



Deutsche Telekom

REMUNERATION REPORT

2023



Connecting
your world.

Contents

A.	Remuneration of the Board of Management	4
1.	Review of annual remuneration for 2023.....	4
1.1.	Changes in the composition of the Board of Management	4
1.2.	Voting on the remuneration report for the 2022 financial year at the 2023 shareholders' meeting.....	4
1.3.	Application and date of application of the remuneration system.....	4
1.4.	Review of appropriateness and customariness of Board of Management remuneration and compliance with maximum total remuneration.....	4
2.	Overview of the remuneration system in 2023.....	6
2.1.	Non-performance-based remuneration components	7
2.2.	Performance-based remuneration components	8
2.3.	Clawback rule.....	17
2.4.	Benefits from third parties	18
2.5.	Benefits in case of early or regular termination	18
2.6.	Board of Management target remuneration and remuneration earned for 2023	20
3.	Remuneration granted and owed in accordance with § 162 AktG	22
3.1.	Remuneration granted and owed for current Board of Management members in accordance with § 162 AktG.....	22
3.2.	Remuneration granted and owed for former Board of Management members in accordance with § 162 AktG.....	26
3.3.	Comparative information	27
B.	Remuneration of the Supervisory Board	29
1.	Basis for the remuneration system for the Supervisory Board	29
2.	Remuneration of the Supervisory Board in the 2023 financial year	29
3.	Comparative information	30
4.	Outlook.....	32
	Report of the Independent Auditor.....	34

This remuneration report is a part of reporting by the Board of Management and the Supervisory Board in accordance with § 162 of the German Stock Corporation Act (Aktiengesetz, AktG). It presents in detail the remuneration for the current and former members of the Board of Management and the Supervisory Board of Deutsche Telekom AG.

The remuneration report will undergo a substantive audit by the auditor Deloitte after its compilation. The audit opinion resulting from this audit is provided in full at the end of the remuneration report. In addition, the recommendations of the German Corporate Governance Code were met, with the exception of recommendation C.5 (maximum number of supervisory board mandates), which is in any case not directly linked to Board of Management or Supervisory Board remuneration.

The remuneration report is drawn up in German and English language. In case of discrepancies, the German version of the remuneration report shall prevail.

A. Remuneration of the Board of Management

1. Review of annual remuneration for 2023

1.1. Changes in the composition of the Board of Management

Adel Al-Saleh resigned from his position as a member of the Board of Management of Deutsche Telekom AG at his own request, effective midnight on December 31, 2023. In the Supervisory Board meeting on October 13, 2023, Dr. Ferri Abolhassan was appointed as member of the Board of Management responsible for T-Systems for three years, effective January 1, 2024. Dr. Christian Illek also had his appointment to the Board of Management extended for a further five years, from April 1, 2023 until March 31, 2028, in the Supervisory Board meeting on May 19, 2022. Dominique Leroy was reappointed to the Board of Management for a further five years (November 1, 2023 until October 31, 2028) in the Supervisory Board meeting on December 14, 2022.

1.2. Voting on the remuneration report for the 2022 financial year at the 2023 shareholders' meeting

The remuneration report, compiled based on the provisions of § 162 AktG, underwent a formal audit by the auditor Deloitte and was submitted to a vote at the shareholders' meeting on April 5, 2023. The audit opinion from Deloitte resulting from the audit that was carried out was included in the 2022 remuneration report and published on the Company's website. The shareholders' meeting approved the submitted remuneration report with an approval rate of 84.46 %, which means that no adjustment was required to the form of remuneration reporting.

1.3. Application and date of application of the remuneration system

As detailed in the remuneration system submitted to the shareholders' meeting, the Supervisory Board has implemented the remuneration system. All current members of the Board of Management have service contracts based on the current remuneration system.

However, it should be noted that, due to the transition to the new system, the details provided below of the remuneration system and the figures for Board of Management remuneration for 2023 and the subsequent years still include payments that have been made or will be made resulting from a previous Board of Management remuneration system that applied prior to the transition. These are multi-year variable components of remuneration from the old system that will continue unchanged until the end of the agreed term and will lead to future payments. The report will include an explicit indication when components of remuneration from the old system are included in the figures.

In the 2023 financial year, there was no deviation from the components of the remuneration system that were included in the approval of the remuneration system in the 2022 shareholders' meeting.

1.4. Review of appropriateness and customariness of Board of Management remuneration and compliance with maximum total remuneration

The Supervisory Board determines the structure of the Board of Management remuneration system and transferred the system approved by the 2022 shareholders' meeting in the 2023 financial year to all service contracts for the Board of Management. The Supervisory Board reviews the structure of remuneration, and the appropriateness and customariness of remuneration, at regular intervals. It is to be ensured that Board of Management remuneration is oriented toward the sustained development of the Company and that there is a multi-year measurement base for the variable components for a target achievement level of 100 %. Secondary occupations generally require prior approval. No additional remuneration is generally paid for being a member of the management or supervisory board of other Group entities.

The General Committee of the Supervisory Board last reviewed the appropriateness and customariness of Board of Management remuneration at Deutsche Telekom AG on December 12, 2023. The results of this analysis were recommended to the Supervisory Board for resolution and were passed in the Supervisory Board meeting on the same day. The review was carried out based on a study done by an external service provider on the remuneration components and remuneration levels at DAX-40 companies. The Supervisory Board ascertained that the remuneration components applied in the Board of Management remuneration system are in line with and normal for the market, and that the members of the

Board of Management are compensated at a level appropriate to their tasks and performance and to the situation of the Company. Based on the statistical size criteria of revenue, employees, and market capitalization, Deutsche Telekom AG was initially positioned as a company within the DAX-40. A review was then carried out of whether remuneration levels at Deutsche Telekom AG were comparable to those of other companies of a similar size. The result was that the Supervisory Board ascertained that there is currently no need to amend the remuneration system or remuneration levels. The approval rate of 84.46 % given to the remuneration report at the shareholders' meeting also confirms the Supervisory Board's opinion on this. Moreover, the Supervisory Board reserves the right to closely observe further developments and, if appropriate, to approach the shareholders' meeting with a proposed amendment to the remuneration system and the remuneration levels. The objective is to submit an amended remuneration system that takes into account current developments to the 2025 shareholders' meeting for approval.

In the same meetings, the General Committee and the Supervisory Board also reviewed the relation between Board of Management remuneration and remuneration of the upper management level and the workforce as a whole. Trends in remuneration over time were also taken into account in this regard. In addition, a qualitative analysis was carried out of the remuneration components of the individual employee groups, and average remuneration within employee groups was also taken into consideration. The German workforce was used for the vertical comparison of remuneration and a total of seven categories of employee groups were considered. The process has been performed regularly in this way for several years, making it possible to observe changes in remuneration over time. In the context of this review, the Supervisory Board ascertained again that, when compared with the previous years, no developments were observed in the relation between Board of Management remuneration and remuneration of the upper management level and the workforce that required correction.

In addition, in accordance with § 162 (1) AktG, the Supervisory Board shall ensure compliance with maximum total remuneration, and shall outline this in the remuneration report. The Supervisory Board set the current maximum remuneration for the Chair of the Board of Management at € 9,100,000 and for the ordinary members of the Board of Management at € 5,300,000. The shareholders' meeting on April 7, 2022 approved this maximum remuneration.

In accordance with the current Board of Management remuneration system, the following components are taken into account for the review of maximum remuneration:

Components of maximum remuneration

Fixed remuneration components

- Basic remuneration
- Remuneration in kind
- Other fringe benefits

Variable remuneration components

- Annual variable remuneration (STI)
 - Share Matching Plan (SMP)
 - Long-term variable remuneration (LTI)
-

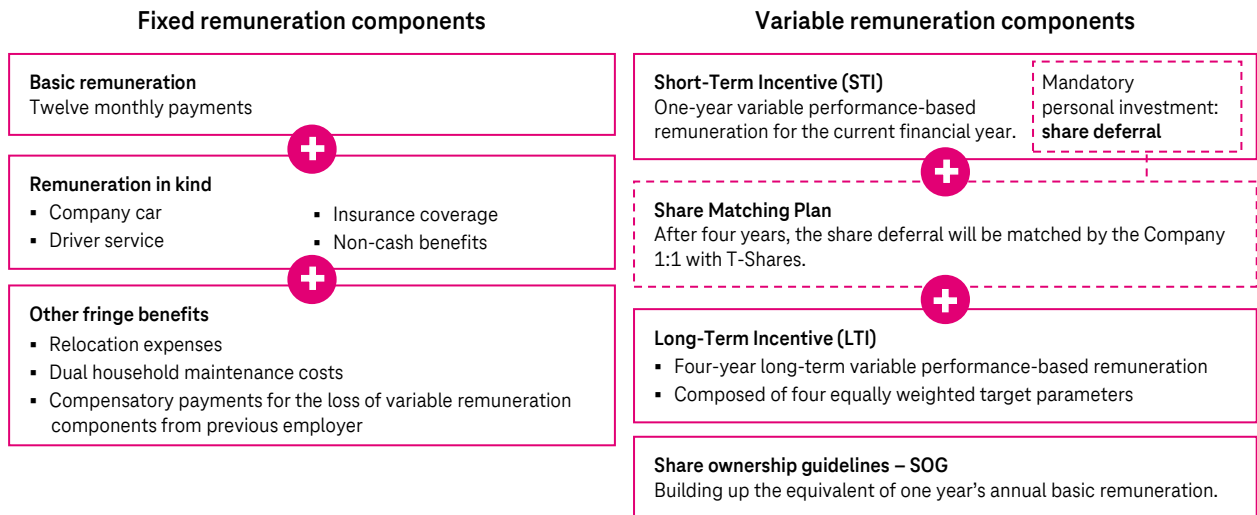
Compliance with maximum total remuneration can only be evaluated retrospectively when the last remuneration component for the financial year in question is paid out. The current Board of Management remuneration system and the previous remuneration system each include two multi-year variable elements of remuneration. The LTI (Variable II in the old system) and the Share Matching Plan (SMP) each has a term of four years. To participate in the SMP, the Board of Management member must use the STI paid out in the previous year to make a personal investment in Deutsche Telekom AG shares which they must then retain for a minimum of four years from date of purchase. At the end of the lock-up period, the number of shares corresponding to the personal investment is transferred to the member of the Board of Management.

This means that a final report on compliance with maximum total remuneration from the current Board of Management remuneration system (in place since 2021) can be provided for the first time only in the remuneration report for the 2026 financial year, and for the 2023 financial year no earlier than in the remuneration report for the 2028 financial year.

If it should become clear before this that the maximum total remuneration will be exceeded, the payment of the remuneration component causing the maximum remuneration to be exceeded is capped. In this case, compliance with the maximum total remuneration would be reported in the financial year in which the capping took place. The applicable maximum total remuneration has not been exceeded to date.

2. Overview of the remuneration system in 2023

The current Board of Management remuneration system was established on the basis of the requirements of § 87a AktG and the recommendations of the German Corporate Governance Code. Deutsche Telekom AG's Board of Management remuneration system consists of non-performance-based and performance-based remuneration components and is detailed in the overview below:



2.1. Non-performance-based remuneration components

Members of the Board of Management receive the following non-performance-based (fixed) remuneration components, which are intended to achieve the objectives of Deutsche Telekom AG stated below:

Overview of possible fixed components of Board of Management remuneration in the remuneration system

Remuneration components	Structure	Objectives and bearing on strategy
Basic remuneration	<ul style="list-style-type: none"> ▪ Fixed agreed remuneration ▪ Paid out at the end of each month 	<ul style="list-style-type: none"> ▪ Reflects the person's position within the Board of Management, personal experience, and market conditions ▪ Guaranteed component of remuneration of the Board of Management
Remuneration in kind	<ul style="list-style-type: none"> ▪ Provision of a company car/driver ▪ Annual health checkup ▪ Insurance benefits ▪ Consultation on security-related issues and measures for structural and technical security 	<ul style="list-style-type: none"> ▪ Assumption of costs which are incurred in the Company's interests
Other fringe benefits	<ul style="list-style-type: none"> ▪ Reimbursement of job-related relocation costs ▪ Time-limited reimbursement of dual household maintenance costs ▪ Compensatory payments for the loss of variable remuneration components from previous employer in the event of a transfer to Deutsche Telekom AG 	<ul style="list-style-type: none"> ▪ Compensation for financial losses that arise as part of Board activities or are incurred due to the transfer to Deutsche Telekom AG

Basic remuneration

Basic remuneration is always paid out in monthly installments. In combination with the remuneration in kind, it represents the minimum amount of remuneration that a member of the Board of Management will receive in a year. When setting the amount, the Supervisory Board differentiates between the Chair and the ordinary members of the Board of Management. In addition, the level of basic remuneration varies according to the number of reappointments and the level of individual experience of each member of the Board of Management. The Supervisory Board always carries out a systematic assessment of the remuneration of the member of the Board of Management in question during the reappointment process, and adapts remuneration to reflect their individual experience and performance.

