

**Invitation to the Extraordinary General Meeting
of Gigaset AG with registered offices in Munich**

**WKN 515 600
ISIN DE0005156004**

Munich, November 2013

Dear shareholders,

We hereby invite you to the Extraordinary General Meeting of Gigaset AG, Munich, on

December 19, 2013 at 10:00 a.m.

at the location

**Conference Center Munich
Hanns-Seidel-Stiftung
Lazarettstr. 33
80636 Munich**

The General Meeting has the following agenda:

**Item 1
Elections to the Supervisory Board**

Four members of the Supervisory Board are expected to resign their mandates as members of the Supervisory Board with effect from the end of the Extraordinary General Meeting on December 19, 2013 as convened by the present invitation.

The Supervisory Board proposes that the following four people be elected to serve as members of the Supervisory Board in place of the members expected to leave the Supervisory Board:

1. Wong Hau Yan, Helvin; Executive Director and General Counsel, Goldin Properties Holdings Limited, also Executive Director and General Counsel, Goldin Financial Holdings Limited, Hong Kong, People's Republic of China
2. Huang, Xiaojian; Managing Director, Matsunichi Digital Development (Shenzhen) Company Limited, Shenzhen, People's Republic of China
3. Shiu, Flora Ka Yan; Executive Director – Head of Corporate Development, Goldin Real Estate Financial Holdings Limited, Hong Kong, People's Republic of China
4. Tang, Chun Fai Billy; Executive Director – Head of Corporate Finance, Goldin Financial Limited, Hong Kong, People's Republic of China

The members of the Supervisory Board are elected by the General Meeting for a period ending with the adjournment of the General Meeting adopting a resolution regarding approval of the actions of the members of the Supervisory Board for the first fiscal year after the commencement of the terms of office. The fiscal year during which the term of office commences is not included.

The members of the Supervisory Board are each elected individually.

Pursuant to Section 96 (1), Section 101 (1) German Stock Corporation Act [Aktengesetz - AktG] in conjunction with Article 7 (1, 2) of the Articles of Incorporation, the Supervisory Board consists of six members to be elected by the General Meeting.

The General Meeting is not required to accept the persons nominated by the Supervisory Board.

With regard to Section 5.4.1 of the German Corporate Governance Code, it is advised that the listed candidates for election to the Supervisory Board are employees of, or members of management bodies of, Goldin Fund Pte. Ltd., Singapore, or its affiliated companies. Goldin Fund Pte. Ltd., Singapore, is a major shareholder of the Company.

Information about the candidates proposed for election to the Supervisory Board under Item 1 of the agenda:

Memberships in other statutory supervisory boards to be formed and comparable domestic and foreign boards of business enterprises: None.

Item 2

Resolution regarding the creation of Authorized Capital 2013/II, exclusion of subscription rights, revocation of the Authorized Capital 2010 and the corresponding amendment to Article 4 (5) of the Articles of Incorporation

The Authorized Capital 2010 currently specified in Article 4 (5) of the Articles of Incorporation is largely exhausted as a result of the exercise of the authorization and only EUR 262,286.00 remains. Consequently, this Authorized Capital 2010 should be revoked. With regard to the Authorized Capital 2013 under Article 4 (6) of the Articles of Incorporation, the Executive Board has resolved, with the consent of the Supervisory Board, to carry out a capital increase of EUR 5,001,491.00 by issuing 5,001,491 no par bearer shares, excluding the subscription right. As a result, the Authorized Capital 2013 will probably similarly be largely exhausted in the near future. In order to give the Company the flexibility it requires with regard to its financing, the intention is to create a new Authorized Capital 2013/II, with the option of excluding the subscription right, for capital increases in exchange for cash.

The Supervisory Board and Executive Board therefore propose that the following resolution be adopted:

1. The Executive Board is authorized to increase the share capital, with the consent of the Supervisory Board, by up to a total of EUR 25,000,000.00, once or in partial amounts, through the issuance of new no par bearer shares qualifying for dividends as of the beginning of the fiscal year in which they are issued, in exchange for cash contributions, in the time until December 18, 2018 (Authorized Capital 2013/II). The shareholders are in principle entitled to a subscription right.

The new shares may be underwritten by one or more banks with the obligation to offer them to the shareholders (indirect subscription right).

The Executive Board is authorized, with the consent of the Supervisory Board, to decide the content of the share rights and the terms and conditions of the share issue, and to specify the details for the execution of the capital increase.

Furthermore, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in the following cases:

- a) In the case of capital increases in exchange for cash contributions, provided that the issue price of the new shares is not significantly less than the stock exchange price at the time of the final determination of the issue price, and provided that the shares issued by virtue of Letter a) of this authorization under exclusion of the subscription right in exchange for cash contributions are not in total more than 10% of the share capital at December 19, 2013, the time when the present authorization takes effect or when it is exercised. To be applied against this limit of 10% of the share capital is the proportional amount of share capital attributable to shares that are issued in the time from December 19, 2013 to the end of the term of the present authorization under exclusion of the subscription right by direct or analogous application of Section 186 (3) 4 AktG. Furthermore, to be applied against this limit is the proportional amount of share capital attributable to shares that were or may still be issued for the purpose of servicing conversion or warrant rights or conversion obligations, insofar as the underlying bond was issued during the term of the present authorization under exclusion of the subscription right in accordance with Section 186 (3) 4 AktG;
- b) To the extent that it is necessary in order to grant to the holders or creditors of convertible bonds or warrant-linked bonds issued by the Company or by subordinated Group companies a subscription right for new shares for an amount to which they would be entitled after exercising the warrant right or conversion right or after fulfilling the conversion obligation;
- c) For the purpose of excluding fractional amounts from the subscription right.

