

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

This Management Declaration of Telefónica Deutschland Holding AG ("Company") is based on Sections 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 28 April 2022, published in the Federal Gazette on 27 June 2022.

## 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 publicly available on the company's website.

On 25/27 October 2023, the Management Board and Supervisory Board of Telefónica Deutschland Holding AG issued the following Declaration of Compliance pursuant to Section 161 para. 1 AktG:

### "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) of the German Stock Corporation Act (AktG) on 27/28 October 2022.

The Management Board and Supervisory Board of the Company hereby declare pursuant to section 161 (1) AktG that

the recommendations of the German Corporate Governance Code ("GCGC") as amended on 28 April 2022, published in the Bundesanzeiger (Federal Gazette) on 27 June 2022, 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.

25 October 2023

27 October 2023

The Management Board    The Supervisory Board"

The current Compliance Declaration is available on the Company's website at [www.telefonica.de/compliance-declaration-october-2023](http://www.telefonica.de/compliance-declaration-october-2023). 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 conduct called "Our Business Principles for responsible corporate governance". 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, OD&P (Organizational Development & People; HR), 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 and breaches pursuant to Section 2 of the Whistleblower Protection Act – inter alia via the internal reporting channel ([tell-us@telefonica.com](mailto:tell-us@telefonica.com)) and within an external whistleblower system ([www.telefonica.de/ombudsmann](http://www.telefonica.de/ombudsmann)), anonymously if necessary.

### Sustainability (ESG)

In the spirit of responsible corporate governance, the Company also keeps an eye on the impact on people and the environment in its business activities. Sustainability is firmly anchored in its business areas. The Management Board ensures that the risks and opportunities associated with social and environmental factors, as well as the ecological and social impacts of the

Company's activities are identified systematically and assessed. In addition to long-term economic objectives, the corporate strategy also gives appropriate consideration to ecological and social objectives. Corporate planning includes corresponding financial and sustainability-related objectives.

The Company manages implementation and target achievement via the Responsible Business Plan 2025 (see <https://www.telefonica.de/sustainability/responsible-business-plan-2025.html>). In the Corporate Responsibility Report, the Company reports transparently and comprehensively on the progress of its sustainability activities (see <https://www.telefonica.de/sustainability/reporting.html>).

### Risk Management and Internal Control System

For the Management Board and Supervisory Board of Telefónica Deutschland Holding AG, internal control and risk management are fundamental. The handling of risks 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. The internal control system and the risk management system, which also cover sustainability-related objectives, are monitored by the Management Board. The appropriateness and effectiveness of the internal control system and the risk management system are monitored in particular by the Audit Committee.

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

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 within the meaning of Section 2 of the Whistleblower Protection Act and other laws, possible violations of internal guidelines and business principles via an internal reporting channel (tell-us@telefonica.com) as well as via an external whistleblower system (www.telefonica.de/ombudsmann), anonymously if necessary.

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 their job responsibilities. Clear guidelines and policies were established for the most important compliance matters. In the financial year 2021, 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 insofar 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. The Compliance Officer reports directly to the Management Board.

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) No 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 information).

The Company's Data Protection Officer monitors compliance with data protection legislation. This is a top priority for the Company. Data Protection and Security, including Business Continuity, report directly to the Corporate & Legal Affairs Management Board department.

### 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

At the beginning of the financial year 2023, the **Management Board** of Telefónica Deutschland Holding AG comprised six members: Markus Haas, Chief Executive Officer ("CEO"), Markus Rolle, Chief Financial Officer ("CFO"), Valentina Daiber (Chief Officer Legal and Corporate Affairs), Nicole Gerhardt (Chief Organizational Development & People Officer and Labour Director "Arbeitsdirektorin"), Alfons Lösing (Chief Partner and Wholesale Officer) and Mallik Rao (Chief Technology & Information Officer). Andreas Laukenmann (Chief Consumer Officer) was appointed to the Management Board with effect from 1 September 2023. He took over the Consumer division from Markus Haas, who has led it on an interim basis from the beginning of the financial year.