Remuneration in kind

According to market-oriented and corporate standards, the Company grants all members of the Board of Management additional benefits, some of which are viewed as non-cash benefits and taxed accordingly. These include the provision of a company car, the possible service of a personal driver, and the provision of accident and personal liability insurance.

Other fringe benefits

In the 2023 financial year, the Supervisory Board did not take up the opportunity provided for in the remuneration system to offer "other fringe benefits" in certain cases.

2.2. Performance-based remuneration components

In 2023, the members of the Board of Management participated in the following performance-based (variable) remuneration components:

Overview of possible variable components of Board of Management remuneration in the remuneration system

Remuneration components	Structure	Objectives and bearing on strategy
Variable remuneration arising from the achievement of short-term objectives (STI)	<ul style="list-style-type: none"> ▪ Term: 1 year ▪ Payout date: After the shareholders' meeting of the following year ▪ The relevant target parameters are: <ul style="list-style-type: none"> ▪ 1/3 Group financial targets ▪ 1/3 segment financial targets ▪ 1/3 ESG targets ▪ Possible achievement of the target parameters: 0 % - 150 % ▪ Application of individual performance factor: 0.8 - 1.2 ▪ Possible total target achievement taking into account the performance factor: 0 % - 180 % 	<ul style="list-style-type: none"> ▪ Achieving single-year corporate targets derived from medium-term planning ▪ Operational successes at Group and segment level taken into account ▪ Continual development of the operating business ▪ Creating the conditions for being able to pay out dividends and make investments ▪ Sustainable and ecological aspects of the Company's business taken into account ▪ Stakeholder interests taken into account ▪ The personal performance of the individual Board member may also be taken into account
Obligation to invest (personal investment)	<ul style="list-style-type: none"> ▪ Rolling each year after the STI is defined by the Supervisory Board ▪ Minimum investment volume: 1/3 of the STI ▪ Maximum investment volume: 1/2 of the STI ▪ Lock-up period: 4 years (from time of investment) 	<ul style="list-style-type: none"> ▪ Achieving budget figures and short-term company targets ▪ Incentive to increase the Company's value in the long term ▪ Harmonizes the interests of members of the Board of Management with those of shareholders ▪ Retention effect for the member of the Board of Management
Share Matching Plan (SMP)	<ul style="list-style-type: none"> ▪ The transfer of matching shares requires a personal investment from the STI made four years prior ▪ Rolling each year following the end of the four-year lock-up period for the personal investment ▪ Matching ratio: 1:1; for each share of the personal investment, 1 share is transferred as a matching share ▪ Limitation on share price development: at 150 % of the paid STI. In the event that during the lock-up period the share price increases by more than 150 % of the STI relevant for the personal investment, the member of the Board of Management will not participate in any further increase of the share price. In this case, the matching ratio would be below 1:1 	<ul style="list-style-type: none"> ▪ Incentive to increase the Company's value in the long term ▪ Harmonizes the interests of members of the Board of Management with those of shareholders ▪ Retention effect for the member of the Board of Management
Variable remuneration arising from the achievement of long-term objectives (LTI)	<ul style="list-style-type: none"> ▪ Type of plan: cash- and share-based ▪ Term: 4 years (rolling) ▪ Based on phantom shares over the term of the plan ▪ Taking into account actual payments of dividends ▪ Payout date: After the shareholders' meeting following the end of the 4-year term of plan ▪ The relevant target parameters are: <ul style="list-style-type: none"> ▪ ROCE ▪ EPS (adjusted) ▪ Customer satisfaction ▪ Employee satisfaction ▪ Possible achievement of the target parameters: 0 % - 150 % ▪ Maximum payment limited to 200 % 	<ul style="list-style-type: none"> ▪ Achieving multiple-year corporate targets derived from medium-term planning ▪ Incentive to implement the long-term corporate strategy ▪ Stakeholder interests taken into account ▪ Harmonizes the interests of members of the Board of Management with those of shareholders ▪ Retention effect for the member of the Board of Management

Variable remuneration arising from the achievement of short-term objectives (STI)

Functioning

The Short-Term Incentive (STI) is the short-term variable remuneration instrument, with a term of one year. The STI is based in equal parts (one-third each) on Group financial targets, segment financial targets, and ESG targets. To determine the final target achievement, the Supervisory Board takes into account an individual performance factor, based on which calculated target achievement can be adjusted between 0.8 and 1.2. When deciding to apply the performance factor, the Supervisory Board assesses the strategic individual targets agreed with the respective member of the Board of Management and also assesses individual value adherence. Target achievement is applied to the target amount resulting from the service contract for the Board of Management member, which is then adjusted according to the performance factor. Maximum target achievement per target parameter is limited to 150 %. If the performance factor is applied, total target achievement is limited to a maximum of 180 % of the target amount.

Contribution to long-term development of the Company

The economic success of the current financial year should be reflected by means of the STI. In addition, by deriving budget values from the four-year medium-term planning, the STI also contributes to the Company's long-term development. The details provided below for the STI generally refer to unadjusted KPIs. The respective unadjusted KPI is always taken as a basis for determining the STI, and corresponds to the actual values published in the Annual Report. Based on the starting values of the unadjusted KPI, the Supervisory Board makes target-focused adjustments that are necessary for appropriate incentivization. Where such target-focused adjustments have been made, footnotes are provided below explaining these adjustments.

One-third of the STI is based on Group financial targets. In addition, the Supervisory Board considers it to be important that one third of the STI for the members of the Board of Management responsible for the operating business is determined on the basis of the success of the respective segment for which they are responsible. For members of the Board of Management who do not have any operating responsibility, this measurement takes place on Group level and, depending on the area of responsibility, includes or excludes U.S. business. For the Chair of the Board of Management, the member of the Board of Management responsible for Finance, and the member of the Board of Management responsible for USA and Group Development, the target includes U.S. business (excluding external adjusted indirect costs after leases (AL)). By contrast, U.S. business is not taken into account for the member of the Board of Management responsible for Human Resources and the member of the Board of Management responsible for Technology and Innovation. The objective of this is to reinforce the cross-area collaboration in the Board of Management team and, at the same time, to align a significant percentage of the annual variable remuneration of members of the Board of Management with responsibility for operating business towards the development of the respective operating segment. Furthermore, the Supervisory Board supports the significance of the sustainability strategy by implementing two ESG targets in the variable remuneration with an assessment period of one year, which altogether also make up 1/3 of the STI. It has therefore implemented the reduction of energy consumption and the reduction of CO₂ emissions as sustainability targets again for the 2023 reporting year.

Target achievement for the STI in the 2023 financial year

2023 was a successful financial year for Deutsche Telekom AG. Deutsche Telekom AG exceeded the original capital market expectations in the relevant areas (including EBITDA AL, FCF AL, net profit) in 2023 and was in a position to raise its outlook for 2023 multiple times due to performance being better than expected.

Total target achievement for the successful 2023 financial year can be seen in the following table. Target achievement was calculated on the basis of precise figures (not rounded). For reasons of clarity, the figures reported in the table are rounded. The STI will be paid out in the 2024 financial year after the 2024 shareholders' meeting.

	Group financial targets (weighting: 33.3 %)				Segment financial targets (weighting: 33.3 %)				ESG targets (weighting: 33.3 %)			Performance factor	Total target achievement	
	Service revenues (unadj.)	EBITDA AL (unadj.)	FCF AL	Σ	Service revenues (unadj.)	EBITDA AL (unadj.)	Ext. adj. indirect costs AL	Σ	Reduction in CO ₂ emissions	Reduction in energy consumption	Target achievement			
Member of the Board of Management	(30 %)	(30 %)	(40 %)		(33.3 %)	(33.3 %)	(33.3 %)		(50 %)	(50 %)		(0.8 - 1.2)		
Adel Al-Saleh	97 %	125 %	150 %	126 %	150 % ¹	0 % ²	26 %	59 %	137 %	150 %	143 %	109 %	0.95	104 %
Birgit Bohle	97 %	125 %	150 %	126 %	133 %	108 %	92 %	111 %	137 %	150 %	143 %	127 %	1.10	140 %
Srinivasan Gopalan	97 %	125 %	150 %	126 %	135 %	125 %	123 %	128 %	137 %	150 %	143 %	132 %	1.10	146 %
Timotheus Höttges	97 %	125 %	150 %	126 %	97 %	125 %	92 %	105 %	137 %	150 %	143 %	125 %	1.10	137 %
Dr. Christian Illek	97 %	125 %	150 %	126 %	97 %	125 %	92 %	105 %	137 %	150 %	143 %	125 %	1.10	137 %
Thorsten Langheim	97 %	125 %	150 %	126 %	97 %	125 %	92 %	105 %	137 %	150 %	143 %	125 %	1.10	137 %
Dominique Leroy	97 %	125 %	150 %	126 %	150 %	150 %	91 %	130 %	137 %	150 %	143 %	133 %	1.10	147 %
Claudia Nemat	97 %	125 %	150 %	126 %	133 %	108 %	92 %	111 %	137 %	150 %	143 %	127 %	1.05	133 %

¹ Instead of (unadjusted) service revenues, external revenue is used for T-Systems.

² Instead of unadjusted EBITDA AL, unadjusted EBIT is used for T-Systems.

Group financial targets

Before the start of the financial year, the Supervisory Board derives the target and threshold values for the Group financial targets and the segment financial targets from the medium-term company planning. The 100 % target value corresponds to the budget value from the planning. Target achievement for each target parameter can range between 0 % and 150 %.

Unadjusted service revenues are defined as revenues that are generated by services (i.e., revenue from fixed-network and mobile communications, voice services, incoming and outgoing calls, and data services) plus roaming revenues, monthly basic charges and visitor revenue, as well as revenue generated from the ICT business (information and communications technologies). As a result, unadjusted service revenues are an important indicator for the successful implementation of the growth strategy of the Group.

Earnings before interest, taxes, depreciation and amortization after leases (EBITDA AL unadjusted) is the most important KPI when it comes to measuring the operating performance of the Company and reflects the growth strategy on the customer side (consumers and business customers) as well as savings for promoting investment. EBITDA AL is calculated by adjusting EBITDA for depreciation of right-of-use assets from leases and for interest expenses on recognized lease liabilities.

Free cash flow after leases (FCF AL) is a further important KPI when it comes to measuring the operating performance of the Group that is directly linked to the financial strategy (the ability to pay a dividend and the ability to reduce liabilities). When determining FCF AL, the free cash flow (cash generated from operations minus payments for investments) is adjusted for the repayment of lease liabilities.

The target values listed below and the target achievement derived from them, also listed below, applied for the 2023 financial year:

billions of €

	Weighting	Lower target achievement threshold 0 %	Target value 100 % target achievement	Upper target achievement threshold 150 %	Result ¹	Target achievement
Service revenues (unadjusted)	30 %	93.0	97.9	99.8	97.7	97 %
EBITDA AL (unadjusted)	30 %	48.3	53.7	54.8	54.3	125 %
FCF AL	40 %	14.9	16.5	17.2	17.7	150 %

¹ The actual values have been adjusted to include non-budgeted inorganic effects (first-time consolidations and deconsolidations of companies during the course of the year, exchange rate fluctuations) and one-time effects.

Unadjusted service revenues for the Group were slightly below the planned budget value. In terms of EBITDA AL (unadjusted) and FCF AL, results were considerably better than assumed in the budget, leading to target achievement of 125 % and 150 %, respectively. This results in weighted target achievement for the Group financial targets for the 2023 financial year of 126 %.