The Supervisory Board is further authorized to amend the current version of the Articles of Incorporation in accordance with the respective amount of the capital increase from the Authorized Capital 2013/II.

2. The Authorized Capital 2010 and the corresponding authorization of the Executive Board under Article 4 (5) of the Articles of Incorporation are revoked.
3. Paragraph 5 in Article 4 of the Articles of Incorporation is revoked and replaced by the following paragraph 5:

"5. The Executive Board is authorized to increase the share capital, with the consent of the Supervisory Board, by up to a total of EUR 25,000,000.00, once or in partial amounts, through the issuance of new no par bearer shares qualifying for dividends as of the beginning of the fiscal year in which they are issued, in exchange for cash contributions, in the time until December 18, 2018 (Authorized Capital 2013/II). The shareholders are in principle entitled to a subscription right.

The new shares may be underwritten by one or more banks with the obligation to offer them to the shareholders (indirect subscription right).

The Executive Board is authorized, with the consent of the Supervisory Board, to decide the content of the share rights and the terms and conditions of the share issue, and to specify the details for the execution of the capital increase.

Furthermore, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in the following cases:

- a) In the case of capital increases in exchange for cash contributions, provided that the issue price of the new shares is not significantly less than the stock exchange price at the time of the final determination of the issue price, and provided that the shares issued by virtue of Letter a) of this authorization under exclusion of the subscription right in exchange for cash contributions are not in total more than 10% of the share capital at December 19, 2013, the time when the present authorization takes effect or when it is exercised. To be applied against this limit of 10% of the share capital is the proportional amount of share capital attributable to shares that are issued in the time from December 19, 2013 to the end of the term of the present authorization under exclusion of the subscription right by direct or analogous application of Section 186 (3) 4 AktG. Furthermore, to be applied against this limit is the proportional amount of share capital attributable to shares that were or may still be issued for the purpose of servicing conversion or warrant rights or conversion obligations, insofar as the underlying bond was issued during the term of the present authorization under exclusion of the subscription right in accordance with Section 186 (3) 4 AktG;
- b) To the extent that it is necessary in order to grant to the holders or creditors of convertible bonds or warrant-linked bonds issued by the Company or by subordinated Group companies a subscription right for new shares for an amount to which they would be entitled after exercising the warrant right or conversion right or after fulfilling the conversion obligation;
- c) For the purpose of excluding fractional amounts from the subscription right."

Item 3

Resolution regarding the authorization of the Executive Board to issue warrant-linked bonds and/or convertible bonds, creation of a Contingent Capital 2013, exclusion of subscription rights and corresponding addition of Article 4 (7) to the Articles of Incorporation

Warrant-linked and/or convertible bonds can be significant instruments for ensuring an adequate equity base as a critical cornerstone for corporate development. Outside capital flows into a company, usually with a low interest rate, and may later be retained as equity under certain circumstances. A corresponding authorization and creation of contingent capital is required in order to issue such bonds.

The Executive Board was authorized by the General Meeting of June 12, 2012 to issue warrant-linked bonds and/or convertible bonds with the consent of the Supervisory Board. The Executive Board exercised this authority in 2013, with the consent of the Supervisory Board, by issuing a convertible bond for EUR 23,340,289.00. Thus the Executive Board is only authorized to issue warrant-linked and/or convertible bonds in the amount of EUR 159,711.00 under the 2012 resolution.

In order to preserve the necessary flexibility of the Company to use this important financing instrument in the future, it is proposed to the General Meeting that it adopt a resolution to grant new authorization to issue warrant-linked bonds and/or convertible bonds and a new Contingent Capital 2013 and to amend the Articles of Incorporation accordingly.

The Executive Board should also be authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders to the warrant-linked and/or convertible bonds.

The Supervisory Board and Executive Board therefore propose that the following resolution be adopted:

1. Authorization of the Executive Board to issue warrant-linked bonds and/or convertible bonds

a) Authorization period, nominal amount, number of shares

The Executive Board is authorized, with the consent of the Supervisory Board, to perform the following actions once or more than once, up to December 18, 2018:

- To issue bearer or registered warrant-linked bonds and/or convertible bonds with a total nominal amount of EUR 150,000,000.00 ("bonds"), with or without a term limit, by the Company or by companies in which the Company directly or indirectly holds a majority stake ("subordinated Group companies"), and
- To assume the guarantee for such bonds issued by subordinate Group companies, and
- To grant warrant rights and/or conversion rights to the holders or creditors of bonds for a total of up to 9,500,000 no par bearer shares of the Company with a proportional share in the share capital of up to EUR 9,500,000.00 after further specification of the individual terms and conditions of the bonds.

The individual issues can be subdivided into fractional bonds, each with equal rights, and shall be issued against a cash contribution.

If warrant-linked bonds are issued, each fractional bond will include one or more warrants that entitle the bearer or creditor to purchase Gigaset shares in accordance with the terms of the bond or warrant.

The relevant warrants may be separable from the individual fractional bonds. The bond or warrant terms may provide that the payment of the strike price can also be satisfied by transfer of fractional bonds and possibly by a cash payment. The proportional amount of the share capital of the shares to be purchased for each fractional bond shall be, at a maximum, the nominal amount of the warrant-linked bond or the issue price lower than the nominal amount.

