on behaviours protecting fair competition, avoiding corruption and conflicts of interests as well as on ethically appropriate behaviour. These topics are covered by mandatory online trainings, as are the areas of data protection, anti-discrimination and information security. Each employee is required to complete certain mandatory training sessions in regular intervals based on his or her job responsibilities. Clear guidelines and policies were established for the most important compliance matters. In the reporting year, the audit company BDO AG Wirtschaftsprüfungsgesellschaft audited and certified the adequacy of the Company's compliance management system in the area of anti-corruption in accordance with the IDW PS 980 standard. This confirmed that the Compliance Management System has all the relevant elements for detecting compliance violations, that these have been implemented and are regularly monitored.

The existing Compliance Management System is continuously enhanced in order to adjust it to the changing legal and economic conditions of business operations. The Management Board and the Supervisory Board (especially the Audit Committee which is in charge of monitoring internal control systems and compliance) is informed regularly on compliance activities. Both the Management Board and the Supervisory Board regularly address the topic of compliance.

In this overall context, the Company has also a Capital Market Law department in the General Counsel area which, among other things, ensures compliance with the Market Abuse Regulation (EU) № 596/2014, e.g. with insider rules (including trainings and maintaining insider lists recording persons in accordance with the Market Abuse Regulation who act for the Company and have authorised access to inside).

The Company's Data Protection Officer monitors compliance with data protection legislation. This is a top priority for the Company. The "Integrity Services" department (Compliance, Corporate Security, Data Protection, Business Continuity Management) and Internal Audit as well as the department General Counsel reported directly to the Management Board in the financial year 2021.

### **3. Composition and working procedures of the Management Board, Supervisory Board and the Supervisory Board's Committees**

As a German stock corporation, Telefónica Deutschland Holding AG has a dual management system consisting of a Management Board and a Supervisory Board, in which corporate management and corporate control are separated and, accordingly, the tasks and responsibilities are clearly divided between the Company's Management Board and Supervisory Board.

#### **Management Board**

In the business year, the **Management Board** of Telefónica Deutschland Holding AG comprised 7 members: Markus Haas, Chief Executive Officer ("CEO"), Markus Rolle, Chief Financial Officer ("CFO"), Valentina Daiber (Chief Officer Legal and Corporate Affairs), Nicole Gerhardt (Chief Human Resources Officer and Labour Director „Arbeitsdirektorin“), Alfons Lösing (Chief Partner and Wholesale Officer), Wolfgang Metzke (Chief Consumer Officer) and Mallik Rao (Chief Technology & Information Officer). There were no changes to the composition of the Board of Management in the financial year 2021.

Further information on the members of Management Board and their respective office periods are available at [www.telefonica.de/management-board](http://www.telefonica.de/management-board). Initial appointments of Management Board members are in principle not for longer than three years.

The Supervisory Board ensures together with the Management Board that there is long-term succession planning. In this context, the Supervisory Board draws up a requirement profile for each role on the Board of Management, taking into account not only the statutory requirements and the recommendations of the German Corporate Governance Code, but also the diversity concept adopted by the Supervisory Board for the Board of Management and the specific criteria relating to skills, experience and knowledge. These requirement profiles are reviewed on an ongoing basis and adjusted as necessary, in particular with regard to legal changes. The Supervisory Board also makes use of external expertise in the preparation and further development of the profiles. On the basis of the requirement profiles, the Supervisory Board regularly exchanges views with the Management Board on suitable successor candidates from the Telefónica Deutschland Group for Management Board positions. Based on the requirement profiles, individual development needs are also identified and addressed with the involvement of external expertise. External candidates are also included in the consideration.

In accordance with its business principles, the Company has committed explicitly to diversity and equal opportunities in the Company. Supervisory Board and Management Board are convinced that diversity sustainably serves the Company's best interest. The Diversity Concept for the Management Board consists of the following diversity criteria detailed pursuant to sect. 289f para. 2 no. 6 German Commercial Code (HGB).

Members of Management Board shall especially provide longstanding leadership from different areas relevant to the Company. At least one member shall have international work or educational experience and the Management Board as a body shall have longstanding experience in telecommunications, finance, sales and staff management.