Segment financial targets

The explanations for the Group financial targets above in regard to the targets of service revenues (unadjusted) and EBITDA AL (unadjusted) apply to the segment financial targets.

The segment financial target “external adjusted indirect costs AL” is an important gauge for the operational efficiency of the Company and underlines the strategic efforts to make savings in order to support investment in growth. Savings made in terms of indirect costs contribute towards the improvement of the operating performance that is reflected in EBITDA AL and FCF AL and, consequently, have a positive impact on the valuation of the Company on the capital market. In terms of the external adjusted indirect costs AL, adjusted indirect costs are also calculated, in a similar manner to the determination of EBITDA AL, by adjusting for depreciation of right-of-use assets from lease arrangements and for interest expenses on recognized lease liabilities. The segment financial targets for the individual members of the Board of Management are broken down as follows:

	Timotheus Höttges	Dr. Christian Illek	Thorsten Langheim	Birgit Bohle	Claudia Nemat	Srinivasan Gopalan	Dominique Leroy	Adel Al-Saleh
Service revenues, unadjusted	Group							
EBITDA AL, unadjusted	Group			Group excl. United States		Germany	Europe	T-Systems ^{1,2}
External adjusted ind. costs AL	Group excl. United States							

¹ Instead of (unadjusted) service revenues, external revenue is used for T-Systems.

² Instead of unadjusted EBITDA AL, unadjusted EBIT is used for T-Systems.

ESG targets

Before the start of the financial year, the Supervisory Board also derives the target and threshold values for the ESG targets from the medium-term company planning. The 100 % target value corresponds to the budget value from the planning. Target achievement for each target parameter can range between 0 % and 150 %.

The aim of the “reduction in energy consumption” target is to incentivize the members of the Board of Management to behave in a way so as to ensure that energy consumption that is harmful to the environment is at least reduced in the medium term (2024 compared with 2020, excluding T-Mobile US). This target supports the implementation of programs and investments in energy-saving measures for all energy sources while, at the same time, implementing optimizations and innovations in terms of the future infrastructure and the use of innovative technology components.

The aim of the “reduction in CO₂ emissions” target is to motivate the Board of Management members to sustainably promote green energy, to optimize consumption levels in buildings, and to successively switch the Group’s vehicle fleet from fossil fuels to emission-free or low-emission engine types.

The level of ambition and the target achievement for both ESG targets were calculated excluding T-Mobile US. This is due in part to the fact that we are forging ahead with the intensive build-out of the 5G network in the United States, particularly in rural areas, which leads to increased electricity consumption. T-Mobile US, like the Group as a whole, has covered 100 % of its electricity requirements from renewable energy sources since 2021. In addition, the Scope 1 emissions at T-Mobile US are subject to strong fluctuations due to unforeseeable natural disasters and the associated temporary use of equipment such as diesel generators to restore and back up damaged network infrastructure. Consideration should be given to the special national situation in this key market, which is why the decision was taken not to include T-Mobile US in the ESG targets in respect of short-term variable remuneration. This step aims to ensure that the right incentives are set for the Board of Management toward the sustainable development of the business, while at the same time safeguarding the stability of network operations.

The level of ambition and the target achievement for the ESG targets can be seen in the following table:

	Weighting	Lower target achievement threshold 0 %	Target value 100 % target achievement	Upper target achievement threshold 150 %	Result	Target achievement
Reduction in CO ₂ emissions (in ktCO ₂ e) ¹	50 %	221	185	166	171	137 %
Reduction in energy consumption (in GWh) ²	50 %	5,163	4,871	4,725	4,567	150 %

¹ Reduction in regard to target value. Budget value and target range refer to total CO₂ emissions and not to the reduction.

² Budget value and target range refer to total energy consumption values and not to the reduction.

The high level of target achievement in 2023 for the reduction in energy consumption and for the reduction in CO₂ emissions is due mainly to the fact that additional measures were taken in the Germany and Europe segments aimed at reducing energy consumption and CO₂ emissions, such as the dismantling of legacy fixed-network platforms, modernization measures, and the increased use of innovative mobile communications technologies, as well as more efficient energy consumption in building use.

This leads to weighted target achievement for the ESG targets in the 2023 financial year of 143 %.

Performance factor

To measure the performance factor, the Supervisory Board focuses on the one hand on value adherence by the individual member of the Board of Management and on the other, on achievement of the strategic implementation targets that were agreed with each member of the Board of Management individually prior to the start of the financial year.

Value adherence is determined based on the behavior of the member of the Board of Management using the following categories, which represent the Group's Guiding Principles:

- Delight our customers
- Act with respect and integrity
- Team together – Team apart
- I am T – count on me
- Stay curious and grow
- Get things done

The members of the General Committee rate each value adherence category per Board of Management member on a scale between 1 and 10 points, and then calculate the average value for each member of the Board of Management. The mathematical result is then put forward as a proposed value in the Supervisory Board meeting in which total target achievement is decided.

For the 2023 financial year, the Supervisory Board agreed the following individual strategic implementation targets with the members of the Board of Management and derived the relevant target achievement from them after the reporting year.

Individual strategy implementation

Timotheus Höttges	<ul style="list-style-type: none"> ▪ Leading Digital Telco: implementation of the new strategy (in line with the strategic priorities) ▪ Creation of more investment-friendly regulatory conditions to enable the monetization of networks ▪ Increased value creation at T-Mobile US ▪ Enabling scalability across segments ▪ Implementation of the ESG strategy
Adel Al-Saleh	<ul style="list-style-type: none"> ▪ Growth in strategic focus areas ▪ Transformation of T-Systems ▪ Implementation of the organizational realignment of T-Systems ▪ Achievement of the cash contribution: break even in 2023
Birgit Bohle	<ul style="list-style-type: none"> ▪ Maintenance of general employee satisfaction ▪ Acceleration of Group-wide skills transformation ▪ Further development of the (hybrid) corporate culture ▪ Implementation of the HR strategy ▪ Legal: minimization of legal and regulatory risks
Srinivasan Gopalan	<ul style="list-style-type: none"> ▪ High-value growth in core business ▪ Improvement in customer and employee satisfaction ▪ Increased efficiency and continued cost reductions ▪ Implementation of the Leading Digital Telco strategy
Dr. Christian Illek	<ul style="list-style-type: none"> ▪ Improved Company efficiency <ul style="list-style-type: none"> ▪ Driving and simplifying digital transformation ▪ Reduction in indirect costs ▪ Further development of DTSE and real estate operations ▪ Ensuring refinancing options: stabilization of net debt/EBITDA (adjusted for special factors) in a difficult economic environment ▪ Increased value creation at T-Mobile US and support for strategic priorities ▪ Improvement of the internal control system (ICS)
Thorsten Langheim	<ul style="list-style-type: none"> ▪ Increased value creation at T-Mobile US ▪ Ensuring value-oriented portfolio management
Dominique Leroy	<ul style="list-style-type: none"> ▪ Implementation of the growth initiatives in Europe ▪ Acceleration of the digital transformation in Europe ▪ Acceleration of the fiber-optic and 5G build-out in Europe ▪ Improved customer and employee satisfaction in Europe
Claudia Nemat	<ul style="list-style-type: none"> ▪ Implementation of "Telco as a platform" ▪ Promotion of growth (e.g., RouterOS, Magenta Advantage) ▪ Continuation of IT transformation and digitalization (with a focus on the Germany and Europe segments) ▪ Acceleration of fiber-optic build-out and safeguarding of the resilience of supply chains (with a focus on the Germany and Europe segments)

In a comprehensive evaluation, the Supervisory Board translated the scores for value adherence and the individual strategic implementation targets into the following performance factors for each member of the Board of Management:

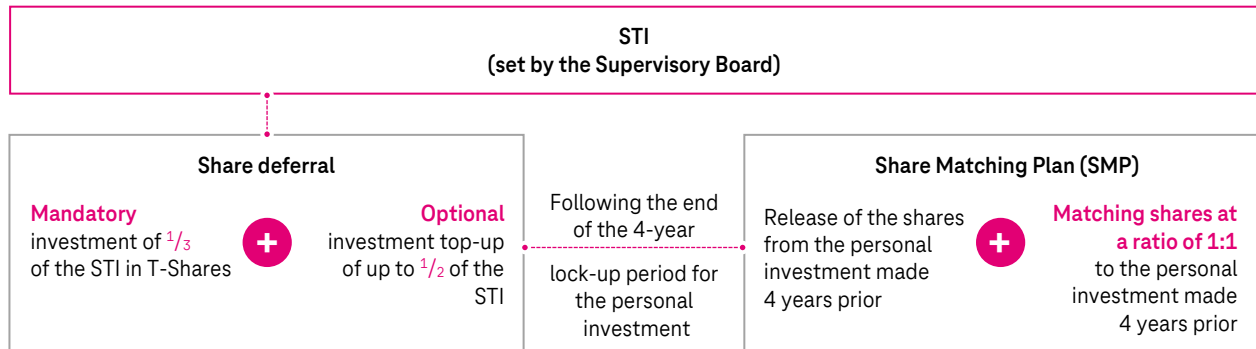
Performance factor

Adel Al-Saleh	0.95
Birgit Bohle	1.10
Srinivasan Gopalan	1.10
Timotheus Höttges	1.10
Dr. Christian Illek	1.10
Thorsten Langheim	1.10
Dominique Leroy	1.10
Claudia Nemat	1.05

Obligation to invest (personal investment)

Members of the Board of Management are obligated to invest a sum totaling at least one-third of the annual gross STI as determined by the Supervisory Board in Deutsche Telekom AG shares. They have the option of extending their personal investment to 50 % of the gross STI. The shares are subject to a four-year lock-up period starting from the date of purchase. The shares acquired by the member of the Board of Management for this purpose are held in a special blocked security deposit of the administering bank so that it is not possible to access the shares early. The personal investment made by the member of the Board of Management then qualifies them to participate in the Share Matching Plan.

The relationship between share investment obligations from the STI and participation in the Share Matching Plan can be seen in the following illustration:



Share Matching Plan (SMP)

Functioning

The personal investment made by the member of the Board of Management results in participation in the Share Matching Plan. Once the four-year lock-up period for the personal investment is over, the member of the Board of Management may dispose freely of their personal investment and an additional share free of charge is transferred to their deposit account for each share purchased by way of personal investment. The matching shares transferred are available to the Board of Management member immediately, to use as they wish. The transfer of the shares results in a non-cash benefit for the member of the Board of Management and is taxed as income in the salary statement which follows the transfer of the shares. If, at the time when the matching shares are transferred, the share price has increased significantly, the value of the matching shares is capped at 150 % of the equivalent value of the STI in the year of the personal investment. This ensures that, when the matching shares are transferred, the equivalent value of these shares does not exceed 150 % of the relevant STI. In that case, the matching ratio of one share to one invested share would decrease to the detriment of the member of the Board of Management as a result of the cap.

The table below shows the relevant amount of the STI applicable to personal investment in 2022 and 2023, the minimum investment obligation and maximum possible investment amount resulting from it, the amount invested by each member of the Board of Management, and the specific number of shares acquired in each case. The number of shares acquired in 2023 is equal to the number of matching shares granted by Deutsche Telekom AG. The table also shows the number of matching shares transferred in 2022 and 2023, based on personal investment in the 2018 and 2019 financial years. The personal investments made by Adel Al-Saleh in the years 2020 to 2023 remain locked up until the end of the original lock-up period, in spite of his resignation effective midnight on December 31, 2023. Any claims to matching shares earned during his time on the Board of Management are forfeited without entitlement to substitution or compensation.