If convertible bonds are issued, the bearers or creditors receive the right and/or have the obligation to convert their convertible bonds into Gigaset shares in accordance with the provisions in the terms of the convertible bonds. The conversion ratio is determined by dividing the nominal amount or the lower issue price of a fractional bond by the established conversion price for a bearer no par value share in the Company. The conversion ratio shall be rounded to the fourth decimal place. The bond terms may stipulate an additional payment in cash and provide that fractional amounts that cannot be converted are merged and/or compensated in cash. Moreover, the bond terms may also provide for a conversion obligation. The proportional amount of the share capital of the shares to be purchased for each fractional bond shall be, at a maximum, the nominal amount of the convertible bond or the issue price lower than the nominal amount.

b) Subscription right, exclusion of subscription right

The shareholders are in principle entitled to a subscription right to the bonds; the bonds can also be accepted by a bank or a banking consortium with the obligation to offer them to the shareholders for purchase. However, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the subscription rights of the shareholders to the bonds in the following cases:

- Insofar as the issue price is not significantly less than the theoretical market value of the bonds determined using recognized financial mathematics; however, this only applies insofar as the shares to be issued to service the warrant and/or conversion rights or conversion obligations established in this way are not in total more than 10% of the share capital at December 19, 2013, the date when the present authorization takes effect or when it is exercised, if this value is lower. To be applied against this limit of 10% of the share capital is the proportional amount of share capital attributable to shares that are issued in the time from December 19, 2013 to the end of the term of the present authorization under exclusion of the subscription right by direct or analogous application of Section 186 (3) 4 AktG. Furthermore, to be applied against this limit is the proportional amount of share capital attributable to shares that were or may still be issued for the purpose of servicing conversion or warrant rights or conversion obligations, insofar as the underlying bond was issued during the term of the present authorization under exclusion of the subscription right in accordance with Section 186 (3) 4 AktG.
- For the purpose of excluding fractional amounts resulting from the subscription ratio from the subscription right of the shareholders to the bonds.
- For the purpose of granting the holders or creditors of warrant or conversion rights or conversion obligations subscription rights to compensate for dilution to the extent that they would be entitled to them after exercise of these rights or performance of these obligations.

c) Warrant or conversion price, anti-dilution protection

- aa) The warrant or conversion price must not be less than 80% of the price of the Gigaset share in Xetra trading (or in a comparable successor system). The average closing price on the ten stock exchange trading days prior to the final decision of the Executive Board on publication of an offer to subscribe bonds or on the statement of acceptance by the Company following a public request to issue subscription offers shall prevail. In the case of trading in subscription rights, the days of subscription right trading shall prevail, excluding the last two stock exchange days of subscription rights trading, unless the Executive Board conclusively determines the option or conversion price already prior to the beginning of subscription rights trading.
- bb) Notwithstanding Section 9 (1) AktG, the warrant or conversion price can be reduced or cash components can be changed or subscription rights can be granted based on an anti-dilution protection clause following further specification of the terms, if the Company increases its share capital or issues or guarantees additional bonds by the expiration of the warrant or conversion period while granting a subscription right to its shareholders, while the bearers of warrant rights and/or the creditors of convertible bonds are not granted any subscription right to which they would be entitled after exercise of their warrant or conversion rights or conversion obligations. The same also applies to other measures that may lead to dilution of the value of the warrant and/or conversion rights or conversion obligations. In any case, however, the proportional amount of the share capital of the shares to be purchased per fractional bond shall correspond at a maximum to the nominal amount of the fractional bond or any lower issue price.

Section 9 (1) and Section 199 AktG shall remain unaffected thereby.

d) Further terms and conditions

The Executive Board is authorized, with the consent of the Supervisory Board, to independently establish the further details of the issuance and features of the bonds and their terms while complying with the foregoing requirements, or to establish them by mutual consent with the executive bodies of the subordinate Group company issuing the bonds, particularly the warrant or conversion price, interest rate, issue price, maturity period and trading units, establishment of an option or conversion requirement, setting an additional cash payment, compensation for or pooling of fractional shares, cash payment instead of delivery of shares, delivery of treasury shares instead of issuing new shares, anti-dilution protection provisions, and the warrant or conversion period.

2. Contingent capital increase

The share capital is contingently increased by up to EUR 9,500,000.00 by issuing up to 9,500,000 new no par bearer shares qualifying for dividends as of the beginning of the fiscal year in which they are issued. The conditional capital increase will be used to grant shares to the holders or creditors of warrant-linked bonds and/or convertible bonds that are issued by the Company or a subordinated Group company up to December 18, 2018, against cash payment, based on the authorization of the General Meeting on December 19, 2013. This issue of new shares shall occur at the warrant or conversion price individually determined in accordance with the authorization described above. The contingent capital increase shall only be implemented insofar as the warrant and/or conversion rights from the bonds are exercised, or conversion obligations from the bonds are satisfied and thus no cash settlement is granted or treasury shares are used for service. The Executive Board is authorized, with the consent of the Supervisory Board, to determine the further details for carrying out the contingent capital increase (Contingent Capital 2013).

3. Amendment of the Articles of Incorporation

The following Paragraph 7 is added to Article 4 of the Articles of Incorporation:

"7. The share capital is contingently increased by up to EUR 9,500,000.00 by issuing up to 9,500,000 new no par bearer shares qualifying for dividends as of the beginning of the fiscal year in which they are issued. The conditional capital increase will be used to grant shares to the holders or creditors of warrant-linked bonds and/or convertible bonds that are issued by the Company or a subordinated Group company up to December 18, 2018, against cash payment, based on the authorization of the General Meeting on December 19, 2013. This issue of new shares shall occur at the warrant or conversion price individually determined in accordance with the authorization described above. The contingent capital increase shall only be implemented insofar as the warrant and/or conversion rights from the bonds are exercised, or

conversion obligations from the bonds are satisfied and thus no cash settlement is granted or treasury shares are used for service. The Executive Board is authorized, with the consent of the Supervisory Board, to determine the further details for carrying out the contingent capital increase (Contingent Capital 2013)."