The Supervisory Board determined in December 2017 in accordance with section 111 para. 5 German Stock Corporation Act (AktG) (in the version applicable at the time) a gender diversity quota of at least 25% for the Management Board, to be met by 30 June 2022, which was fulfilled during the entire financial year 2021 (two of

seven members of the Management Board are female). The Second Management Positions Act (FüPoG II) stipulates a representation requirement of at least one woman and at least one man on the Management Board for companies such as Telefónica Deutschland Holding AG that are listed on the stock exchange, have equal codetermination and have a Management Board with more than three members. This minimum representation requirement applies from 1 August 2022. Telefónica Deutschland Holding AG has already complied with or exceeded this requirement in the fiscal year 2021 and since the Company's IPO.

Also considering the abovementioned minimum gender quota or the minimum requirement of participation in the Management Board and taking into account the age limit of 62 years for members of the management board as determined in the Management Board service agreements, the Company aims at competencies, skills and experience complementing each other in the best interest of the Company for the boards.

Such objectives were and shall be considered by Supervisory Board for appointment and succession planning of members of management board and have been met throughout the reporting period. The fulfilment may also be verified via the Curricula Vitae of the members of the Management Board published on the Company's website at [www.telefonica.de/management-board](http://www.telefonica.de/management-board).

As part of the diversity strategy, the Management Board has voluntarily set targets for the female quota of the management level below the Management Board, reporting level 1 (Berichtsebene 1). The target of 30% to be met by 30 June 2022 shall be achieved via the Company's diversity strategy.

In the reporting period as of 31 December 2021 the share of female members of reporting level 1 once more could be increased to 28.9% (In the previous year: 27.7% as of 31 December 2020).

The Management Board manages the Company's business in its own responsibility with the objective of creating sustainable value in the Company's interest, taking into consideration the interests of its shareholders, employees and other stakeholders of the Company. The work of the Management Board is governed in particular by the by-laws of the Management Board and by the Company's Articles of Association. The Management Board develops the strategic direction of the Company,

coordinating this regularly with the Supervisory Board, and also ensures its implementation.

Each Management Board member is responsible for managing the area of business allocated to her or him, but without prejudice to their joint responsibility for managing the Company as a whole. All matters of fundamental or material importance for the Company and/or its affiliates, in particular matters regarding organisation, Corporate policy, investment and financial planning as well as all investments significantly exceeding the annual budget approved by the Supervisory Board have to be resolved by the entire Management Board. Furthermore, every Management Board member may submit matters to the full Management Board for decision. Transactions and measures of particular significance are also subject to the prior approval by the Supervisory Board.

Management Board meetings are held regularly, generally once per week. Meetings may also be held by phone or video conference. Resolutions of the Management Board may also be passed outside of meetings, in particular by e-mail.

The Management Board reports regularly to the Supervisory Board on the Company's course of business, inter alia by providing the Supervisory Board with written reports each month covering key performance indicators for the Company's business. Moreover, the Management Board must inform the Supervisory Board about any transactions of possible material significance to the Company's profitability or liquidity. Finally, the Management Board must report to the Supervisory Board any important events or affairs subject to section 90 para. 1 sentence 3 of the German Stock Corporation Act (AktG). The Management Board meets these requirements as defined by law.

### **Supervisory Board**

The **Supervisory Board** comprises sixteen members, eight shareholder and eight employee representatives.

During the 2021 financial year, the Supervisory Board comprised the following members: Peter Löscher (Chairman), Christoph Braun\* (Vice Chairman), Martin Butz\* , Pablo de Carvajal González, Peter Erskine, María García-Legaz Ponce, Ernesto Gardelliano, Cansever Heil\*, Christoph Heil\*, Michael Hoffmann, Julio Linares López, Thomas Pfeil\*, Stefanie Oeschger, Joachim Rieger, Dr. Jan-Erik Walter and Claudia Weber.

Further information, including the curricula vitae of the members of the Supervisory Board, can be found on the Company's website at [www.telefonica.de/supervisory-board](http://www.telefonica.de/supervisory-board).

As of 31 December 2021, the Supervisory Board consisted of four female and twelve male members. Therewith Supervisory Board thus continued to fulfill the requirements of section 96 para. 2 German Stock Corporation Act (AktG) (30% minimum gender diversity quota), such quota to be fulfilled separately by shareholder and employee representatives following a resolution by the shareholder representatives. This quota was met with two female members on the employee representative side and two respectively three female members on the shareholder representative side throughout the whole financial year.