Member of the Board of Management	Financial year	STI as measurement base for the personal investment	Mandatory personal investment/ maximum personal investment (33.33 % - 50 %)	Personal investment made	Number of shares acquired/ matching shares granted	Number of shares transferred ¹
Adel Al-Saleh	2023	€ 943,800	€ 314,600 - € 471,900	€ 471,882	21,849	26,820
	2022	€ 1,138,800	€ 379,600 - € 569,400	€ 549,995	30,250	0
Birgit Bohle	2023	€ 1,092,000	€ 364,000 - € 546,000	€ 545,983	25,280	0
	2022	€ 882,650	€ 294,217 - € 441,325	€ 441,323	24,273	0
Srinivasan Gopalan	2023	€ 1,115,400	€ 371,800 - € 557,700	€ 557,688	25,822	23,505
	2022	€ 1,255,800	€ 418,600 - € 627,900	€ 627,885	34,534	22,730
Timotheus Höttges	2023	€ 2,557,500	€ 852,500 - € 1,278,750	€ 1,278,740	59,208	58,131
	2022	€ 2,880,000	€ 960,000 - € 1,440,000	€ 1,439,987	79,200	64,896
Dr. Christian Illek	2023	€ 1,162,200	€ 387,400 - € 581,100	€ 449,982	20,835	26,000
	2022	€ 1,146,600	€ 382,200 - € 573,300	€ 549,995	30,250	25,500
Thorsten Langheim	2023	€ 1,093,333	€ 364,444 - € 546,667	€ 546,652	25,311	0
	2022	€ 1,326,000	€ 442,000 - € 663,000	€ 662,994	36,465	0
Dominique Leroy	2023	€ 1,065,350	€ 355,117 - € 532,675	€ 532,657	24,663	0
	2022	€ 1,065,350	€ 355,117 - € 532,675	€ 532,668	29,297	0
Claudia Nemat	2023	€ 1,148,000	€ 382,667 - € 574,000	€ 573,995	26,577	26,440
	2022	€ 1,153,400	€ 384,467 - € 576,700	€ 576,686	31,718	30,000

¹ The members of the Board of Management who did not receive a transfer of shares in 2022 and/or 2023 have not yet taken part in the relevant tranches of the Share Matching Plan.

Overview of the number of shares granted as part of the Share Matching Plan

As at December 31, 2023, the following commitments were made for matching shares resulting from the personal investment of each member of the Board of Management. When the personal investment is carried out, a commitment is made to the member of the Board of Management that they will receive the same number of matching shares four years after the date of purchase in question.

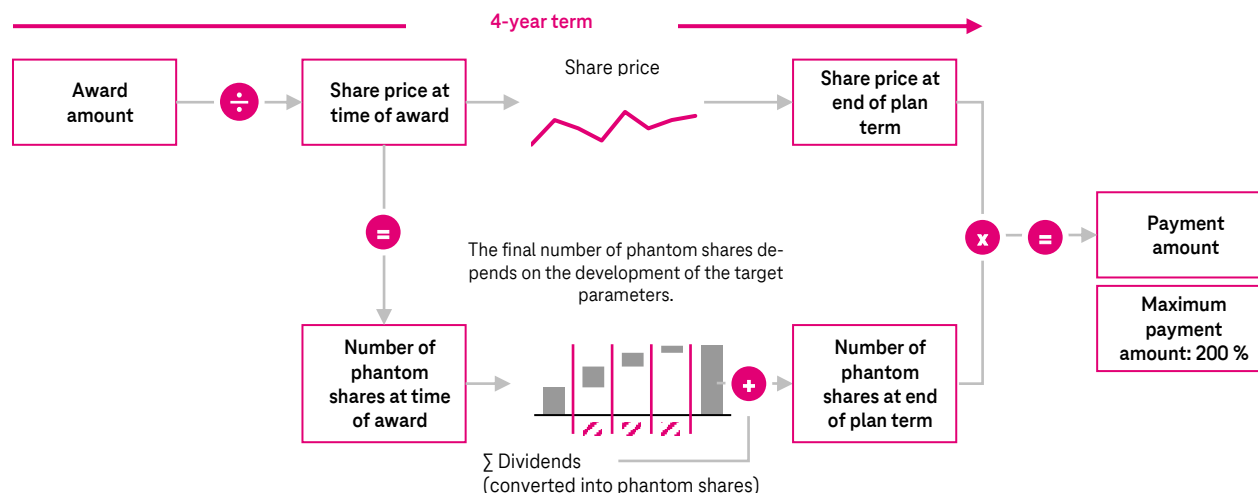
	Adel Al-Saleh ¹	Birgit Bohle	Srinivasan Gopalan	Timotheus Höttges	Dr. Christian Illek	Thorsten Langheim	Dominique Leroy	Claudia Nemat
Matching shares granted 2020 tranche	–	24,219	26,450	99,337	24,000	30,475	–	27,350
Due date		April, May, and June 2024	May 2024	April 2024	May 2024	April and June 2024		June 2024
Matching shares granted 2021 tranche	–	21,280	26,666	71,084	26,189	25,542	3,273	26,398
Due date		May 2025	May 2025	May 2025	May 2025	May 2025	May 2025	May 2025
Matching shares granted 2022 tranche	–	24,273	34,534	77,550	30,250	34,946	29,297	31,718
Due date		May 2026	May 2026	May 2026	May 2026	May 2026	May 2026	May 2026
Matching shares granted 2023 tranche	–	25,280	25,822	59,208	20,835	25,311	24,663	26,577
Due date		May 2027	May 2027	May 2027	May 2027	May 2027	May 2027	May 2027
Total	–	95,052	113,472	307,179	101,274	116,274	57,233	112,043

¹ With his resignation from the Board of Management effective midnight on December 31, 2023, Adel Al-Saleh lost any claim to matching shares, without entitlement to substitution or compensation.

Variable remuneration arising from the achievement of long-term objectives (LTI/Variable II)

The Long-Term Incentive (LTI) for members of the Board of Management is share-based since the introduction of the Board of Management remuneration system in the 2021 financial year. The first payment from the 2021 tranche of the LTI will be made in 2025. Until then, the Variable II tranches allocated in previous years will apply, as the predecessor system of what is now the LTI. The term and the strategic performance parameters (return on capital employed (ROCE), adjusted earnings per share (EPS), customer satisfaction and employee satisfaction) remain the same for the two plans. The targets for the performance parameters ROCE and adjusted EPS were derived from the four-year medium-term planning, and both represent KPIs for Deutsche Telekom AG. The determination of the financial target figures is based on unadjusted ROCE and adjusted EPS. Based on the starting values of the KPIs, the Supervisory Board makes target-focused adjustments that are necessary for appropriate incentivization. Where such target-focused adjustments have been made, footnotes are provided below explaining these adjustments. These two parameters were supplemented with customer satisfaction, which is measured using the globally recognized TRI*M method, and employee satisfaction, which the Supervisory Board assesses based on what it considers to be particularly relevant questions for the pulse and employee surveys carried out during the year. The four parameters are weighted equally and the resulting target achievement level can vary between 0 and 150 %.

The aim of moving to a share-based plan is to further harmonize the interests of the Board of Management and the shareholders. The LTI is also intended to ensure retention of the members of the Board of Management to the Company. At the start of the LTI plan, the participation contribution of a member of the Board of Management is converted into phantom shares of the Company and divided equally among each of the four years of the plan. The number of phantom shares increases during the term of the plan due to the dividends paid out during the term, which are also converted into phantom shares. The number of phantom shares also changes depending on the level of achievement of the target parameters resolved by the Supervisory Board for each of the plan years. Upon expiration of the plan, the number of phantom shares obtained is converted into a monetary amount that is based on the non-weighted averages of the closing prices of the Deutsche Telekom AG share in the Xetra trading system of Deutsche Börse AG (German stock exchange) during the last ten trading days before the end of the plan, and this sum is then paid out to the member of the Board of Management together with the dividend for the last plan year. The level of achievement of each target parameter is limited to a maximum of 150 %. The maximum amount paid out within the LTI is limited to a maximum of 200 % of the award amount, taking the share price development into account. The following illustration demonstrates the functionality of the LTI effective as of 2021:



The term of the plan for Variable II (2020 tranche), which was part of the previous Board of Management remuneration system, ended on December 31, 2023. The Supervisory Board set the final level of target achievement of the 2020 tranche at 146 % and will make the payment in the 2024 financial year.

The details of the target achievement are as follows:

(Weighting)	Year 2020 (25 %)			Year 2021 (25 %)			Year 2022 (25 %)			Year 2023 (25 %)			Total target achievement
	Target value	Actual value	Target achieve- ment	Target value	Actual value	Target achieve- ment	Target value	Actual value	Target achieve- ment	Target value	Actual value	Target achieve- ment	
ROCE	Average target achievement for the 2017-20, 2018-21 and 2019-22 tranches		150 %	3.9 %	4.1 %	140 %	4.5 %	4.4 %	99 %	5.5 %	8.9 %	150 %	135 %
Adj. EPS	Average target achievement for the 2017-20, 2018-21 and 2019-22 tranches		150 %	1.08	1.26	150 %	1.25	1.78	150 %	1.48	1.56	139 %	147 %
Customer satisfaction	68.2	72.2	150 %	68.4	72.4	150 %	68.5	75.2	150 %	68.7	75.3	150 %	150 %
Employee satisfaction	66	73	150 %	66	73	150 %	67	72	150 %	68	74	150 %	150 %
Total target achievement 2020 tranche												146 %	

The actual values have been adjusted to include key issues that were not taken into account for the medium-term planning (T-Mobile US business combination, exchange rate fluctuations (adjusted EPS)).

Share ownership guidelines

In order to harmonize the interests of the Board of Management and the shareholders of Deutsche Telekom AG as well as to reinforce the sustainable development of the Company, the obligations to purchase and retain shares (share ownership guidelines) are a significant element of the remuneration system for the Board of Management. The annual personal investment that is an obligatory part of the STI, with the associated lock-up period of four years and the additional 1:1 match provided by the Share Matching Plan when the lock-up period for shares bought as personal investment ends, ensures that members of the Board of Management acquire and retain a significant number of shares, which means that they are active participants in the Group's long-term development, both positive and negative. In this way, the requirements from the German Corporate Governance Code and all stipulations from the Stock Corporation Act concerning the alignment of remuneration towards a sustainable company development are met. The member of the Board of Management is given the period of their initial appointment to build up the obligatory shareholding. The equivalent value of one year's annual basic remuneration must be obtained in Deutsche Telekom AG shares no later than the payment of the third STI.

All members of the Board of Management already owned the obligatory number of shares by December 31, 2023. Dominique Leroy proved that she had met her retention obligation in the 2023 financial year.

2.3. Clawback rule

In addition to the relevant statutory provisions which stipulate that the Supervisory Board shall – in the event of a breach of duty by members of the Board of Management – minimize the financial damage to the Company and, where necessary, make claims for damages against the members of the Board of Management, the following clawback rule applies for the members of the Board of Management of Deutsche Telekom AG. The Supervisory Board has the right to reclaim payments made to the members of the Board of Management from the short-term variable remuneration (STI) and long-term variable remuneration (LTI/Variable II) if it is found that the payment was carried out wrongfully, entirely or in part, because the Supervisory Board had received information regarding the decision determining the level of target achievement which was evidently incomplete or incorrect. The reimbursement claims expire three years after the erroneous determination of the target achievement was made.

In the 2023 financial year, the Supervisory Board did not identify any reason that would have entitled it to reclaim components of variable remuneration from the members of the Board of Management.

2.4. Benefits from third parties

In the 2023 financial year, no member of the Board of Management received or was promised benefits from a third party for their activity as a Board of Management member.

2.5. Benefits in case of early or regular termination

Processing of the remuneration components upon termination

In the event of termination, the primary reason for the termination is the decisive factor in defining the settlement of the existing remuneration components. Essentially, the member of the Board of Management will receive the monthly basic remuneration and the ongoing remuneration in kind until the point of termination. This also applies to the entitlement to participate in the variable remuneration that is calculated on the basis of the achievement of short-term targets (STI). The STI is paid out in the same way and at the same time as for the still-active members of the Board of Management in accordance with the respective rules of the Company. The concrete reason for the termination is decisive with regard to the further participation in the variable remuneration calculated based on the achievement of long-term performance targets (LTI) and the Share Matching Plan (SMP). Depending on the reason for the termination, the plans may be completely forfeited or the members may be able to continue participating on a full or pro-rata basis. It is ensured that, when outstanding variable remuneration components are paid, no deviations from the agreed targets and comparison parameters or from the due dates or lock-up period as defined in the contract occur.

Upon his reappointment as member of the Board of Management in February 2021, Thorsten Langheim was granted the right to resign from his position as Board member prematurely without suffering any disadvantages regarding participation in the LTI and Share Matching Plan; in this case, a pro-rata rule would be applied proportional to the reduced time period.

Upon his early reappointment as Chair of the Board of Management, Timotheus Höttges was granted the right to resign from his position as Chair of the Board of Management prematurely with a six-month notice period. However, this right can be exercised no earlier than the end of 2024.