Item 4

Revision of the provisions for the remuneration paid to the members of the Supervisory Board

The resolution adopted under Agenda Item 6 of the General Meeting on August 14, 2013 regarding the remuneration paid to the members of the Supervisory Board leads to considerable legal uncertainty in the actual practice of Supervisory Board activities, especially with regard to claims to remuneration arising on their merits and their payment dates. For this reason, it needs to be modified. The Supervisory Board and Executive Board therefore propose that the following resolution be adopted and the resolution of August 14, 2013 be revoked at the same time:

"Pursuant to Section 113 of the German Stock Corporation Act (AktG) and Article 12 (2) of the Company's Articles of Incorporation ("*Articles*"), the General Meeting grants the following remuneration to the members of the Supervisory Board of Gigaset:

- 1. Basic remuneration.** Each member of the Supervisory Board shall receive fixed remuneration of EUR 3,000.00 ("*basic remuneration*") for every commenced month of office ("*settlement month*"). The start and end of each settlement month are determined in accordance with Section 187 (1) and Section 188 (2) BGB. Remuneration that the respective member of the Supervisory Board has already received for the same settlement month, no matter what the legal reason, is to be deducted from the claim to basic remuneration. The claim to basic remuneration arises at the end of the settlement month.
- 2. Remuneration for meeting attendance.** Each member of the Supervisory Board shall receive remuneration of EUR 1,000.00 ("*meeting fee*") for attending a duly convened meeting of the Supervisory Board or a committee ("*meeting*"). Attendance at the meeting by teleconference and the casting of a written vote in accordance with Article 9 (3) 2 of the Articles are considered equivalent to attending the meeting. Remuneration for several meetings of the same committee on a single day is provided as for a single meeting. The claim to meeting fees arises with the signature of the minutes of the meeting by the chairman of the Supervisory Board or the committee chairman. The claim requirements may only be substantiated by the minutes of the meeting pursuant to Section 107 (2) AktG.
- 3. Remuneration for resolutions adopted outside of meetings.** Each member of the Supervisory Board shall receive remuneration of EUR 1,000.00 ("*resolution fee*") for casting a vote within the framework of a resolution adopted outside of a meeting ("*resolutions adopted outside of a meeting*") in accordance with Article 9 (4) of the Articles in individual instances as requested by the chairman by means of written, telegraphic, telephone, telefax communication or with the aid of other telecommunication means or data transmission. Where several resolutions are adopted outside of meetings on the same day, a claim to a resolution fee only arises once. The claim to a resolution fee arises with the signature of the minutes of the resolutions adopted by the chairman of the Supervisory Board or the committee chairman. The claim requirements may only be substantiated by the minutes of the meeting.
- 4. Remuneration of the chairman.** The chairman of the Supervisory Board shall receive a premium of 100% on all elements of remuneration listed in paragraphs 1 to 3 above and the deputy chairman of the Supervisory Board a premium of 50%.
- 5. Reimbursement of out-of-pocket expenses.** The Company shall reimburse the members of the Supervisory Board the out-of-pocket expenses they incur through the exercise of their office, including any value-added tax accruing on the remuneration and out-of-pocket expenses. The claim to reimbursement of out-of-pocket expenses arises as soon as the member of the Supervisory Board has incurred the out-of-pocket expenses.
- 6. Claims arising and payment date.** All payment claims fall due 21 days after receipt by the Company of an invoice complying with the requirements of proper invoicing. Where reimbursement of out-of-pocket expenses is claimed, copies of the receipts for such expenses must be attached. The Company is authorized to pay advances prior to the payment date.
- 7. Insurance.** The Company shall conclude liability insurance in favor of the members of the Supervisory Board to cover the statutory liability arising from their Supervisory Board activities.
- 8. Period of validity.** The present remuneration provisions come into force with retroactive effect from August 15, 2013 and remain in force until a General Meeting adopts a resolution regarding new provisions. The present remuneration provisions replace the remuneration provisions adopted by the General Meeting on August 14, 2013, which are simultaneously revoked with retroactive effect. Where remuneration has already been paid on account of the revoked remuneration provisions, such remuneration is to be deducted from claims to remuneration under the new provisions."

Reports of the Executive Board:

The following reports of the Executive Board on Items 2 and 3 can be inspected at the business premises of Gigaset AG, Hofmannstr. 61, 81379 Munich, as well as on the internet at www.gigaset.ag. They will also be available at the Extraordinary General Meeting and will be sent to shareholders upon request.

Re Item 2

Report of the Executive Board to the General Meeting pursuant to Section 203 (2) 2 in conjunction with Section 186 (4) 2 AktG

The Executive Board of Gigaset AG makes the following written report for the Extraordinary General Meeting of the Company convened for December 19, 2013, pursuant to Section 203 (2) 2 in conjunction with Section 186 (4) 2 AktG on the creation of Authorized Capital 2013/II with authority to exclude subscription rights recommended under Item 2:

The Authorized Capital 2010 currently specified in Article 4 (5) of the Articles of Incorporation is largely exhausted as a result of the exercise of the authorization and only EUR 262,286.00 remains. Consequently, this Authorized Capital 2010 should be revoked. With regard to the Authorized Capital 2013 under Article 4 (6) of the Articles of Incorporation, the Executive Board has resolved, with the consent of the Supervisory Board, to carry out a capital increase of EUR 5,001,491.00 by issuing 5,001,491 no par bearer shares, excluding the subscription right. As a result, the Authorized Capital 2013 will probably similarly be largely exhausted in the near future.