The members of the Supervisory Board as a whole are familiar with the sector in which the Company operates. According to the German Stock Corporation Act (AktG) as amended by the Financial Market Integrity Strengthening Act (FISG) of 3 June 2021, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. The Supervisory Board includes Michael Hoffmann and Ernesto Gardelliano, as members each with expertise in the fields of accounting and auditing. In addition, Mr. Thomas Pfeil as a long-standing member of the Audit Committee also has relevant expertise.

The criteria of the diversity concept of the Supervisory Board consist of the competence profile and the composition objectives of the Supervisory Board, which ensure in the opinion of the Supervisory Board diversity in the Supervisory Board which serves the Company's best interest. Taking into account the German Corporate Governance Code, Supervisory Board established a Competence Profile that is described in detail below.

The Supervisory Board is to be composed in such a way that its members as a whole possess the knowledge, ability and expert experience required to properly advise and supervise the Management Board. Each member of the Supervisory Board should be prepared and in a position to invest sufficient time and input and have the necessary personal qualities, in particular integrity, motivation and personality to fulfil their office. All members of the Supervisory Board shall consider responsible and ethical behaviour of a reputable business person.

\* Employee Representative

In addition, each member of the Supervisory Board should have specialist knowledge in at least one of the areas relevant for advising and supervising the Management Board. The different professional backgrounds, specialist knowledge as well as personal experience of the members should complement each other, so that the Supervisory Board can draw upon as wide a range as possible of experience and varieties of specialist knowledge, e.g. Finance, M&A, Marketing & Sales, Legal and Regulatory, HR, Network & Technology.

The Supervisory Board has specified concrete objectives regarding its composition considering inter alia the specifics of the Company, its shareholders' structure and the Company's international activities, diversity and taking into account that half of the members of the Supervisory Board are elected by the employees pursuant to German Co-Determination law. In this context, the Supervisory Board has set the following objectives regarding its composition:

- The Supervisory Board shall have at least two independent members within the meaning of no. C.6 of the German Corporate Governance Code on the shareholder side. Independence within the meaning of Section C.6 of the German Corporate Governance Code is given if the Supervisory Board member is independent of Telefónica Deutschland Holding AG and its Management Board and independent of the controlling shareholder.
- The Supervisory Board should not include any persons who hold an office (e.g. at a significant competitor) which may create a material and not only temporary conflict of interest.
- At least 30% of the members of the Supervisory Board should be female, at least 30% male.
- At least one third of the Supervisory Board members to be elected by the General Meeting should have international working experience, knowledge of the English language as well as an understanding of global economic contexts ("internationality").
- The standard term of office of supervisory members should end with the Annual General Meeting following the supervisory board member reaching 75 years of age unless an individual member's experience is of special value to the Company and the Supervisory Board has approved such exception.

- A standard limit of 15 years, i.e. three full terms of office, shall apply to members of the Supervisory Board. In the Company's best interest and upon approval by Supervisory Board, deviation from the general maximum period is possible, especially in order to fulfill other composition criteria.

In the Supervisory Board's (shareholder side) opinion, taking into account the stipulations of C.7 and C.9 of the German Corporate Governance Code concerning independency, a number of at least two members of the shareholder side independent of the controlling shareholder and a number of at least five independent of Telefónica Deutschland Holding AG and the Management Board is appropriate.

A Supervisory Board member is independent of the controlling shareholder if he or she or a close family member is neither a controlling shareholder nor a member of the controlling shareholder's Management Board or Supervisory Board or has a personal or business relationship with the controlling shareholder that could give rise to a material and not merely temporary conflict of interest. A Supervisory Board member is independent of the Company and its Management Board if he or she has no personal or business relationship with the Company or its Management Board that could give rise to a material and not merely temporary conflict of interest.

As of 31 December 2021, in the opinion of the Supervisory Board (shareholder side), all eight members of the shareholder side were independent of Telefónica Deutschland Holding AG and its Management Board. In addition, according to the assessment of the Supervisory Board (shareholder side), the following three members of the shareholder representatives on the Supervisory Board were also independent of the controlling shareholder: Peter Löscher, Michael Hoffmann and Stefanie Oeschger.

One of the independent members should also have the expertise in the fields of accounting and/or auditing required by Section 100 (5) of the German Stock Corporation Act (AktG). These requirements are met by Michael Hoffmann. The members Ernesto Gardelliano and Thomas Pfeil also have expertise in the fields of accounting and auditing.

