

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 (Aktiengesetz) on 25/27 October 2021, updated on 19/24 May 2022.

The following compliance declaration refers to the "German Corporate Governance Code" ("GCGC") as amended on 16 December 2019, published in the Bundesanzeiger (Federal Gazette) on 20 March 2020, for the period up to 26 June 2022, and to the GCGC as amended on 28 April 2022, published in the Bundesanzeiger on 27 June 2022, for the period from 27 June 2022.

The Management Board and Supervisory Board of the Company hereby declare 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 update to the compliance declaration 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.

Since the last compliance declaration until the update, the following deviation from GCGC existed in addition to the deviations described above:

Members and chairmen of the committees with regular meetings (Audit Committee and Remuneration Committee) received additional remuneration until 31 December 2021. The Company was of the opinion that a distinction from the other committees, which are only active occasionally, was appropriate. In this respect, there was a partial deviation from G.17, which is based exclusively on the higher time commitment.

The Annual General Meeting adjusted the remuneration of the Supervisory Board on 19 May 2022. With effect from 1 January 2022 the members of all Supervisory Board committees - and not just the members of the two main committees as previously - receive additional remuneration. This is to take appropriate account of the importance and time involved in committee work. A deviation from G.17 no longer applies as of 1 January 2022. Insofar, the GCGC has been and will be complied with as of this date.

27 October 2022

28 October 2022

The Management Board

The Supervisory Board