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, if necessary, 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 and also considers short- and medium-term succession. Based on the requirement profiles, individual development needs are also identified and addressed, if necessary, 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 Section 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 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 2023, as it was throughout the 2022 financial year (two of regularly seven – six at the beginning of the reporting period - 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 complied with or exceeded this requirement in the financial year 2023 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 and in order to further increase the proportion of women in management positions, the Management Board has voluntarily set targets for the proportion of women in senior leadership positions (highest management level including the Management Board). The target figure for the proportion of women of 31%, to be met by 31 December 2022 to be achieved via the company's diversity strategy, was reached and exceeded by this date at 32.1%. As of 31 December 2023, the proportion of women was 32.2%.

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 or hybrid. 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 AktG. The Management Board meets these requirements as defined by law.

### **Supervisory Board**

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

At the beginning of the financial year 2023, the Supervisory Board comprised the following members: Peter Löscher (Chairman), Martin Butz\*, Christoph Braun\* (Deputy Chairman), Pablo de Carvajal González, María García-Legaz Ponce, Ernesto Gardelliano, Cansever Heil\*, Christoph Heil\*, Michael Hoffmann, Julio Linares López, Stefanie Oeschger, Thomas Pfeil\*, Joachim Rieger\*, Jaime Smith Basterra, Dr. Jan-Erik Walter\* and Claudia Weber\*. Following the election of all employee representatives, Christoph Braun and Claudia Weber left the Supervisory Board and its committees at the end of the company's Annual General Meeting on 17 May 2023. Instead of the retiring members, Yasmin Fahimi and Barbara Rothfuß were newly elected to the Supervisory Board as employee representatives with effect from the end of the company's Annual General Meeting on 17 May 2023. Thomas Pfeil was elected Deputy Chairman at a Supervisory Board meeting on the same day.

\* Employee representative

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 2023, the Supervisory Board consisted of five female and eleven male members. Therewith Supervisory Board continued to fulfill the requirements of Section 96 para. 2 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 or three (from 17 May 2023) female members on the employee representative side and two 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), 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, Ernesto Gardelliano, Stefanie Oeschger, Jaime Smith Basterra and Thomas Pfeil as members each with expertise in the fields of accounting and auditing.

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.

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 members of the Supervisory Board as a whole should have expertise regarding sustainability issues relevant to the company.

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 such meaning 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.
- In accordance with legal requirements, 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 Board members should regularly 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 executive governing body 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 2023, 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 four members of the shareholder representatives on the Supervisory Board were also independent of the controlling shareholder: Peter Löscher, Michael Hoffmann, Stefanie Oeschger and Jaime Smith Basterra.

According to the recommendations of the German Corporate Governance Code, the Chairman of the Supervisory Board, the Chairman of the Audit Committee and the Chairman of the committee dealing with Management Board remuneration should be independent of the Company and the Management Board. The Chairman of the Audit Committee should also be independent of the controlling shareholder. These requirements are met. The Supervisory Board is convinced that the aforementioned objectives also reflect the shareholder structure appropriately. The 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 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 status of the implementation of the competence profile is disclosed as follows:

	Familiarity					
	Internationality	Leadership	Telecommunications Sector	Finance	M&A / Strategy	Marketing & Sales
Peter Löscher	x	x	x	x	x	x
Pablo de Carvajal González	x	x	x		x	
María García-Legaz Ponce	x	x	x	x	x	
Ernesto Gardelliano*	x	x	x	x	x	
Michael Hoffmann*	x	x	x	x	x	x
Julio Linares López	x	x	x		x	x
Stefanie Oeschger*	x	x	x	x	x	x
Jaime Smith Basterra*	x	x	x	x	x	x
Martin Butz**	x	x	x	x		x
Yasmin Fahimi**		x				
Cansever Heil**		x	x			x
Christoph Heil**			x			
Thomas Pfeil*, **			x	x		
Joachim Rieger**			x			x
Barbara Rothfuß**			x			
Dr. Jan-Erik Walter**			x	x		