In order to give the Company the flexibility it requires with regard to its financing, the intention is to create a new Authorized Capital 2013/II, with the option of excluding the subscription right, for capital increases in exchange for cash. The proposed authorization serves to restore an appropriate authorization framework. An appropriate capital base is an essential foundation for future business activities, especially given the Company's object and the desire to attract further financial resources for investments in the future of the Company.

At present, the funds gained from the Authorized Capital 2013/II proposed to the General Meeting are being considered for use notably for the – possibly partial – replacement of the syndicated loan currently totaling approximately EUR 32,000,000 as well as for investments in the Tablet Computer and Smartphone business, which the Company has identified as a new line of business.

The syndicated loan may be called in by the banks involved at the end of April 2014. The intention is for the Company to be prepared for this in order to be able to procure appropriate equity capital.

The Smartphone and Tablet Computer business is both fast-growing and fast-moving, with short product cycles of just 9-12 months. In order to be in a position to respond to these special market characteristics, the Company must have the opportunity to quickly procure sufficient funds for investments.

Furthermore, the Company is to be given the possibility of using shares to finance acquisitions. Since a capital increase is required at short notice to carry out an acquisition, adopting an appropriate resolution in the Annual General Meeting is not an alternative to using the authorized capital. Creating authorized capital is the only way of putting the Executive Board in a position to quickly and easily exploit opportunities that arise for company acquisitions in the interest of the shareholders in order to conform to the Company's business activities and to strengthen its competitiveness.

In the event of the Authorized Capital 2013/II being exploited, the shareholders fundamentally have a statutory subscription right. The new shares from a capital increase in exchange for cash are also to be offered to the shareholders directly for purchase or underwritten by banks with the obligation to offer them to the shareholders for purchase (indirect subscription right).

However, the Executive Board is to be authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in several cases:

Excluding the subscription right within the framework of a capital increase in exchange for cash contributions within the 10% threshold specified in Section 186 (3) 4 AktG makes it easier to finance the Company by raising equity capital. This gives the Company the possibility to raise new capital on the capital markets flexibly and inexpensively. This authorization makes it easier for the Company to cover a possible capital requirement at very short notice and to exploit market opportunities. Excluding the subscription right makes it possible to act promptly and place the shares close to the stock exchange price without the usual discounts otherwise associated with issues with subscription rights due to the high volatility. Consequently, this form of capital increase is also in the interest of the shareholders. A dilution of the value of the existing shares is

minimized in accordance with the statutory thresholds by the fact that the issue price may not be significantly less than the market price.

The capital increase in exchange for cash making use of the present authorization under exclusion of the subscription right may not exceed a total of 10% of the share capital at December 19, 2013, the time when the present authorization takes effect or when it is exercised. To be applied against this limit of 10% of the share capital is the proportional amount of share capital attributable to shares that are issued or sold in the time from December 19, 2013 to the end of the term of the present authorization under exclusion of the subscription right by direct or analogous application of Section 186 (3) 4 AktG. Furthermore, to be applied against this limit is the proportional amount of the share capital attributable to shares that were or may still be issued for the purpose of servicing conversion or warrant rights or conversion obligations, insofar as the underlying bond was issued during the term of the present authorization under exclusion of the subscription right in accordance with Section 186 (3) 4 AktG.

Furthermore, there is to be the possibility, with the consent of the Supervisory Board, to exclude the subscription right to the extent that it is necessary in order to grant to the holders or creditors of convertible bonds or warrant-linked bonds issued by the Company or by subordinated Group companies a subscription right for new shares for an amount to which they would be entitled after exercising the warrant right or conversion right or after fulfilling the conversion obligation. To make it easier to place bonds on the capital market, the relevant issue terms and conditions generally specify dilution protection. One means of dilution protection consists of similarly granting a subscription right for new shares to the holders of warrants and the creditors of convertible bonds in the event of a share issue under which the shareholders have a subscription right. They are thus given a status as if they had already exercised their warrant or conversion right or already fulfilled their conversion obligations. Since the dilution protection in this case does not need to be ensured by reducing the warrant and/or conversion price, a higher issue price can be obtained for the new shares to be issued upon exercise of the conversion right or warrant right. This approach is, however, only possible insofar as the subscription right of the shareholders for the new shares is excluded. Since the placement of bonds with conversion and/or warrant rights or conversion obligations is facilitated by granting corresponding dilution protection, the exclusion of subscription right serves the interest of the shareholders in their Company having an optimum finance structure.

Moreover, the subscription right is to be excluded for fractional amounts. This provision is intended to facilitate the execution of an issue with a fundamental subscription right of the shareholders. Fractional amounts may arise from the respective issue volume and from the need to present a technically feasible subscription right ratio. As a general rule, the value of such fractional amounts is low for the individual shareholder. The possible dilution effect is also negligible due to the restriction to fractional amounts. On the other hand, the expense for the issuance without such an exclusion of subscription right is much higher for the Company, which incurs additional costs. The new shares excluded from the subscription right of the shareholders as free fractions are monetized to best effect for the Company by either sale on a stock exchange or other means. Thus, excluding the subscription right promotes practicality as well as cost efficiency, and facilitates the execution of an issue and is hence in the interest of the shareholders.