With his resignation from his position on the Board of Management at his own request effective midnight on December 31, 2023, Adel Al-Saleh lost any claim resulting from the Share Matching Plan, without entitlement to substitution or compensation. Moreover, any claims resulting from the LTI for 2021 and the following years were also forfeited.

Incapacity for work

Temporary incapacity for work as a result of an uninterrupted period of illness-related absence up to a period of one month has no impact on the continued payment of the contractually agreed remuneration components. In the event of longer absences due to illness, the basic remuneration will be paid for a maximum of six months and, with regard to variable remuneration components, participation will be solely on the basis of a pro-rata calculation. Service contracts for the Board of Management will end automatically at the end of the month in which permanent incapacity for work is determined for the member of the Board of Management in question. In such a case, there is no entitlement to a severance payment.

Post-contractual prohibition of competition

Board of Management member service contracts generally stipulate a post-contractual prohibition of competition. Pursuant to these provisions, members of the Board of Management are prohibited from rendering services to or on behalf of a competitor for the duration of one year following their departure. To this end, the members of the Board of Management are paid compensation for the period of prohibition of competition. The sum is 50 % of the most recent basic remuneration and 50 % from the most recent STI assuming target achievement of 100 %. Compensation to be paid for the period of prohibition of competition will be set off against the total of a potential severance payment. In the event of an upcoming contract termination, Deutsche Telekom AG has the right to cancel the post-contractual prohibition of competition provided that appropriate notice is observed. If the agreed deadline is observed, the member of the Board of Management does not receive a compensation payment.

Adel Al-Saleh's post-contractual prohibition of competition continues to apply after his departure effective midnight on December 31, 2023. On Adel Al-Saleh's request, Deutsche Telekom AG has consented to his activity for SES S.A. during the term of his post-contractual prohibition of competition. For the length of said activity, Adel Al-Saleh is not entitled

to claim compensation from the Company for the period of prohibition of competition. Should Adel Al-Saleh's activity with SES S.A end before the term of the post-contractual prohibition of competition, this prohibition remains in place in accordance with the applicable regulations, with all of the associated rights and duties.

Change of control clause

The service contracts for the Board of Management contain no commitments in relation to the early termination of the employment contract of the member of the Board of Management due to a change of control.

Severance payments

The existing service contracts for the Board of Management stipulate a severance entitlement in certain cases of early termination at the instigation of the Company. In such cases, the severance payment will not exceed the value of two years of annual remuneration (severance cap) and will compensate no more than the remaining term of the contract. If compensation is paid for the period of prohibition of competition due to an existing post-contractual prohibition of competition, it is ensured that this compensation is offset against the severance entitlement. A severance payment is not considered to be an element of the maximum remuneration set for members of the Board of Management.

With his resignation from the Board of Management at his own request effective at midnight on December 31, 2023, Adel Al-Saleh has no entitlement to a severance payment from Deutsche Telekom AG.

Board of Management pension plan

Under the new Board of Management remuneration system, new members of the Board of Management are not entitled to a Board of Management pension plan. Pension commitments based on defined contribution plans from the previous Board of Management remuneration system will be maintained on the basis of the account balance earned as at December 31, 2020, as vested entitlements. This means that in the 2023 financial year, with the exception of the pension commitment for Timotheus Höttges, no further service costs arose for pension commitments from the previous Board of Management remuneration system.

Since 2009, newly appointed Board of Management members had received pension commitments under defined contribution plans. This commitment provided the member of the Board of Management with a contractually agreed specific amount for each year of service, which, endowed with a market-standard interest rate, was added to the personal pension plan account for the respective member of the Board of Management. Market-standard interest rate in this regard corresponds to the interest rate of the capital accounts plan for employees of the Group. Upon retirement the member of the Board of Management receives the accrued balance as a one-time payment.

As at December 31, 2023, the defined benefit obligations (DBO) for members of the Board of Management with pension commitments based on defined contribution plans were as shown below in accordance with IFRS reporting:

Member of the Board of Management	Defined benefit obligation (DBO)
Birgit Bohle	€ 523,843
Srinivasan Gopalan	€ 1,113,934
Dr. Christian Illek	€ 1,503,231
Thorsten Langheim	€ 541,263
Claudia Nemat	€ 2,813,591

Board of Management members Dominique Leroy and Adel Al-Saleh received commitments to "pension substitutes" under the previous Board of Management remuneration system. For each complete year of service, they were given an annual one-time payment instead of a pension commitment. Following the changeover to the current remuneration system, there are no further consequences from these commitments and no payments were made in 2023 in this regard.

In item 12.2 of the remuneration system, the shareholders' meeting of Deutsche Telekom AG on April 1, 2021, agreed that the existing pension commitment for Timotheus Höttges is to remain in place in the new system. Timotheus Höttges is the only current member of the Board of Management who has a legacy pension commitment (granted prior to 2009). This model of pension commitment is directly related to individual basic remuneration and is paid out as a monthly retirement pension when the member of the Board of Management reaches retirement. Upon his reappointment as Chair

of the Board of Management in 2019, Timotheus Höttges' pension commitment was adjusted such that his pension entitlements accrued up to December 31, 2018 were increased by 2.4 % per further complete year of service using his basic remuneration valid up to December 31, 2018 as the measurement base. Future increases in his basic remuneration as of that date will thus not lead to higher pension payments. Additionally, as part of the pension commitment, pension payments to be made upon retirement increase dynamically at a rate of 1 % per year. The pension agreement also includes arrangements for pensions for surviving dependents in the form of entitlements for widowed spouses and orphans. The pension for surviving dependents for widowed spouses amounts to 60 % of the retirement pension to which Timotheus Höttges would have been entitled to at that point in time. The orphan's pension is 12 % for half-orphans and 20 % for full orphans, not exceeding a total of 60 % of the retirement pension to which Timotheus Höttges would be entitled to at the time of provision. In the event of a permanent incapacity for work (invalidity), Timotheus Höttges is also entitled to the pension payments.

One of the changes to the remuneration system for members of the Board of Management approved by the shareholders' meeting on April 7, 2022 concerned an amendment to the payment option for the pension commitment for Timotheus Höttges in item 12.2 of the remuneration system. The amendment to the pension commitment provides the option of converting up to 50 % of the calculated pension into partial retirement assets and paying these out as one-time retirement assets. This change brings the pension commitment more closely into line with those of other members of the Board of Management, as commitments made between 2009 and 2020 primarily entail a one-time payment.

As at December 31, 2023, Timotheus Höttges was entitled to the defined benefit obligation (DBO) stated below, based on IAS 19. In the 2023 financial year, the following service costs arose:

Member of the Board of Management	Service costs	Defined benefit obligation (DBO)
Timotheus Höttges	€ 292,274	€ 13,273,024

2.6. Board of Management target remuneration and remuneration earned for 2023

The following table shows the existing target remuneration for 2023 for each member of the Board of Management. Target remuneration consists of the non-performance-based components basic remuneration, remuneration in kind, and fringe benefits, as well as the performance-based components STI, LTI, and SMP.

The performance-based remuneration components STI and LTI were taken into account for the determination of the target remuneration with an assumed target achievement of 100 %. In terms of the SMP, it was assumed for the determination of the target remuneration that the members of the Board of Management would invest the maximum possible investment amount of 50 % from the 2023 STI. This assumption is the closest representation of the actual investment behavior of members of the Board of Management in recent years.

In addition, the table also shows the remuneration earned for the year 2023. The presentation of the STI is based on the final level of target achievement for the performance period that ended on December 31, 2023, which has already been determined for 2023. The same applies for the presentation of Variable II (2020 tranche), with a performance period from January 1, 2020 to December 31, 2023. Both the 2023 STI and the 2020 tranche of Variable II will be paid out in the 2024 financial year.

The SMP is presented in the "remuneration earned" column through the non-cash benefit accrued at the time of transfer of the matching shares in 2023. The performance period for this remuneration instrument began on an individual basis for each member of the Board of Management with the purchase of the shares in 2019 and ended four years after the personal investment, in 2023 (section 3.1).

There is, in addition, still a Board of Management pension commitment for the Chair of the Board of Management. The service costs associated with this commitment and the defined benefit obligation as of December 31, 2023 are reported separately in the section on the Board of Management pension plan (section 2.5) and are not included in the definitions of target remuneration and remuneration earned used here. Reporting service costs in this table would lead to the mixing of accounting-related values with real figures. These costs were therefore not included in the following table as, in accordance with the details for the remuneration system, pension plans are not a component of the maximum remuneration.

In the 2023 financial year, the target remuneration of Adel Al-Saleh, Dr. Christian Illek, and Dominique Leroy was increased during the course of the year, effective January 1, 2023, April 1, 2023, and November 1, 2023 respectively, due to their reappointment to the Board of Management. The increase for Adel Al-Saleh and for Dr. Christian Illek was of approximately 6 % and for Dominique Leroy of approximately 10 % for a five-year reappointment. This means that the increase per year of the reappointment term is in the low single-digit percent range. In 2023, this increase will only be reflected in part by the reported figures as it took place partly during the course of the year.

		Adel Al-Saleh		Birgit Bohle		Srinivasan Gopalan		Timotheus Höttges	
		Member of the Board of Management since January 1, 2018 Board department: T-Systems		Member of the Board of Management since January 1, 2019 Board department: Human Resources and Legal Affairs		Member of the Board of Management since January 1, 2017 Board department: Germany		Member of the Board of Management since December 1, 2006 Board department: Chair of the Board of Management	
		Target remuneration	Remuneration earned	Target remuneration	Remuneration earned	Target remuneration	Remuneration earned	Target remuneration	Remuneration earned
Non-performance-based remuneration	Basic remuneration	€ 1,150,000	€ 1,150,000	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 1,100,000	€ 2,130,000	€ 2,130,000
	Remuneration in kind	€ 25,196	€ 25,196	€ 14,679	€ 14,679	€ 19,695	€ 19,695	€ 39,264	€ 39,264
	Fringe benefits	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
	Total	€ 1,175,196	€ 1,175,196	€ 1,114,679	€ 1,114,679	€ 1,119,695	€ 1,119,695	€ 2,169,264	€ 2,169,264
Performance-based remuneration	STI (2023)	€ 820,000	€ 852,800	€ 780,000	€ 1,092,000	€ 780,000	€ 1,138,800	€ 1,800,000	€ 2,466,000
	LTI (Variable II 2020)	–	€ 985,500	–	€ 803,000	–	€ 985,500	–	€ 2,859,167
	LTI (2023)	€ 905,000	–	€ 845,000	–	€ 845,000	–	€ 2,000,000	–
	SMP (investment 2019)	–	€ 568,852	–	–	–	€ 518,990	–	€ 1,262,774
	SMP (2023)	€ 410,000	–	€ 390,000	–	€ 390,000	–	€ 900,000	–
	Total	€ 2,135,000	€ 2,407,152	€ 2,015,000	€ 1,895,000	€ 2,015,000	€ 2,643,290	€ 4,700,000	€ 6,587,941
Total remuneration	€ 3,310,196	€ 3,582,348	€ 3,129,679	€ 3,009,679	€ 3,134,695	€ 3,762,985	€ 6,869,264	€ 8,757,205	

