

Declaration of conformity - March 2012

With only a few exceptions, Gigaset AG corresponds to the recommendations of the German Corporate Governance Code (the "Code"), which was issued in 2002 and recently expanded on May 26, 2010. Gigaset AG understands corporate governance to be a process that is continuously developed and improved.

Declaration of conformity

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 stated and will 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 deductible 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 the agreement of a corresponding deductible.

Composition of the Executive Board

Contrary to Section 4.2.1, the Executive Board comprised only one member in the period from September 1, 2010, until March 29, 2011.

This reflected the sale of various subsidiaries together with the realignment of the business model and the focus on the telecommunications segment. In the period from March 30, 2011, to December 31, 2011, the Executive Board comprised two members.

Compensation paid to members of the Executive Board

Contrary to Section 4.2.3, the variable elements of compensation paid to the board members Dr. Alexander Blum and Maik Brockmann are not based on a multi-year assessment.

Mr. Brockmann's Executive Board contract and Dr. Blum's Managing Director contract each have a term of only two years; as a result, the Company does not believe that a multi-year assessment base would offer 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.

Dr. Blum's variable compensation is pegged to the degree of performance of the parameters established for Gigaset Communications GmbH's success. The specification of targets at the beginning of every fiscal year enables Gigaset Communications GmbH to react flexibly to changes in parameters.

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, the variable elements of compensation paid to the board members Maik Brockmann and Dr. Alexander Blum do not specify a cap.

However, in the case of the board member Brockmann, the Company's Supervisory Board decides both whether a bonus will be paid as well as how much and when. 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 due to 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 contractual term already provides for adequate protection against excessive variable compensation being paid to the board member Brockmann.

In the case of the board member Dr. Blum, the variable compensation payable only amounts to €30,000.00 if he achieves 100% of the goal. In addition, the Company believes that the short contractual period of two years also provides sufficient protection from paying unreasonably high variable compensation to the board member Dr. Blum.

Contrary to Section 4.2.3 a severance payment cap has not been agreed with the board members Maik Brockmann and Dr. Alexander Blum.

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. There has not yet been any succession planning.

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.

Considering the term of the Executive Board contracts and the number of board members, succession planning does not yet seem appropriate at this time.

Supervisory Board by-laws

Contrary to Section 5.1.3, the Supervisory Board did not establish any by-laws for itself in the current term of office.

Due to 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 performance-related element.

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 establishing committees of sufficient expertise with the goal of increasing the efficiency of the Supervisory Board's work.

The present composition of the Supervisory Board with its manageable size of six board members and the almost monthly board meetings ensure efficient work and in-depth discussion of strategic topics as well as 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."

Munich, March 2012