In every instance, the Executive Board will carefully analyze the issuance of shares under exclusion of the subscription right to see if this is in the interest of the company and hence its shareholders in each case. Only then will the Executive Board make use of the option granted to it and report on such utilization during the next General Meeting.

Re Item 3

Report of the Executive Board to the General Meeting pursuant to Section 221 (4) in conjunction with Section 186 (4) 2 AktG

The Executive Board of Gigaset AG makes the following written report for the Extraordinary General Meeting of the Company convened for December 19, 2013, pursuant to Section 221 (4) in conjunction with Section 186 (4) 2 AktG, on the authorization of the Executive Board to issue warrant-linked and/or convertible bonds and the creation of Contingent Capital 2013 with authority to exclude subscription rights recommended under Item 3:

Warrant-linked and/or convertible bonds ("bonds") are an important financing instrument for us. They initially provide the Company with outside capital at a low interest rate, which may be retained later in the form of equity under certain circumstances. Alongside the traditional possibilities of debt and equity financing, this provides the Company with the opportunity of using attractive financing alternatives in the capital market depending on the market situation. In addition, the conversion and warrant premiums benefit the Company.

The authorization of the Executive Board to issue bonds, which was granted by the General Meeting on June 12, 2012, has been largely utilized by the issue of a convertible bond in 2013 with a volume of EUR 23,340,289.00, for which the shareholders had a subscription right.

The new authority recommended to the General Meeting is intended to be used to issue bonds with a total amount of up to EUR 150,000,000.00 through December 18, 2018. With the Contingent Capital 2013, shares with a proportional ratio of the share capital of up to EUR 9,500,000.00, i.e. up to 9,500,000 shares, should be available to service the related warrant and/or conversion rights or conversion obligations. The authorization is intended to give the Company the necessary flexibility to issue the bonds itself or through Group companies.

At present, the funds gained from the issuance of warrant-linked and/or convertible bonds are being considered for use notably for the – possibly partial – replacement of the syndicated loan currently totaling approximately EUR 32,000,000 as well as for investments in the Tablet Computer and Smartphone business, which the Company has identified as a new line of business.

The syndicated loan may be called in by the banks involved at the end of April 2014. The intention is for the Company to be prepared for this in order to be able to procure appropriate equity capital.

The Smartphone and Tablet Computer business is both fast-growing and fast-moving, with short product cycles of just 9-12 months. In order to be in a position to respond to these special market characteristics, the Company must have the opportunity to quickly procure sufficient funds for investments.

Our shareholders fundamentally have a subscription right to the bonds under the relevant legal provisions. This gives them the opportunity to invest their capital with the Company and simultaneously to preserve their investment share. In order to simplify processing, the bonds should also be able to be issued to financial institutions with the obligation to offer them to the shareholders according to their subscription rights. In conformity with the statutory provisions, however, the Executive Board should also be authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in certain cases:

First, the Executive Board should be authorized by analogous application of Section 186 (3) 4 AktG to exclude the subscription right, with the consent of the Supervisory Board, if the issue price of the bonds is not fall significantly less than their theoretical market value calculated using recognized financial mathematics (Section 221 (4) 2 in conjunction with Section 186 (3) 4 AktG). This exclusion of the subscription right is necessary when a bond needs to be placed quickly in order to exploit a favorable market environment. In this way, the Company obtains the opportunity to accept new financing in the capital markets flexibly and inexpensively, in order to cover a possible capital requirement and to use market opportunities on very short notice. Excluding subscription rights makes it possible to act quickly and to place the bonds close to their theoretical market value without the discounts on subscription rights issues that are otherwise customary due to the high volatility. Therefore, this form of issuing bonds is also in the interest of the shareholders. Dilution of the value of the existing shares is minimized in compliance with the legal limits in that the issue price is not permitted to be significantly lower than the theoretical market value calculated using recognized financial mathematics. The shareholders' interests are thus preserved in that the bonds are not issued at a price significantly below the market value, meaning that the value of the subscription right practically approaches zero. This thus guarantees protection of the shareholders from dilution of their investment holdings, and shareholders do not suffer any economic disadvantage worth mentioning. However, this only applies insofar as the shares to be issued to service the warrant and/or conversion rights or conversion obligations established in this way do not exceed a total of 10% of the share capital at December 19, 2013, the date when the authorization takes effect or when it is exercised, if this value is lower. To be applied against this limit of 10% of the share capital is the proportional amount of share capital attributable to shares that are issued in the time from December 19, 2013 to the end of the term of the authorization under exclusion of the subscription right by direct or analogous application of Section 186 (3) 4 AktG. Furthermore, to be applied against this limit is the proportional amount of share capital attributable to shares that were or may still be issued for the purpose of servicing conversion or warrant rights or conversion obligations, insofar as the underlying bond was issued during the term of the authorization under exclusion of the subscription right in accordance with Section 186 (3) 4 AktG.

Moreover, it should also be possible to exclude the subscription right in order to permit exploitation of fractional amounts in issues for which shareholders have a fundamental subscription right. This serves to simplify such an issue. Excluding subscription rights for fractional amounts is reasonable and customary, because the costs of trading in subscription rights for fractional amounts has no reasonable relationship to the advantage to the shareholders. The possible dilution effect can be disregarded due to the restriction to fractional amounts. The value of such fractional amounts is also generally low for individual shareholders. In contrast, the expense for an issue without such an exclusion of subscription rights would be significantly higher for the Company and would cause additional costs.