		Dr. Christian Illek		Thorsten Langheim		Dominique Leroy		Claudia Nemat	
		Member of the Board of Management since April 1, 2015 Board department: Finance		Member of the Board of Management since January 1, 2019 Board department: USA & Group Development		Member of the Board of Management since November 1, 2020 Board department: Europe		Member of the Board of Management since October 1, 2011 Board department: Technology & Innovation	
		Target remuneration	Remuneration earned	Target remuneration	Remuneration earned	Target remuneration	Remuneration earned	Target remuneration	Remuneration earned
Non-performance-based remuneration	Basic remuneration	€ 1,137,500	€ 1,137,500	€ 1,150,000	€ 1,150,000	€ 1,008,333	€ 1,008,333	€ 1,150,000	€ 1,150,000
	Remuneration in kind	€ 43,071	€ 43,071	€ 11,042	€ 11,042	€ 14,167	€ 14,167	€ 68,954	€ 68,954
	Fringe benefits	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
	Total	€ 1,180,571	€ 1,180,571	€ 1,161,042	€ 1,161,042	€ 1,022,500	€ 1,022,500	€ 1,218,954	€ 1,218,954
Performance-based remuneration	STI (2023)	€ 810,000	€ 1,109,700	€ 820,000	€ 1,123,400	€ 725,833	€ 1,066,975	€ 820,000	€ 1,090,600
	LTI (Variable II 2020)	–	€ 985,500	–	€ 944,438	–	€ 780,188	–	€ 985,500
	LTI (2023)	€ 901,250	–	€ 905,000	–	€ 830,938	–	€ 905,000	–
	SMP (investment 2019)	–	€ 504,400	–	–	–	–	–	€ 507,595
	SMP (2023)	€ 405,000	–	€ 410,000	–	€ 362,917	–	€ 410,000	–
	Total	€ 2,116,250	€ 2,599,600	€ 2,135,000	€ 2,067,838	€ 1,919,688	€ 1,847,163	€ 2,135,000	€ 2,583,695
Total remuneration	€ 3,296,821	€ 3,780,171	€ 3,296,042	€ 3,228,880	€ 2,942,188	€ 2,869,663	€ 3,353,954	€ 3,802,649	

3. Remuneration granted and owed in accordance with § 162 AktG

3.1. Remuneration granted and owed for current Board of Management members in accordance with § 162 AktG

The remuneration granted and owed and the relative share of these for current members of the Board of Management, which are to be published in accordance with § 162 (1) sentence 1 AktG, are shown in the following table. The table shows the basic remuneration paid out in the 2023 financial year, the remuneration in kind, the STI paid out in the 2023 financial year which was set for 2022, the LTI (Variable II, 2019 tranche) paid out in the 2023 financial year for which the term of the plan was from 2019 to 2022, and the non-cash benefit (value of the shares at the time of transfer) of the matching shares transferred in the 2023 financial year based on the participation in the Share Matching Plan. The LTI (Variable II, 2019 tranche) is still a component of the remuneration system that applied until 2020.

	Fixed remuneration components				Variable remuneration components						Total remuneration
	Basic remuneration	% ¹	Remuneration in kind/ fringe benefits	% ¹	Short-Term Incentive (STI)	% ¹	Long-Term Incentive (Variable II)	% ¹	Matching shares transferred	% ¹	
Adel Al-Saleh	€ 1,150,000	31 %	€ 25,196	1 %	€ 943,800	26 %	€ 897,750	26 %	€ 568,852	16 %	€ 3,585,598
Birgit Bohle	€ 1,100,000	37 %	€ 14,679	1 %	€ 1,092,000	37 %	€ 731,500	25 %	€ 0	0 %	€ 2,938,179
Srinivasan Gopalan	€ 1,100,000	31 %	€ 19,695	1 %	€ 1,115,400	32 %	€ 731,500	21 %	€ 518,990	15 %	€ 3,485,585
Timotheus Höttges	€ 2,130,000	25 %	€ 39,264	1 %	€ 2,557,500	30 %	€ 2,604,583	30 %	€ 1,262,774	14 %	€ 8,594,121
Dr. Christian Illek	€ 1,137,500	30 %	€ 43,071	1 %	€ 1,162,200	31 %	€ 897,750	24 %	€ 504,400	14 %	€ 3,744,921
Thorsten Langheim	€ 1,150,000	37 %	€ 11,042	1 %	€ 1,093,333	35 %	€ 860,344	27 %	€ 0	0 %	€ 3,114,719
Dominique Leroy	€ 1,008,333	48 %	€ 14,167	1 %	€ 1,065,350	51 %	€ 0	0 %	€ 0	0 %	€ 2,087,850
Claudia Nemat	€ 1,150,000	30 %	€ 68,954	2 %	€ 1,148,000	30 %	€ 897,750	24 %	€ 507,595	14 %	€ 3,772,299

¹ As % of total remuneration. The percentage figures in the table above were not uniformly rounded in accordance with standard commercial practices, so that a total of 100 % could be shown in each case.

Short-Term Incentive (STI – 2022)

Target achievement for the STI in the 2022 financial year

The short-term variable remuneration (STI) paid out in the 2023 financial year is based on the 2022 financial year and consists in equal parts (one-third each) of Group financial targets, segment financial targets, and ESG targets. Target achievement for the targets applied can range between 0 % and 150 %. The performance factor resolved by the Supervisory Board is then applied to the resulting target achievement.

The stipulated targets, the target achievement, and the resulting payment amounts can be seen in the following table:

	Group financial targets (weighting: 33.3 %)				Segment financial targets (weighting: 33.3 %)				ESG targets (weighting: 33.3 %)			Target achievement	Perform- ance factor	Total target achieve- ment
	Service revenues (unadj.)	EBITDA AL (unadj.)	FCF AL	Σ	Service revenues (unadj.)	EBITDA AL (unadj.)	Ext. adj. indirect costs AL	Σ	Reduction in CO ₂ emissions	Reduction in energy consump- tion	Σ			
Member of the Board of Management	(30 %)	(30 %)	(40 %)		(33.3 %)	(33.3 %)	(33.3 %)		(50 %)	(50 %)			(0.8 - 1.2)	
Adel Al-Saleh	150 %	150 %	150 %	150 %	59 % ¹	23 % ²	110 %	64 %	120 %	113 %	116 %	110 %	1.10	121 %
Birgit Bohle	150 %	150 %	150 %	150 %	132 %	150 %	116 %	133 %	120 %	113 %	116 %	133 %	1.05	140 %
Srinivasan Gopalan	150 %	150 %	150 %	150 %	109 %	136 %	126 %	124 %	120 %	113 %	116 %	130 %	1.10	143 %
Timotheus Höttges	150 %	150 %	150 %	150 %	150 %	150 %	116 %	139 %	120 %	113 %	116 %	135 %	1.15	155 %
Dr. Christian Illek	150 %	150 %	150 %	150 %	150 %	150 %	116 %	139 %	120 %	113 %	116 %	135 %	1.10	149 %
Thorsten Langheim	150 %	150 %	150 %	150 %	150 % ³	150 %	150 % ⁴	150 %	120 %	113 %	116 %	139 %	1.15	160 %
Dominique Leroy	150 %	150 %	150 %	150 %	150 %	150 %	118 %	139 %	120 %	113 %	116 %	135 %	1.10	149 %
Claudia Nemat	150 %	150 %	150 %	150 %	132 %	150 %	116 %	133 %	120 %	113 %	116 %	133 %	1.05	140 %

¹ Instead of (unadjusted) service revenues, external revenue is used for T-Systems.

² Instead of unadjusted EBITDA AL, unadjusted EBIT is used for T-Systems.

³ Instead of (unadjusted) service revenues, total revenue is used for Group Development.

⁴ Instead of external adjusted indirect costs AL, location-specific indirect costs are used for Group Development.

Group financial targets

The Group financial targets set by the Supervisory Board and the target achievement of the Group financial targets derived from these can be seen in the table below:

billions of €						
	Weighting	Lower target achievement threshold 0 %	Target value 100 % target achievement	Upper target achievement threshold 150 %	Result ¹	Target achievement
Service revenues (unadjusted)	30 %	79.3	83.4	85.1	85.1	150 %
EBITDA AL (unadjusted)	30 %	28.7	31.9	32.5	33.1	150 %
FCF AL	40 %	8.9	9.9	10.3	10.7	150 %

¹ The actual values have been adjusted to include non-budgeted inorganic effects (first-time consolidations and deconsolidations of companies during the course of the year, exchange rate fluctuations) and one-time effects.

Results for all KPIs (unadjusted service revenues, unadjusted EBITDA AL, and FCF AL) were considerably better than assumed in the budget for the Group both including and excluding the United States, leading to target achievement of 150 %. This resulted in weighted target achievement for the Group financial targets for the 2022 financial year of 150 %.

Segment financial targets

The segment financial targets on which the 2022 STI was based are distributed in the same way as for 2023, as shown in the figure in section 2.2, with the exception of the member of the Board of Management responsible for USA and Group Development. In 2022, in contrast to 2023, the measurement of segment financial targets for the Board of Management member responsible for USA and Group Development was still based on the Group Development segment.

ESG targets

The ESG targets were identical for the 2022 STI as for the 2023 STI, which are detailed in section 2.2 of the remuneration report. However, in 2022, the determination of the level of ambition and the target achievement still included U.S. business. Overall, the weighted target achievement for the ESG targets was determined to be at 116 %.

The level of ambition and the target achievement derived from this can be seen in the following table:

	Weighting	Lower target achievement threshold 0 %	Target value 100 % target achievement	Upper target achievement threshold 150 %	Result	Target achievement
Reduction in CO ₂ emissions (in ktCO ₂ e) ¹	50 %	291	243	218	233	120 %
Reduction in energy consumption (in GWh) ²	50 %	14,542	13,402	12,832	13,253	113 %

¹ Reduction in regard to target value. Budget value and target range refer to total CO₂ emissions and not to the reduction.

² Budget value and target range refer to total energy consumption values and not to the reduction.

Performance factor

When setting the individual performance factor for the 2022 STI, the Supervisory Board took into account performance in regard to the strategic implementation targets and the value adherence scores, and set the following performance factors for the members of the Board of Management:

Performance factor

Adel Al-Saleh	1.10
Birgit Bohle	1.05
Srinivasan Gopalan	1.10
Timotheus Höttges	1.15
Dr. Christian Illek	1.10
Thorsten Langheim	1.15
Dominique Leroy	1.10
Claudia Nemat	1.05

For the 2022 financial year, the Supervisory Board had agreed the following individual strategic implementation targets with the members of the Board of Management, which were a component of the performance review by the Supervisory Board:

Individual strategy implementation

Timotheus Höttges	<ul style="list-style-type: none"> ▪ Increased value creation at T-Mobile US ▪ Continuation of T-Systems transformation ▪ Implementation of the new Leading Digital Telco strategy ▪ Creation of more competitive conditions for optical fiber/FTTH and 5G build-out
Adel Al-Saleh	<ul style="list-style-type: none"> ▪ Implementation of the new T-Systems strategy ▪ Stronger growth in strategic focus sectors (Automotive, Public, Health, Public Transport) ▪ Cost transformation within T-Systems ▪ Increased customer and employee satisfaction at T-Systems
Birgit Bohle	<ul style="list-style-type: none"> ▪ Acceleration of Group-wide skills transformation with a focus on digital skills ▪ Further development and implementation of New Work 2.0 for Deutsche Telekom AG ▪ Implementation of the workforce strategy ▪ Improvement in general employee satisfaction ▪ Minimization of legal and regulatory risks
Srinivasan Gopalan	<ul style="list-style-type: none"> ▪ Implementation of the growth initiatives in Germany ▪ Increased efficiency through digitalization in Germany ▪ Implementation of the Leading Digital Telco strategy in Germany ▪ Improved customer satisfaction in Germany
Dr. Christian Illek	<ul style="list-style-type: none"> ▪ Improved efficiency in the Group through digitalization initiatives, and reduction in external indirect costs AL ▪ Ensuring the Group's refinancing options ▪ Ensuring implementation of the Group's strategic priorities
Thorsten Langheim	<ul style="list-style-type: none"> ▪ Increased value creation at T-Mobile US ▪ Increased value creation at Deutsche Funkturm (DFMG) ▪ Ensuring value-oriented portfolio management
Dominique Leroy	<ul style="list-style-type: none"> ▪ Acceleration of the digital transformation in Europe ▪ Implementation of the growth initiatives in Europe ▪ Acceleration of the fiber-optic build-out in Europe ▪ Improved customer and employee satisfaction in Europe
Claudia Nemat	<ul style="list-style-type: none"> ▪ Transformation towards a digital (telecommunications) production model ▪ Increased innovations for customer experience ▪ Enablement of accelerated network build-out and ensuring resilience of supply chains

The process for determining and deriving target achievement for value adherence is in line with the process detailed for value adherence in the 2023 financial year. Please refer to the details in section 2.2.

Based on a comprehensive qualitative evaluation of the achievement of the strategic implementation targets listed and compliance with the value adherence criteria, the performance factors described above and individual target achievement levels for the 2022 STI were determined for each member of the Board of Management.