  

	Digital Transformation / Cyber Security / Innovation				
	Legal / Regulatory	HR	Network/ Technology	Sustainability / ESG	
Peter Löscher		x		x	x
Pablo de Carvajal González	x	x			x
María García-Legaz Ponce		x			x
Ernesto Gardelliano*		x			x
Michael Hoffmann*		x			x
Julio Linares López	x	x	x		x
Stefanie Oeschger*		x			x
Jaime Smith Basterra*		x	x		x
Martin Butz**		x	x		
Yasmin Fahimi**		x			x
Cansever Heil**		x			
Christoph Heil**	x	x	x		x
Thomas Pfeil*, **		x	x		x
Joachim Rieger**		x			
Barbara Rothfuß**		x	x		
Dr. Jan-Erik Walter**		x			x

\* Financial Expert

\*\* Employee representative, HR experience as member of works council or trade union

The Supervisory Board advises and monitors the Management Board in the management of the Company on an ongoing basis. The monitoring and advice provided by the Supervisory Board also include sustainability topics. The Supervisory Board 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 or hybrid, 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 2023. 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 2023 there were five regular and one temporary committee 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 and the non-financial report (including sustainability reporting), discusses the quarterly information 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 2023, 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)

- Stefanie Oeschger (independent, financial expert with expertise in accounting)
- Thomas Pfeil (financial expert with expertise in accounting and auditing) and
- Dr. Jan-Erik Walter.

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), 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. According to the German Corporate Governance Code the expertise in the field of accounting shall consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing shall consist of special knowledge and experience in the auditing of financial statements. Accounting and auditing shall also include sustainability reporting and its audit and assurance. The chairman of the audit committee shall have appropriate expertise in at least one of the two areas. The Audit Committee in its current composition meets all aforementioned requirements with its members Michael Hoffmann, Ernesto Gardelliano, Stefanie Oeschger and Thomas Pfeil.

Michael Hoffmann was long-standing Chairman of the Management Board of Lekkerland AG & Co. KG and Chairman of the Management Board of Carl Zeiss Vision International GmbH. He has also been Chairman of the Audit Committee of Telefónica Deutschland Holding AG for around 11 years now, Chairman of the Audit Committee of also listed Westwing Group SE for over five years and holds a degree in business administration. Thus, he has special knowledge and experience in the application of accounting principles and internal control and risk management systems including sustainability reporting, and special knowledge and experience in the auditing of financial statements including the audit of sustainability reporting. Michael Hoffmann follows current developments in the field of sustainability reporting and its auditing and contributes related insights to the Supervisory Board and the Audit Committee of Telefónica Deutschland Holding AG.

Ernesto Gardelliano is the Group Controller & Planning Director of Telefónica, S.A. since July 2017, a listed multinational telecommunications company headquartered in Madrid, Spain. His areas of responsibilities cover Operating Businesses and Global Areas control, budgets and strategic planning. Before that he was Chief Financial Officer of Telefónica Latinoamérica in São Paulo. He held multiple other finance positions in different companies, inter alia as a longstanding CFO at Movicom BellSouth in Argentina. He is a Certified Public Accountant and holds a degree in Business Administration & Management. Thus, he has special knowledge and experience in the application of accounting principles and internal control and risk management systems including sustainability reporting, and special knowledge and experience in the auditing of financial statements including the audit of sustainability reporting. Ernesto Gardelliano follows current developments in the field of

sustainability reporting and its auditing and contributes related insights to the Supervisory Board and the Audit Committee of Telefónica Deutschland Holding AG.

Thomas Pfeil and Stefanie Oeschger in the Audit Committee as well as Jaime Smith Basterra in the Supervisory Board also have respective financial expertise.

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

As of 31 December 2023, the members of the Remuneration Committee were:

- Michael Hoffmann (Chairman) (independent)
- María García-Legaz Ponce
- Cansever Heil (since 17 May 2023) and
- Dr. Jan-Erik Walter.

