

Statement of Compliance

The Statement of Compliance with the German Corporate Governance Code pursuant to Section 161 AktG has been made permanently available to the shareholders: "The Executive Board and Supervisory Board of Gigaset AG state their compliance with the recommendations of the German Commission on corporate management and supervision as amended on May 26, 2010, and published in the electronic version of the Federal Gazette (Bundesanzeiger), with the exception of the points outlined below. The deviations are explained in the following statement."

D & O insurance for members of the Supervisory Board

Contrary to Section 3.8, no excess of at least 10% of the damage was agreed when the D&O insurance policy was concluded for members of the Supervisory Board.

The Company believes that the members of the Supervisory Board of Gigaset AG perform their duties with the necessary care and attention, even without a corresponding excess being agreed.

Composition of the Executive Board

Contrary to Section 4.2.1, the Executive Board has consisted of only one member since September 1, 2010.

This reflects the sale of various subsidiaries together with the realignment of the business model and the focus on the telecommunications and accessories segment.

Compensation of members of the Executive Board

Contrary to Section 4.2.3, the variable component of pay for the member of the Executive Board Maik Brockmann does not include a multi-year assessment.

Mr. Brockmann's Management Board contract only runs for a period of two years, meaning that, in the opinion of the Company, defining a multi-year assessment does not provide any additional protection or value.

Contrary to Section 4.2.3, the subsequent modification of the performance targets or the benchmark parameters is not excluded.

With regard to the payment of a bonus to Mr. Brockmann, a contractual agreement is in place stating that the Supervisory Board will decide on whether such a bonus will be paid, and also the amount and timing of such a payment. In the opinion of the Company, this makes it possible to flexibly and optimally reflect a positive or negative development of the Company.

Contrary to Section 4.2.3, no cap is envisaged for the variable component of pay for the member of the Executive Board Maik Brockmann.

However, the Supervisory Board decides on whether a bonus will be paid, and also the amount and timing of such a payment. When determining the amount involved, any disbursement relating to an increase in the value of the virtual share portfolio is to be taken into account accordingly. The Company believes that, on account of the correlation between bonus payments and disbursements on account of increases in the value of the virtual share portfolio, the Supervisory Board may take account of a high payment due to a higher share price by reducing the size of, or refraining from making, the bonus payment, and that the short contract already provides for adequate protection against excessive variable compensation being paid to members of the Executive Board.

Contrary to Section 4.2.3, no severance payment cap has been agreed with the member of the Executive Board Maik Brockmann.

The Company believes that the short contractual term of just two years already provides adequate protection against inappropriate severance payments.

Succession planning

Contrary to Section 5.1.2, no age limit has been specified for the members of the Executive Board. No succession planning has been performed to date.

The Company believes that an age limit per se does not represent a useful/proper exclusion criterion for exercising a function on the Executive Board, not least as this could be construed as discrimination. An appointment to the Company's Executive Board is based primarily on the knowledge, skills and professional experience of the candidate in question.

Given the term of the Executive Board contracts, succession does not appear necessary at the present time.

By-laws of the Supervisory Board

Contrary to Section 5.1.3, the Supervisory Board has not established any by-laws for itself. On account of the good cooperation and close coordination between members of the Supervisory Board in the past, Gigaset AG does not currently see the absolute need for by-laws.

Age limit for members of the Supervisory Board

Contrary to Section 5.4.1, no age limit has been specified for the members of the Supervisory Board. The Company believes that an age limit per se does not represent a useful/proper exclusion criterion for exercising a function on the Supervisory Board, not least as this could be construed as discrimination. Candidates are proposed at the annual shareholders' meeting for election primarily on the basis of the knowledge, skills and professional experience of the candidate in question.

Supervisory Board compensation

Contrary to Section 5.4.6 of the Code, the members of the Supervisory Board are paid a fixed salary. The compensation does not include a profit-based component. The Company believes that the fixed salary reinforces the independence of the members of the Supervisory Board, prevents potential conflicts of interest and yet enables the obligations of the Supervisory Board to be guaranteed in full.

Supervisory Board committees

Contrary to Sections 5.3.1 and 5.3.3, the Supervisory Board has not established any committees with the exception of the Audit Committee. Section 5.3.1 of the Code recommends that appropriately qualified committees be set up to increase efficiency of Supervisory Board work. The present composition of the Supervisory Board ensures efficient operation and in-depth discussion of both strategic topics and detailed issues. In addition, the size of the Supervisory Board means that setting up committees could not be expected to increase efficiency any further. A nomination committee has not been set up as only representatives of the shareholders sit on the Supervisory Board.

Composition and goals of the Supervisory Board

Contrary to Section 5.4.1, the Supervisory Board has not set any concrete goals for its composition. The Supervisory Board is elected by the annual shareholders' meeting. Gigaset AG believes that it is up to the shareholders of the Company alone to decide upon the suitability of candidates.