



Annual General Meeting on 8 June 2021

ITEM 7

Compensation system for the members of the Supervisory Board at Gigaset AG

The compensation system takes into account the responsibilities and scope of activities of Supervisory Board members. By monitoring the conduct of management of the Executive Board, the Supervisory Board contributes to supporting the business strategy and promoting the long-term development of the Company.

In addition to the reimbursement of any expenses and value-added tax on compensation or expenses incurred while performing the duties of their office, the members of the Supervisory Board also receive a fixed monthly salary. Furthermore, every member of the Supervisory Board receives compensation for attending a meeting of the Supervisory Board or a committee and for casting a vote during the adoption of a resolution outside of a meeting. There are no provisions for variable compensation or financial or non-financial performance criteria. This is the best way of taking into account the Supervisory Board's independent control and advisory functions, which are geared towards the Company's long-term development rather than its short-term success.

The amount of compensation granted in each case takes into account the specific function and responsibilities of the Supervisory Board member in question. For example, the higher workload and thus time commitments of the Chair and Vice Chair of the Supervisory Board are taken into account appropriately in the form of additional compensation. Additional compensation is granted for membership in a committee. The higher time commitments for chairs of Supervisory Board committees are not yet taken into account separately in the compensation in light of the Company's situation. Except for this deviation, the compensation structure corresponds to the recommendations of the German Corporate Governance Code.

The compensation is due in monthly installments and to be paid after a corresponding invoice has been issued.

The compensation of the Supervisory Board and the underlying compensation system are regularly reviewed by management, with a particular focus on the time commitments of the Supervisory Board members and the Supervisory Board compensation granted by other similar companies. Owing to the special nature of the compensation granted for Supervisory Board duties, which differ fundamentally from the duties performed by employees of the Company and the Group, a comparison of the salary of the Supervisory Board members with that of the workforce as a whole is not taken into account. Any changes to the compensation or compensation system that are deemed necessary by the Executive Board and the Supervisory Board are presented to the Annual General Meeting in the form of a proposed resolution; however, they are required to present a proposed resolution on the compensation of Supervisory Board members, including the underlying compensation system, to the Annual General Meeting at least every four years.

To date, the compensation of the Supervisory Board members at Gigaset AG has been determined by resolution of the Annual General Meeting and is to be laid down in Article 12 of the Articles of Association in future. The aforementioned proposal is based on the resolutions of the Annual General Meeting on the compensation of Supervisory Board members on 17 August 2017 and 19 December 2013. Those resolutions, like this year's resolution on the compensation scheme for the Supervisory Board in Article 12 of the Articles of Association, were discussed at length by the Executive Board and the Supervisory Board.

The applicable provisions regarding avoidance and treatment of conflicts of interest are also taken into account in the procedure for determining and implementing the compensation system.