The Supervisory Board is convinced that the aforementioned objectives also reflect the shareholder

structure appropriately. Supervisory Board currently considers these concrete objectives and the requirements of the competence profile to have been met.

The abovementioned competence profile and the concrete composition objectives form the requirements of the diversity concept to be met by the Supervisory Board.

The Nomination Committee and the Supervisory Board as a whole consider competence profile and composition criteria (concrete objectives) when recommending candidates to the Annual General Meeting and thus implement the diversity concept of the Supervisory Board.

The requirements defined by the diversity concept were met in the reporting period as evidenced by the Curricula Vitae of the Supervisory Board members detailing professional and personal backgrounds including current mandates, published under [www.telefonica.de/supervisory-board](http://www.telefonica.de/supervisory-board). Furthermore, the respective office duration to each member is published there. The general age limit established for members of the Supervisory Board is 75 years.

The Supervisory Board advises and monitors the Management Board in the management of the Company on an ongoing basis and is consulted in all matters outside the ordinary course of business which are of material importance to the Company. The Supervisory Board appoints and dismisses the members of the Management Board and determines the remuneration of the Management Board. The Supervisory Board Chairman coordinates the activities of the Supervisory Board and cooperation with the Management Board. The principles governing the work of the Supervisory Board and its cooperation with the Management Board are essentially described in the by-laws for the Supervisory Board published at the website of the Company and in the Company's Articles of Association.

The Supervisory Board holds at least two meetings in a calendar half-year. Meetings of the Supervisory Board may also be held by telephone or video conference, and resolutions of the Supervisory Board may also be passed outside of meetings, in particular by e-mail.

The Supervisory Board reviews the efficiency and effectiveness of its activities and of its committees at least once a year by conducting an extensive survey

among all its members thus also in the financial year 2021. The results are analysed and discussed extensively with the members of the Supervisory Board also with a view to potential optimization of the activities.

### **Composition and work of the committees of the Supervisory Board**

As of 31 December 2021 there were five committees of the Supervisory Board. The Supervisory Board may implement further committees if necessary. The Supervisory Board receives regular reports on the work of the committees. Details on these committees are also published at the Company's website, [www.telefonica.de/supervisory-board/committees](http://www.telefonica.de/supervisory-board/committees).

The **Audit Committee** is inter alia responsible for preparing the decision of the Supervisory Board regarding the approval of the financial statements, discusses the quarterly and half-year reports with the Management Board, monitors the accounting processes and auditing, compliance (including data privacy and information security) and the effectiveness of the internal control system, the risk management system and internal audit systems. It furthermore is responsible for the coordination with and selection and independence of the auditor as well as the evaluation of the quality of the audit work.

As of 31 December 2021, the Audit Committee consisted of the following members:

- Michael Hoffmann (Chairman) (independent, financial expert with expertise in accounting and auditing)
- Martin Butz
- Ernesto Gardelliano (financial expert with expertise in accounting and auditing) and
- Thomas Pfeil (financial expert with expertise in accounting and auditing).

Ernesto Gardelliano's membership of the Audit Committee was interrupted from the end of the Annual General Meeting of 20 May 2021 until his re-election to the committee on 6 July 2021.

The members of the Audit Committee as a whole are familiar with the sector in which the Company operates. According to the German Stock Corporation Act (AktG) as amended by the Financial Market Integrity Strengthening Act (FISG), at least one member of the Audit Committee must have expertise in the field of

accounting and at least one other member of the Audit Committee must have expertise in the field of auditing. The Audit Committee in its current composition meets these requirements. According to the recommendations of the German Corporate Governance Code, the Chairman of the Audit Committee should have special knowledge and experience in the application of accounting principles and internal control procedures, be familiar with the auditing of financial statements and be independent. These requirements are met by the Chairman of the Audit Committee, Mr. Michael Hoffmann.

The **Remuneration Committee** is mainly responsible for the preparation of all board compensation topics in context of board remuneration and gives recommendations to the Supervisory Board in this regard.

As of 31 December 2021, the members of the Remuneration Committee were:

- Michael Hoffmann (Chairman) (independent)
- María García-Legaz Ponce
- Dr. Jan-Erik Walter and
- Claudia Weber.

The **Nomination Committee** proposes suitable candidates to the Supervisory Board for election proposals for members of the Supervisory Board to the Annual General Meeting.