Long-Term Incentive (Variable II – 2019 tranche)

The long-term variable remuneration (Variable II, 2019 tranche) paid out in the 2023 financial year is based on the Board of Management remuneration system that applied up to and including 2020 and consisted of four equally weighted target parameters for each of which target achievement can vary between 0 % and 150 %. Variable II (2019 tranche) is an entirely cash-based four-year plan with a term from 2019 to 2022. The level of ambition for the target values was set at the start of the plan term for all four years.

Target achievement was determined as follows:

(Weighting)	Year 2019 (25 %)			Year 2020 (25 %)			Year 2021 (25 %)			Year 2022 (25 %)			Total target achievement
	Target value	Actual value ¹	Target achieve- ment	Target value	Actual value ¹	Target achieve- ment	Target value	Actual value ¹	Target achieve- ment	Target value	Actual value ¹	Target achieve- ment	
ROCE	5.1 %	5.0 %	97 %	5.1 %	7.9 %	150 %	5.7 %	6.4 %	150 %	6.1 %	6.6 %	150 %	137 %
Adj. EPS	0.99	1.02	124 %	1.00	1.24	150 %	1.08	1.28	150 %	1.13	1.80	150 %	144 %
Customer satisfaction	69.4	67.3	67 %	70.1	71.3	125 %	70.8	71.4	113 %	71.6	74.1	150 %	114 %
Employee satisfaction	65	65	100 %	65	73	150 %	66	73	150 %	67	72	150 %	138 %
Total target achievement 2019 tranche												133 %	

¹ The actual values have been adjusted to include key issues that were not taken into account for the medium-term planning (increased investments for spectrum in the U.S., introduction of the IFRS 16 standard, T-Mobile US business combination).

Share Matching Plan (SMP)

The amounts reported as total remuneration include the value applicable at the time of transfer of the matching shares in the 2023 financial year, which was subject to wage tax. All matching shares transferred in the 2023 financial year were transferred four years after the date of the mandatory personal investment in 2019. This means that the date of transfer was different for each member of the Board of Management, as in 2019 there was a window of approximately three months within which the Board member could make the personal investment. In this context, Srinivasan Gopalan received 23,505 shares on April 6 at a share price of € 22.08. Timotheus Höttges received 34,271 shares on April 6 at a share price of € 22.08, and a further 23,860 shares on May 10 at a share price of € 21.21. Adel Al-Saleh received 26,820 shares on May 10 at a share price of € 21.21. Claudia Nemat received 26,440 matching shares on June 20 at a share price of € 19.198 and Dr. Christian Illek received a total of 26,000 matching shares on June 27 at a share price of € 19.40.

3.2. Remuneration granted and owed for former Board of Management members in accordance with § 162 AktG

The remuneration granted and due and the relative share of these for former members of the Board of Management, which are to be made public in accordance with § 162 (1) sentence 1 AktG, are shown in the following table. The table shows pension amounts paid out in the 2023 financial year resulting from existing pension commitments and the LTI (Variable II, 2019 tranche) paid out in the 2023 financial year to which some members of the Board of Management whose appointment to the Board of Management ended between 2017 and 2020 were entitled on a pro-rata basis.

	Fixed remuneration components		Variable remuneration components						Total remuneration
	Pension payments	% ¹	Short-Term Incentive (STI)	% ¹	Long-Term Incentive (Variable II)	% ¹	Matching shares transferred	% ¹	
Dr. Thomas Kremer (until March 31, 2020)	€ 0	0 %	€ 0	0 %	€ 228,594	100 %	€ 0	0 %	€ 228,594
Niek Jan van Damme (until December 31, 2017)	€ 0	0 %	€ 0	0 %	€ 35,688	100 %	€ 0	0 %	€ 35,688
Reinhard Clemens (until December 31, 2017)	€ 596,750	100 %	€ 0	0 %	€ 0	0 %	€ 0	0 %	€ 596,750

¹ As % of total remuneration.

In addition to the individual payments to former members of the Board of Management shown in the table, a further € 7.9 million were paid out in the 2023 financial year to former Board of Management members in the form of pension payments that can no longer be reported individually for data privacy reasons in accordance with § 162 (5) AktG.

Long-Term Incentive (Variable II – 2019 tranche)

Depending on the reason for departure, members of the Board of Management who leave the Group during the four-year term of Variable II may participate on a pro-rata basis. If this is the case, the members of the Board of Management who have left receive the payment of the tranche due at the same time and with the same level of target achievement as current members of the Board of Management. The participation contribution that was originally agreed is the only element to be reduced pro rata. This means that the same details for target achievement apply as for the current members of the Board of Management and can be seen in section 3.1. The target achievement for the tranche is also 133 %.

3.3. Comparative information

The following table shows the annual trend in development of earnings for the Company, remuneration for current and former members of the Board of Management, and the average remuneration of employees over the last five financial years based on full-time equivalents (FTE).

Development of earnings is presented on the basis of the Company's income after taxes under German GAAP and adjusted (Group) EBITDA AL. This is intended to illustrate the Company's operating performance.

The basis for the figures of the Board of Management remuneration used to present the percentage development corresponds to remuneration granted and remuneration owed within the meaning of § 162 AktG. In the first year of appointment to the Board of Management or in the first year of pension payments, "n/a" is shown in the table because in the first year no meaningful year-on-year comparison of remuneration is possible.

The group of employees taken as the basis for employee remuneration (based on FTE) are employees from Group companies in Germany who are subject to the Group Works Agreement on Conditions of Employment for Employees not Covered by Collective Agreements (GWA AT), as these companies have broadly comparable remuneration systems in place and use comparable remuneration components. The employees included for this purpose were taken into account based on an average value for 2023. The amount of total gross employee salaries (adjusted for severance payments made) for the relevant financial year was used following the same presentation logic as for Board of Management members in order to comply with the concept of remuneration granted and owed within the meaning of § 162 (1) sentence 1 AktG. The figure for total gross employee salaries was adjusted for severance payments, which were generally paid as a result of staff restructuring measures.

	Change 2020 to 2019	Change 2021 to 2020	Change 2022 to 2021	Change 2023 to 2022
Earnings KPIs				
Income after taxes (AG) under German GAAP	43.8 %	43.3 %	10.8 %	127.7 %
EBITDA AL for the Group (adjusted)	41.7 %	6.6 %	7.7 %	0.7 %
Current members of the Board of Management (as at: December 31, 2023)				
Adel Al-Saleh	-4.7 %	2.3 %	54.1 %	16.9 %
Birgit Bohle	45.6 %	16.3 %	21.3 %	47.1 %
Srinivasan Gopalan	16.1 %	62.0 %	28.4 %	1.9 %
Timotheus Höttges	11.8 %	18.7 %	8.8 %	12.3 %
Dr. Christian Illek	8.6 %	15.1 %	20.8 %	5.2 %
Thorsten Langheim	91.1 %	15.7 %	13.0 %	35.7 %
Dominique Leroy	n/a	282.9 %	78.9 %	1.0 %
Claudia Nemat	-1.0 %	11.2 %	19.2 %	0.9 %
Former members of the Board of Management (as at: December 31, 2023)				
Dr. Thomas Kremer	-11.5 %	38.8 %	-87.0 %	-37.9 %
Niek Jan van Damme	-28.2 %	-27.1 %	834.1 %	-99.0 %
Reinhard Clemens	-39.5 %	-46.7 %	-100.0 %	n/a
Average employee remuneration				
Average remuneration	1.3 %	2.2 %	3.7 %	3.5 %

In some cases, the remuneration for the members of the Board of Management changed significantly year-on-year; however, this is largely not due to changes in remuneration levels in Board of Management service contracts, but to the fact that individual multi-year remuneration instruments were paid out for the first time.

Generally, the changes in Board of Management remuneration are down to the different levels of target achievement in the variable remuneration components STI and LTI, as well as the different share prices at the time of transfer of matching shares.

Newly appointed members of the Board of Management receive the first payment from the LTI in the fifth year of their appointment and do not receive their first transfer of shares from the Share Matching Plan until the sixth year. When paid out and considered in the remuneration comparison for the first time, these remuneration components lead to considerably high values year-on-year, although there have been no changes to contractually agreed remuneration entitlements.

A contractual agreement is in place for former members of the Board of Management under which existing entitlements to STI and Variable II payments as well as transfers of shares in the Share Matching Plan are settled on a pro-rata basis. As a result, remuneration for former members of the Board of Management is generally reduced considerably after their departure, as the pro-rata share of Variable II plans with a four-year term decreases continually, given that participants can only earn smaller portions of the plans. The pension commitments of former members of the Board of Management include an annual increase in their pension payments. The annual pension payments therefore rise in line with the agreed increase. However, in the case of members of the Board of Management with pension commitments consisting of a one-time capital payment, there is a spike in the year of payment, followed by an extreme reduction in the year following the one-time payment.

B. Remuneration of the Supervisory Board

1. Basis for the remuneration system for the Supervisory Board

The remuneration received by the members of the Supervisory Board is specified under § 13 of the Articles of Incorporation of Deutsche Telekom AG. This ensures that the remuneration of Supervisory Board members is always in line with the remuneration system approved by the shareholders' meeting.

2. Remuneration of the Supervisory Board in the 2023 financial year

Components, amount, and structure of Supervisory Board remuneration in the 2023 financial year

According to the provisions defined in the Articles of Incorporation, each member of the Supervisory Board receives a fixed basic annual remuneration of € 100,000. The Chair and the Deputy Chair of the Supervisory Board receive increased basic remuneration in recognition of the greater organizational and administrative efforts associated with their activities and their responsibility for the successful and efficient collaboration of the overall Board. The increase is € 100,000 for the Chair and € 50,000 for the Deputy Chair.

Additional remuneration is paid as follows for membership of committees of the Supervisory Board in light of the importance of committee work and the increased preparation and work required:

- (a) The Chair of the Audit Committee receives € 100,000, ordinary members of the Audit Committee € 40,000.
- (b) The Chair of the General Committee receives € 70,000, ordinary members of the General Committee € 30,000.
- (c) The Chair of the Nomination Committee receives € 25,000, ordinary members of the Nomination Committee € 12,500.
- (d) The Chair of any other committee receives € 40,000, ordinary members of any other committee € 25,000.

Chairpersonship and membership of the Mediation Committee are not remunerated.

Supervisory Board members who are only on the Supervisory Board or a committee for part of the financial year are remunerated proportionally.

To take proper account of the time spent attending meetings, members of the Supervisory Board also receive an attendance fee of € 2,000 for each meeting of the Supervisory Board and its committees that they attend, whereby only one meeting per day shall be considered.

In the 2023 financial year, the remuneration system for the Supervisory Board was applied in all aspects as regulated by § 13 of the Articles of Incorporation. The members of the Supervisory Board received no further remuneration and/or benefits during the reporting year for services they provided personally, in particular consultancy or mediation services.

Publication of individual remuneration of the Supervisory Board

The following table lists the fixed and variable remuneration components granted and owed to current and former members of the Supervisory Board in the financial year just ended, including the relative share of these, in accordance with § 162 AktG. Under § 13 (6) of the Company Articles of Incorporation, remuneration falls due at the end of the shareholders' meeting to which the consolidated financial statements for the financial year in question are presented or which decides on their approval. The disclosure for the 2023 financial year lists the basic remuneration paid out after the 2023 shareholders' meeting for Supervisory Board activities and the remuneration for membership of committees and attending meetings of these committees in the 2022 financial year.