Claudia Weber left the Remuneration Committee with effect of the end of the company's Annual General Meeting on 17 May 2023.

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 2023:

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

As of 31 December 2023, the **Mediation Committee** with the responsibilities as defined in Section 31 Co-Determination Act (MitbestG) consisted of the following members:

- Peter Löscher (Chairman) (independent)
- Julio Linares López
- Thomas Pfeil (since 17 May 2023) and
- Barbara Rothfuß (since 17 May 2023).

Christoph Braun and Christoph Heil left the Mediation Committee with effect of the end of the company's Annual General Meeting on 17 May 2023.

The **Related Party Transactions Committee** was implemented by the Supervisory Board in accordance with Section 107 para. 3 sentences 4 to 6 AktG. 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 AktG.

As of 31 December 2023, the Related Party Transactions Committee consisted of the following members:

- Peter Löscher (Chairman)
- Pablo de Carvajal González
- Michael Hoffmann
- Christoph Heil (since 17 May 2023) and
- Barbara Rothfuß (since 17 May 2023).

Christoph Braun and Thomas Pfeil left the Related Party Transactions Committee with effect of the end of the company's Annual General Meeting on 17 May 2023.

In order to handle the tasks of the Supervisory Board in connection with the public acquisition offer of Telefónica Local Services GmbH appropriately and without conflicts of interest, the Supervisory Board implemented temporarily an additional resolving committee, the **Acquisition Offer Committee**, on 9 November 2023. This committee performed the tasks of the Supervisory Board in connection with the public acquisition offer in place of the Supervisory Board and within the scope of the authorization granted.

The members of the Acquisition Offer Committee were as of 31 December 2023:

- Peter Löscher (Chairman, independent)
- Martin Butz
- Christoph Heil
- Michael Hoffmann (independent)
- Thomas Pfeil and
- Jaime Smith Basterra (independent).

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 Supervisory Board resolved changes to the remuneration system for the members of the Management Board of Telefónica Deutschland Holding AG on 23 March 2023 on the recommendation of its Remuneration Committee and

submitted it to the Annual General Meeting on 17 May 2023 for approval. The Annual General Meeting approved the remuneration system for the Management Board with a majority of 84.38 %.

The Annual General Meeting last adjusted the remuneration of the Supervisory Board set out in Article 20 of the Articles of Association on 19 May 2022 and approved the underlying remuneration system with a majority of 99.82 %.

The applicable remuneration system for the Management Board pursuant to Section 87a para. 1 and 2 sentence 1 AktG, the

latest resolution on the remuneration of the Supervisory Board pursuant to Section 113 para. 3 AktG and the remuneration report and the auditor's report pursuant to Section 162 AktG are publicly accessible on the Company's website [www.telefonica.de/remuneration-systems-and-remuneration-reports](http://www.telefonica.de/remuneration-systems-and-remuneration-reports).

## 5. Relevant Shareholdings of Management and Supervisory Board

As of 31 December 2023, some members of the Management Board and the Supervisory Board held shares of Telefónica Deutschland Holding AG. No member of a board holds options on shares of Telefónica Deutschland Holding AG.

As per 31 December 2023, the Management Board held approximately 0.018 % of the shares of Telefónica Deutschland Holding AG. The acquisition of these shares by the Management Board took place via the stock market or outside a trading venue and was published in each case – if applicable – as managers' transactions.

As per 31 December 2023, the Supervisory Board held approximately 0.0001 % of the shares of Telefónica Deutschland Holding AG. The acquisition of these shares by the Supervisory Board took place via the stock market and was published – if applicable – as managers' transactions.

All members of the boards had stated on 14 December 2023 that they intended to tender their shares in Telefónica Deutschland Holding AG in context of the acquisition offer of Telefónica Local Services GmbH.

## 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, social, governance) 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.

In the interest of the environment, the Company no longer provides printed information or annual financial statement documents to the extent permitted by law.

14 February 2024

The Management Board

14 February 2024

The Supervisory Board