The Nomination Committee is composed exclusively of shareholder representatives and consisted of the members as of 31 December 2021:

- Peter Löscher (Chairman) (independent)
- Ernesto Gardelliano and
- Pablo de Carvajal González.

Ernesto Gardelliano's membership of the Nomination Committee was interrupted from the end of the Annual General Meeting of 20 May 2021 until his re-election to the committee on 6 July 2021.

As of 31 December 2021, the Mediation Committee with the responsibilities as defined in section 31 Co-Determination Act (MitbestG) consisted of the following members:

- Peter Löscher (Chairman) (independent)
- Christoph Braun
- Christoph Heil and
- Julio Linares López.

The **Related Party Transactions Committee** was implemented by the Supervisory Board in accordance with the stipulations of section 107 para. 2 sentence 3 of the German Stock Corporation Act (AktG). There are no conflicts of interest with regard to the controlling shareholder for the majority of the members in general. It monitors and resolves on certain transactions with related enterprises instead of the Supervisory Board as whole, especially on transactions with related parties pursuant to sections 111a, b of the German Stock Corporation Act (AktG).

As of 31 December 2021, the Related Party Transactions Committee consisted of the following members:

- Peter Löscher (Chairman)
- Christoph Braun
- Pablo de Carvajal González
- Michael Hoffmann and
- Thomas Pfeil.

Further details on composition and activities of the committees of the Supervisory Board are available in the Supervisory Board Report.

## 4. Remuneration systems and Remuneration Report

The current remuneration system for the members of the Management Board of Telefónica Deutschland Holding AG was finally resolved by the Supervisory Board with effect from 30 March 2021 and submitted to the Annual General Meeting on 20 May 2021 for approval. The Annual General Meeting approved the remuneration system for the Management Board with a majority of 84.72%.

The Annual General Meeting on 20 May 2021 also confirmed the remuneration of the Supervisory Board set out in Art. 20 of the Articles of Association and approved the underlying remuneration system with a majority of 99.94% (remuneration resolution).

The applicable remuneration system for the Board of Management pursuant to sect. 87a para. 1 and 2 sentence 1 of the German Stock Corporation Act (AktG) and the latest compensation resolution on the compensation of the Supervisory Board pursuant to sect. 113 para. 3 of the German Stock Corporation Act (AktG) are available on the Company's website at <https://www.telefonica.de/investor-relations-en/corporate-governance/remuneration-systems.html> publicly accessible.

The remuneration report and the auditor's report pursuant to sect. 162 of the German Stock Corporation Act (AktG) are also made publicly available at this internet address.

## 5. Relevant Shareholdings of Management and Supervisory Board

Some members of the Management Board and the Supervisory Board hold shares of Telefónica Deutschland Holding AG. No member of the board holds options on shares of Telefónica Deutschland Holding AG.

As per 31 December 2021, the Management Board held approximately 0.0135% of the shares of Telefónica Deutschland Holding AG. The acquisition of these shares took place via the stock market and was published in each case – if applicable – as managers' transactions.

As per 31 December 2021, the Supervisory Board held approximately 0.0001% of the shares of Telefónica Deutschland Holding AG. The acquisition of these shares took place via the stock market and was published – if applicable – as managers' transactions.

## 6. Relationship to Shareholders and the General Meeting

The shareholders are generally informed four times a year about the financial and earnings situation and business development. The Company provides for further information on its website (<http://www.telefonica.de/investor-relations-en>) especially the financial calendar. Furthermore, analyst conferences, roadshows and meetings with analysts take place, including on ESG (environmental, governance, social) issues, some of which are also attended by the Chairman of the Supervisory Board.

Other information relevant for shareholders such as ad hoc notifications, information on transactions of managers and their closely related parties, voting rights notifications and corporate news as well as the Company's Articles of Association is also available at this site: [www.telefonica.de/investor-relations-en](http://www.telefonica.de/investor-relations-en).

The shareholders exercise their rights according to the law and the Articles of Association before and during the General Meeting, especially by asking questions to the Management Board and exercising their voting rights (amongst others on profit distribution, discharge and the election of the auditor). In order to facilitate shareholders personally exercising their rights in connection with the Annual General Meeting, Telefónica Deutschland Holding AG makes the relevant documents and information available on its website in advance of each Annual General Meeting.

16 February 2022

Management Board

16 February 2022

Supervisory Board