Supervisory Board member	Fixed remuneration	% ¹	Committee remuneration	% ¹	Meeting attendance fee	% ¹	Total amount	Remuneration for seats at subsidiaries and other internal bodies
Dr. Frank Appel (Chair)	€ 150,000	54 %	€ 90,000	32 %	€ 40,000	14 %	€ 280,000	
Dr. Rolf Bösing	€ 33,333	50 %	€ 27,500	41 %	€ 6,000	9 %	€ 66,833	
Dr. Günther Bräunig	€ 100,000	62 %	€ 38,333	23 %	€ 24,000	15 %	€ 162,333	
Odysseus D. Chatzidis	€ 100,000	57 %	€ 50,000	29 %	€ 24,000	14 %	€ 174,000	
Constantin Greve	€ 100,000	67 %	€ 25,000	17 %	€ 24,000	16 %	€ 149,000	
Katja Hessel ²	€ 0	–	€ 0	–	€ 0	–	€ 0	
Lars Hinrichs	€ 100,000	69 %	€ 25,000	17 %	€ 20,000	14 %	€ 145,000	
Dr. Helga Jung	€ 100,000	65 %	€ 30,000	19 %	€ 24,000	16 %	€ 154,000	
Prof. Dr. Michael Kaschke	€ 33,333	66 %	€ 13,333	26 %	€ 4,000	8 %	€ 50,666	
Nicole Koch	€ 100,000	67 %	€ 25,000	17 %	€ 24,000	16 %	€ 149,000	€ 4,500
Dagmar P. Kollmann	€ 100,000	36 %	€ 137,500	50 %	€ 38,000	14 %	€ 275,500	
Petra Steffi Kreusel	€ 100,000	60 %	€ 40,000	24 %	€ 26,000	16 %	€ 166,000	€ 3,250
Harald Krüger	€ 100,000	69 %	€ 25,000	17 %	€ 20,000	14 %	€ 145,000	
Prof. Dr. Ulrich Lehner (former Chair)	€ 66,667	59 %	€ 40,000	36 %	€ 6,000	5 %	€ 112,667	
Kerstin Marx	€ 100,000	44 %	€ 95,000	41 %	€ 34,000	15 %	€ 229,000	€ 3,250
Frank Sauerland (Deputy Chair)	€ 150,000	61 %	€ 70,000	28 %	€ 26,000	11 %	€ 246,000	€ 20,500
Susanne Schöttke	€ 75,000	60 %	€ 30,000	24 %	€ 20,000	16 %	€ 125,000	
Lothar Schröder	€ 100,000	62 %	€ 40,000	25 %	€ 20,000	13 %	€ 160,000	€ 12,000
Nicole Seelemann-Wandtke	€ 100,000	71 %	€ 25,000	18 %	€ 16,000	11 %	€ 141,000	
Sibylle Spoo	€ 33,333	66 %	€ 13,333	26 %	€ 4,000	8 %	€ 50,666	
Karl-Heinz Streibich	€ 100,000	51 %	€ 65,000	34 %	€ 28,000	15 %	€ 193,000	
Margret Suckale	€ 100,000	57 %	€ 50,000	29 %	€ 24,000	14 %	€ 174,000	
Karin Topel	€ 100,000	67 %	€ 25,000	17 %	€ 24,000	16 %	€ 149,000	€ 500
Stefan B. Wintels	€ 75,000	65 %	€ 18,750	16 %	€ 22,000	19 %	€ 115,750	
Total	€ 2,116,666		€ 998,749		€ 498,000		€ 3,613,415	

¹ As % of the total amount. The percentage figures in the table above were not uniformly rounded in accordance with standard commercial practices, so that a total of 100 % could be shown in each case.

² As a Parliamentary State Secretary, Katja Hessel waives remuneration.

Employee representatives who are members of a trade union have undertaken to transfer their remuneration in line with the guidelines of the German Trade Union Confederation.

3. Comparative information

The following table shows the annual changes in development of earnings for the Company, remuneration granted and owed to current and former members of the Supervisory Board, and the average remuneration of employees over the last five financial years based on FTE.

Development of earnings is presented on the basis of the Company's income after taxes under German GAAP and adjusted (Group) EBITDA AL. This is intended to illustrate the Company's operating performance.

The group of employees taken as the basis for employee remuneration are employees from Group companies in Germany who are subject to the Group Works Agreement on Conditions of Employment for Employees not Covered by Collective Agreements (GWA AT), as these companies have broadly comparable remuneration systems in place and use comparable remuneration components. The amount of total gross employee salaries (adjusted for severance payments made) for the relevant financial year was used following the same presentation logic as for Board of Management members in order to comply with the concept of remuneration granted and owed within the meaning of § 162 (1) sentence 1 AktG. The figure for total gross employee salaries was adjusted for severance payments, which were generally paid as a result of staff restructuring measures.

	Change 2020 to 2019	Change 2021 to 2020	Change 2022 to 2021	Change 2023 to 2022
Earnings KPIs				
Income after taxes (AG) under German GAAP	43.8 %	43.3 %	10.8 %	127.7 %
EBITDA AL for the Group (adjusted)	41.7 %	6.6 %	7.7 %	0.7 %
Current members of the Supervisory Board (as at: December 31, 2023)				
Dr. Frank Appel (Chair)	–	–	n/a	n/a
Odysseus D. Chatzidis	13.8 %	12.8 %	17.1 %	27.9 %
Eric Daum	–	–	–	–
Constantin Greve	505.9 %	30.2 %	-19.4 %	39.3 %
Katja Hessel	–	–	–	–
Lars Hinrichs	-1.9 %	9.9 %	-3.6 %	35.5 %
Dr. Helga Jung	12.6 %	6.9 %	-27.5 %	94.9 %
Dagmar P. Kollmann	-1.9 %	5.5 %	-2.4 %	32.8 %
Petra Steffi Kreusel	-1.6 %	6.7 %	-1.6 %	31.7 %
Harald Krüger	48.0 %	17.6 %	22.5 %	34.3 %
Kerstin Marx	–	n/a	38.3 %	17.4 %
Dr. Reinhard Ploss	–	–	–	–
Frank Sauerland (Deputy Chair)	483.2 %	84.4 %	1.7 %	26.2 %
Christoph Schmitz	–	–	–	–
Susanne Schöttke	–	–	n/a	n/a
Nicole Seelemann-Wandtke	133.2 %	30.9 %	-21.4 %	33.0 %
Karl-Heinz Streibich	11.8 %	-4.6 %	-3.9 %	30.4 %
Margret Suckale	8.7 %	8.5 %	-3.5 %	27.9 %
Karin Topel	25.4 %	7.8 %	-3.6 %	39.3 %
Stefan B. Wintels	–	–	n/a	n/a
Former members of the Supervisory Board (as at: December 31, 2023)				
Josef Bednarski	6.1 %	-70.1 %	–	–
Dr. Rolf Bösinger	68.9 %	10.0 %	-5.3 %	-62.3 %
Dr. Günther Bräunig	17.3 %	6.2 %	-21.9 %	51.7 %
Prof. Dr. Michael Kaschke	-2.5 %	8.5 %	-3.1 %	-58.8 %
Nicole Koch	12.6 %	7.8 %	-3.6 %	39.3 %
Prof. Dr. Ulrich Lehner (former Chair)	4.9 %	-1.5 %	-14.6 %	-60.7 %
Lothar Schröder	4.4 %	-41.4 %	-24.5 %	31.1 %
Sibylle Spoo	-0.7 %	4.1 %	-17.8 %	-59.5 %
Average employee remuneration				
Average remuneration	1.3 %	2.2 %	3.7 %	3.5 %

4. Outlook

Supervisory Board remuneration for the 2023 financial year (payment after the 2024 shareholders' meeting) is broken down for each individual member as follows:

Supervisory Board member	Fixed remuneration	% ¹	Committee remuneration	% ¹	Meeting attendance fee	% ¹	Total amount	Remuneration for seats at subsidiaries and other internal bodies
Dr. Frank Appel (Chair)	€ 200,000	56 %	€ 120,000	34 %	€ 36,000	10 %	€ 356,000	
Dr. Günther Bräunig	€ 33,333	66 %	€ 13,333	26 %	€ 4,000	8 %	€ 50,666	
Odysseus D. Chatzidis	€ 100,000	57 %	€ 50,000	29 %	€ 24,000	14 %	€ 174,000	
Eric Daum	€ 16,667	62 %	€ 4,167	16 %	€ 6,000	22 %	€ 26,834	€ 8,700
Constantin Greve	€ 100,000	68 %	€ 25,000	17 %	€ 22,000	15 %	€ 147,000	
Katja Hessel ²	€ 0	–	€ 0	–	€ 0	–	€ 0	
Lars Hinrichs	€ 100,000	69 %	€ 25,000	17 %	€ 20,000	14 %	€ 145,000	
Dr. Helga Jung	€ 100,000	60 %	€ 40,000	24 %	€ 26,000	16 %	€ 166,000	
Nicole Koch	€ 91,667	70 %	€ 22,917	18 %	€ 16,000	12 %	€ 130,584	€ 9,500
Dagmar P. Kollmann	€ 100,000	37 %	€ 137,500	51 %	€ 32,000	12 %	€ 269,500	
Petra Steffi Kreusel	€ 100,000	60 %	€ 40,000	24 %	€ 26,000	16 %	€ 166,000	
Harald Krüger	€ 100,000	68 %	€ 25,000	17 %	€ 22,000	15 %	€ 147,000	
Kerstin Marx	€ 100,000	44 %	€ 95,000	41 %	€ 34,000	15 %	€ 229,000	
Dr. Reinhard Ploss	€ 75,000	86 %	€ 0	0 %	€ 12,000	14 %	€ 87,000	
Frank Sauerland (Deputy Chair)	€ 150,000	60 %	€ 74,167	29 %	€ 28,000	11 %	€ 252,167	€ 35,100
Christoph Schmitz	€ 16,667	68 %	€ 0	0 %	€ 8,000	32 %	€ 24,667	
Susanne Schöttke	€ 100,000	61 %	€ 40,000	25 %	€ 22,000	14 %	€ 162,000	
Lothar Schröder	€ 91,667	64 %	€ 36,667	26 %	€ 14,000	10 %	€ 142,334	€ 12,000
Nicole Seelemann-Wandtke	€ 100,000	70 %	€ 25,000	17 %	€ 18,000	13 %	€ 143,000	€ 6,300
Karl-Heinz Streibich	€ 100,000	51 %	€ 69,583	36 %	€ 26,000	13 %	€ 195,583	
Margret Suckale	€ 100,000	57 %	€ 50,000	29 %	€ 24,000	14 %	€ 174,000	
Karin Topel	€ 100,000	69 %	€ 25,000	17 %	€ 20,000	14 %	€ 145,000	€ 7,100
Stefan B. Wintels	€ 100,000	55 %	€ 55,000	30 %	€ 28,000	15 %	€ 183,000	
Total	€ 2,075,001		€ 973,334		€ 468,000		€ 3,516,335	

¹ As % of the total amount. The percentage figures in the table above were not uniformly rounded in accordance with standard commercial practices, so that a total of 100 % could be shown in each case.

² As a Parliamentary State Secretary, Katja Hessel waives remuneration.

For the Board of Management

For the Supervisory Board

Timotheus Höttges
Chair of the Board of Management
of Deutsche Telekom AG

Dr. Christian P. Illek
Board Member for Finance
of Deutsche Telekom AG

Dr. Frank Appel
Chair of the Supervisory Board
of Deutsche Telekom AG

Report of the Independent Auditor

To Deutsche Telekom Aktiengesellschaft, Bonn (Germany)

We have audited the accompanying remuneration report of Deutsche Telekom AG, Bonn/Germany, (“the Company”) for the financial year from January 1, to December 31, 2023, including the related disclosures, which has been prepared to comply with Section 162 German Stock Corporation Act (AktG).

Responsibilities of the Executive Directors and of the Supervisory Board

The executive directors and the supervisory board of Deutsche Telekom Aktiengesellschaft, Bonn/Germany, are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor’s Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfil the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the remuneration report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the remuneration report, including the related disclosures. The choice of the audit procedures is subject to the auditor’s professional judgement. This includes assessing the risk of material misstatements, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the remuneration report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company’s system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the supervisory board as well as an evaluation of the overall presentation of the remuneration report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1, to December 31, 2023, including the related disclosures, complies, in all material respects, with the accounting principles of Section 162 AktG.

Other Matter – Formal Audit of the Remuneration Report

The content audit of the remuneration report described in this report comprises the formal audit required under Section 162 (3) AktG including the issuance of a report on this audit. Since our audit opinion on the content audit is unmodified, this audit opinion includes that the disclosures required under Section 162 (1) and (2) AktG are made, in all material respects, in the remuneration report.

Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to Deutsche Telekom Aktiengesellschaft, Bonn/Germany, and our liability is also governed by the engagement letter dated 6 February 2024 agreed with the Company as well as the “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. in the version dated 1 January 2024 (IDW-AAB). However, we do not accept or assume liability to third parties.

Düsseldorf (Germany), February 22, 2024

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Christoph Schenk
Wirtschaftsprüfer
(German Public Auditor)

Dr. Tim Hoffmann
Wirtschaftsprüfer
(German Public Auditor)