The exclusion of subscription rights in favor of bearers or creditors of bonds already issued is also customary in the market and is primarily used so that the option or conversion price of such bonds, which are typically equipped with anti-dilution protection, need not be reduced.

In any case, the shareholders can maintain their investment share in the Company, despite an exclusion of subscription rights, by acquiring shares on the stock exchange.

The recommended authorizations to exclude subscription rights therefore serve the overall interests of the Company and the shareholders.

In every instance, the Executive Board will carefully analyze the issuance of shares under exclusion of the subscription right to see if this is in the interest of the company and hence its shareholders in each case. The Executive Board will report on any such utilization to the General Meeting.

Participation in the General Meeting

By virtue of Article 14 of the Articles of Incorporation, those shareholders are entitled to take part in the General Meeting and exercise their voting right who have registered with the Company at the address, fax number or e-mail address specified below and submitted specific evidence of their shareholding issued by their custodian bank to the same address, fax number or e-mail address:

Gigaset AG
c/o Commerzbank AG
Group Markets Operations
GS-MO 4.1.1 General Meetings
D-60261 Frankfurt am Main
Germany
Fax: +49 (0)69 1362 6351
E-mail: hv-eintrittskarten@commerzbank.com

The evidence of shareholding must reflect the status at the beginning of November 28, 2013 (12:00 a.m. CET) (referred to as the evidence date) and must be in writing to be effective (Section 126b BGB). The evidence of shareholding and the registration must be received by the Company no later than by the end of December 12, 2013 (12:00 midnight CET).

Importance of the evidence date

The evidence date is decisive for the purpose of exercising the participation right and the extent of the voting right at the General Meeting. In relationship to the Company, a person is considered a shareholder for purposes of participating in the General Meeting and exercising the voting right only if that person has submitted specific evidence of shareholding as of the evidence date. Changes in the shareholding amount after the evidence date are irrelevant for purposes of the participation right and the extent of the voting right. Consequently, persons who did not hold any shares at the evidence date, and who acquired shares only after the evidence date, are not entitled to participate or vote unless they obtain a proxy or an authority to exercise their rights. Shareholders who have duly registered and submitted specific evidence of shareholding shall still be entitled to participate and exercise their voting right to the extent reflected by their evidenced shareholding, even if they sell their shares in full or in part after the evidence date. The evidence date is not relevant for the dividend qualification. Shareholders can still dispose freely of their shares even after the evidence date and registration.

After the receipt of the registration and evidence of shareholding, the registration office will send General Meeting admission tickets to the shareholders entitled to participate. To ensure the timely receipt of the tickets, we ask the shareholders to make sure that the registration and the shareholding evidence are sent to the Company at an early stage.

Proxy

Shareholders may also exercise their voting right in the General Meeting by being represented by a proxy holder, e.g. by a financial institution or an association of shareholders. Also in this case, timely registration and evidence of shareholdings according to the foregoing provisions are required. If neither a financial institution, nor an association of shareholders, nor other persons or institutions declared equivalent to credit institutions pursuant to Section 135 (8) or (10) in conjunction with Section 125 (5) AktG have been authorized, the granting and the revocation of the proxy and evidence of proxy authorization vis-à-vis the Company requires the text form (Section 126b BGB).

The shareholder will receive additional information on the proxy and a proxy form with his admission ticket. Use of the proxy form is not mandatory. The shareholder is free to issue the proxy in some other text form (Section 126b BGB).

Declarations vis-à-vis the Company concerning the granting of a proxy, the revocation of a proxy and the transmission of evidence of a proxy granted to a representative should be sent to the address shown below:

Gigaset AG
Investor Relations – General Meeting 2013
Hofmannstr. 61
D-81379 Munich
Germany
or by fax: +49 (0)89 444456 930
or electronically by e-mail: hv-2013@gigaset.com

This can also occur on the date of the General Meeting at the entrance or exit controls.

Financial institutions and persons or institutions declared equivalent to them may require special forms of proxy, as they have to record the proxy in a verifiable manner. The proxy declaration must also be complete and may only contain declarations related to the exercise of voting rights. Therefore, please coordinate the form of proxy to be used with the authorized proxy holder if you wish to authorize a financial institution, association of shareholders or other institutions, companies or persons declared equivalent to them in accordance with Section 135 AktG.

Our Company wishes to simplify the proxy procedure for its shareholders. For this purpose, the Executive Board has appointed two employees of Gigaset AG as representatives for the exercise of the shareholders' voting right bound by instructions. All shareholders who neither appear in person nor wish to instruct their custodian bank or any other third party to exercise their voting right may choose this option. The proxy holders are obliged to vote in accordance with the instructions. Without instruction, the proxy is totally invalid or – if the instruction was not given only for one item on the agenda – invalid for the relevant item. For this reason, the proxy holders will abstain from voting completely or in relation to the item on the agenda for which no instruction was given. If separate votes are to be held in relation to a single agenda item, an instruction given for that item shall apply accordingly for every sub-item. Please note that the proxies will not accept any instructions to speak, to submit objections to resolutions adopted by the General Meeting or to ask questions or submit resolutions. Proxies and instructions to the proxy holders appointed by the Company which are not given in the General Meeting must be received by the Company on or before December 17, 2013.

The shareholders wishing to grant a proxy to the proxy holders appointed by the Company need an admission ticket to the AGM to do so. It is therefore necessary to register and submit evidence of shareholding as specified above even if a proxy is granted to the proxy holders appointed by the Company. To make sure that the ticket and the other documents for the authorization of the proxy holders will be received in due time, the registration should be received as early as possible at the address, fax number or e-mail address specified above for registration.

