

## **Declaration of Conformity under Section 161 Stock Corporations Act of February 27, 2020 (Aktiengesetz)**

(This is a courtesy translation. The German language version prevails)

As stipulated in Section 161 Stock Corporations Act (*Aktiengesetz*), Executive Board and Supervisory Board of Gigaset AG hereby declare that the recommendations of the Government Commission Corporate Governance Code, as amended on 07 February 2017 and published on 24 April 2017 in the official part of the Federal Gazette, were and are met. To the extent recommendations have not been or are not adopted, the deviations are explained below, together with the underlying reasons.

**Section 3.8 of the German Corporate Governance Code** provides that any D & O insurance for the members of the Supervisory Board shall feature a deductible of at least 10% of the damage. Notwithstanding the above, no deductible of at least 10% of the damage was agreed in the D & O insurance for the members of the Supervisory Board of the Company. The Company believes that the Supervisory Board of Gigaset AG even without a deductible perform their duties with due diligence.

**Section 4.2.3 of the German Corporate Governance Code** provides that the remuneration structure is on a sustainable corporate development exclude messages. The monetary compensation elements shall comprise fixed and variable components. The Supervisory Board is responsible for ensuring that the variable compensation elements are in general a multi-year basis, which shall be materially related to the future. A subsequent change of the performance targets or the comparison parameters retroactively shall be excluded. Notwithstanding this, the variable components of the Directors' remuneration have no multi-year basis. Furthermore, a subsequent change of objectives or the comparison parameters is not explicitly excluded. The Supervisory Board takes the view that linking variable remuneration components to objectives within the current financial year serves the interest of the Company better. The variable remuneration of Directors is linked to the fulfillment of the degree measures of the company's success to the Gigaset. The definition of the target at the beginning of each fiscal year allows the Gigaset AG to respond flexibly to changing economic framework conditions.

Despite being recommended in **Section 4.2.4 and 4.2.5 of German Corporate Governance Code**, compensation data for the members of the Executive Board is not disclosed. The Annual General Meeting dated 11 August 2015 had resolved, under Sections 286 para. 5, 314 para.

3 of the old version of the Commercial Code, that in the annual accounts of the company (and the corresponding group accounts) the data required under Section 285 para 9a Sentence 5 to 8 and 314 Section 1 No. 6a sentence 5 to 8 of the old version of the Commercial code shall not be disclosed. This resolution is binding for the Company also in relation to the purposes of the Corporate Governance Code. It applies for the annual results of the financial year commencing 1 January 2015 and the following four financial years, however in no event longer than 10 August 2020. Pursuant to Article 83 of the Introductory Act to the German Commercial Code, Sections 285, 286, 289a, 289f, 291, 314, 315a, 324, 325, 325a, 329 and 341s of the German Commercial Code in the version applicable as of January 1, 2020 are to be applied for the first time to annual and consolidated financial statements and management and group management reports for the financial year beginning after December 31, 2020.

Irrespective of **Section 5.1.2 of the German Corporate Governance Code**, no age limit has been specified for the members of the Executive Board. Succession planning has not yet been taken. The Company believes that an age limit in itself is no useful/appropriate exclusion criterion for the exercise of duties as member of the Executive Board, especially as this could be construed as discrimination. An appointment to the Board of the Company is based primarily on knowledge, skills and professional experience of each candidate. Given the usual duration of the management contracts, succession planning is, to the belief of the company, not on the agenda at present.

In accordance with **Section 5.3.1, 5.3.2 and 5.3.3 of the German Corporate Governance Code** has formed committees of the Supervisory Board, namely an Audit Committee, a Personnel Committee and a Financing Committee. Further committees are not necessary, as the composition of the Supervisory Board, the manageable size with six supervisory board members and the held meetings provide for efficient work and intensive discussions on strategic issues as well as to questions of detail. A nomination committee has not been formed, as the Board consists exclusively of shareholder representatives.

Irrespective of **Section 5.4.1 of the German Corporate Governance Code**, no age limit and no regular limit to Supervisory Board members' term of office is specified for the members of the Supervisory Board. The Company believes that these limits in themselves are no useful/appropriate exclusion criterion for the exercise of an office as Supervisory Board, especially as this could be construed as discrimination. Elections at the Annual General Meeting are based primarily on knowledge, skills and technical experience of the candidate.

Contrary to **Section 5.4.1 of the German Corporate Governance Code**, the Supervisory Board has not defined specific targets regarding its composition and has not prepared a profile of skills and expertise for the entire Supervisory Board. The Supervisory Board is elected by the Annual General Meeting. Gigaset AG is of the opinion that it is solely the decision of the shareholders of the company to decide on the suitability of candidates. The current members of the Supervisory Board have been appointed in the previous election periods and are known to the shareholders. Therefore the proposals for the candidates concerning the new elections to the Supervisory Board at the General Meeting 2019 were not accompanied by a curriculum vitae, providing information on the candidate's relevant knowledge, skills and experience. Instead, curricula vitae concerning the professional career are published on the company's website. The Supervisory Board fulfills the recommendation that it shall include what it considers an adequate number of independent members. This is stipulated in the bylaws for the Supervisory Board as well as the requirement to disclose in its election recommendations to the General Meeting the personal and business relations of each individual candidate with the enterprise, the executive bodies of the company and with a shareholder holding a material interest in the company. Therefore there is no additional information on the number of independent members representing shareholders which the Supervisory Board deems appropriate and on the names of these persons in the Corporate Governance Report.

Irrespective of **Section 7.1.2 of the German Corporate Governance Code** the consolidated financial statements and the group management report as well as the mandatory interim financial information are not made publicly accessible within the periods specified therein, as the company is obliged to prepare these documents and make them available to the public within short periods of time (two months for quarterly reports, three months for the half-yearly report and four months for annual and consolidated financial statements) due to its listing in the Prime Standard and by law anyway. The creation of additional time pressure in the preparation and review of the relevant documents through the shortening of the legally prescribed periods is to be avoided. The Executive Board and the Supervisory Board are of the opinion that this will ensure that the public is informed in a sufficiently timely manner and that the effort involved in meeting the deadline will not be offset by any significant increase in transparency.

Munich, February 27, 2020

Gigaset AG

Supervisory Board and Executive Board