If the proxy holders appointed by the Company are authorized to exercise the voting right, the proxy may be granted in text form or by electronic data transmission (e-mail) also to the address, fax number or e-mail address specified above for the registration of a proxy. The revocation of the proxy must also be in text form (Section 126b BGB).

If the shareholder has authorized more than one person to represent him, the Company shall be entitled to refuse admission to one or more of them.

Rights of shareholders

Requests for additions to the meeting agenda pursuant to Section 122 (2) AktG

Pursuant to Section 122 (2) AktG, those shareholders whose combined shareholdings are at least equal to one twentieth of the Company's share capital or the proportional amount of EUR 500,000.00 (corresponding to 500,000 shares at the present time) may demand that items be added to the agenda and announced. A justification or draft resolution must be included with every new agenda item. The request must be submitted to the Executive Board of the Company in writing (Section 126 BGB) and must be received by the Company at least thirty days prior to the General Meeting, thus by no later than November 18, 2013, 12:00 midnight CET. Requests for additions to the meeting agenda received after that time will be disregarded. Any requests for additional agenda items should be submitted to the following address:

Gigaset AG
-The Executive Board-
Hofmannstr. 61
D-81379 Munich
Germany

The applicants must prove that they have held the shares meeting the minimum shareholding requirement for at least three months prior to the date of the General Meeting (Section 142 (2) 2 AktG in conjunction with Section 122 (1) 3, (2) 1 AktG). A corresponding confirmation of the custodian bank suffices for the evidence of shareholding.

Counter-motions and nominations by shareholders pursuant to Section 126 (1) and Section 127 AktG

Shareholders may submit counter-motions to the proposals of the Executive Board and/or Supervisory Board for certain agenda items and make nominations.

Motions by shareholders including the name of the shareholder, the reasons and any comments by the management are made accessible to those entitled to such information named in Section 125 (1) to (3) AktG on the conditions stated therein (these are, inter alia, shareholders who demand this) if the shareholder submits a counter-motion against a proposal by the Executive Board and/or Supervisory Board on a specific item on the agenda with reasons to the address shown below at least 14 days before the General Meeting of the Company, not counting the date of receipt. The last valid date of receipt is thus December 4, 2013, 12:00 midnight CET. A counter-motion is not required to be made accessible if one of the exclusion clauses under Section 126 (2) AktG applies. If several shareholders submit counter-motions on the same subject for decision-making, the Executive Board may combine the counter-motions and their reasons.

Reasons do not need to be given for nominations by shareholders in accordance with Section 127 AktG. Nominations are made accessible only if they contain the name, the profession practiced and the place of residence of the person proposed and, in case of an election of members of the Supervisory Board, information on their membership on other statutory supervisory boards. Pursuant to Section 127 sentence 1 AktG in conjunction with Section 126 (2) AktG, there are further cases in which nominations are not required to be made accessible on the website. In other respects, the preconditions and rules for making motions accessible apply accordingly, in particular the date of December 4, 2013, 12:00 midnight CET, also applies in this connection as the last possible date by which nominations must have been received at the address shown below in order to be made accessible.

Any motions (including the reasons) or nominations by shareholders in accordance with Section 126 (1) and Section 127 AktG before the General Meeting and other inquiries by shareholders about the General Meeting shall be addressed solely to:

Gigaset AG
Investor Relations – General Meeting 2013
Hofmannstr. 61
D-81379 Munich
Germany
or by fax: +49 (0)89 444456 930
or electronically by e-mail: hv-2013@gigaset.com

Counter-motions and nominations by shareholders (along with the name of the shareholder and - in the case of counter-motions - the reasons) will be made accessible after receipt on the internet at www.gigaset.ag. Any comments by the management will also be published at the internet address named above.

Right to information pursuant to Section 131 (1) AktG

Pursuant to Section 131 (1) AktG, every shareholder is entitled, upon request in the General Meeting, to request information from the Executive Board concerning the affairs of the Company, insofar as such information is required to make an informed decision regarding an item of the agenda and there is no reason to refuse it. The right to information also extends to the legal and business relationships of the Company with an affiliated company, and to the situation of the Group and the companies included in the consolidated financial statements.

Publications on the Company's website

Additional information on the above-mentioned rights of shareholders, the invitation to the General Meeting, the documents to be made accessible, and the information required pursuant to Section 124a AktG can be found on the Company's website at www.gigaset.ag. The adopted voting results will also be published on the website after the General Meeting.

The reports on Items 2 and 3 and the other documents to be made accessible are also available for inspection at the business premises of the Company (Gigaset AG, Hofmannstr. 61, 81379 Munich) and will also be sent to shareholders free of charge upon request.

The documents listed will also be available during the Extraordinary General Meeting on December 19, 2013.

Any counter-motions, nominations, and requests for additional agenda items received by the Company that are subject to the publication requirement will also be published on the above-mentioned website.

Publication in the Federal Gazette

The invitation to the Extraordinary General Meeting was published in the Federal Gazette on November 11, 2013 and has also been submitted to such media as can be assumed will distribute the information throughout the European Union.

Information pursuant to Section 30b of the German Securities Trading Act (WpHG)

As provided in Section 30b (1) (1) WpHG, we provide the following information:

At the time of calling the Extraordinary General Meeting 2013, Gigaset AG had issued a total of 69,585,960 no par value shares, each of which confers one vote. At the time of calling the meeting, this total includes 38,118 treasury shares which currently grant no rights pursuant to Sections 71b and 71d AktG.

Gigaset AG
The Executive Board