



# 2021

## REMUNERATION REPORT FOR FINANCIAL YEAR 2021

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Translation – the German Text is authoritative

# REMUNERATION REPORT FOR FINANCIAL YEAR 2021

## A. BACKGROUND

The remuneration report provides information and explanations regarding the remuneration granted and owed to current and former members of the Executive Board and Supervisory Board of freenet AG for financial year 2021, along with the benefits awarded for the financial year. The report complies with the requirements of section 162 of the German Stock Corporation Act (Aktiengesetz – AktG) and was prepared jointly by the Executive Board and Supervisory Board.

The content of the remuneration report was reviewed by the auditor of the financial statements.

## B. EXECUTIVE BOARD DISCLOSURES

### 1. REMUNERATION STRUCTURE

The remuneration of the Executive Board of freenet AG consists of non-performance-related (fixed) and performance-related (variable) elements and includes the following main instruments: base remuneration (“fixed salary”), short-term variable remuneration (“STIP”) and long-term share-based payment (“LTIP”). Fringe benefits and retirement benefits also form part of the remuneration system.

The instruments that make up the remuneration of Executive Board members are generally equivalent to the remuneration system approved by the Annual General Meeting of freenet AG on 17 May 2018, referred to here as the “2018 remuneration system”. In contrast, the long-term LTIP Programme 2, which ended in 2021 with the payout to Mr Esch (see the explanation in note 3.2), is a component of

the 2014 remuneration system. A new remuneration system for Executive Board members amended to meet the requirements of section 87a AktG was presented to freenet AG’s Annual General Meeting on 18 June 2021, but was not approved. The Executive Board service agreements signed with Messrs v. Platen and Fromme with effect from 1 June 2021 for the time being correspond to this remuneration system, referred to here as the “2021 remuneration system”. The company is currently revising the 2021 remuneration system. The revised remuneration system is expected to be presented for approval to the Annual General Meeting in 2022.

The description of the remuneration system in the notes below covers all of these arrangements and notes the relevant elements for the individual Executive Board members.

### 2. NON-PERFORMANCE-RELATED INSTRUMENTS

Non-performance-related remuneration consists of base remuneration (fixed salary) as well as fringe benefits and retirement benefits.

#### 2.1 Base remuneration (fixed salary)

Base remuneration consists of a non-performance-related fixed salary paid in equal monthly instalments. This usually remains unchanged for the duration of the service agreement.

## 2.2 Fringe benefits

The company provides every Executive Board member with a company car (or, if the company car is waived, pays out the flat-rate equivalent of the expenses saved to the Executive Board member). The relevant Executive Board member pays taxes arising in connection with the personal use of their company car.

Where the Executive Board member resides somewhere other than their place of business when starting work with the company and maintains this place of residence, they can be reimbursed for travel costs between their place of business and residence to the extent agreed in their service agreement.

The company has arranged for an appropriate level of accident insurance for two Executive Board members.

For information on the limitation of the value of various fringe benefits, see note 6 “Compliance with maximum remuneration for current Executive Board members”.

## 2.3 Retirement benefits

Defined-benefit obligations from indirect pension commitments are in place for Executive Board members Messrs Vilanek and Esch as well as former Executive Board member Mr Preisig. These pension benefits are funded with a reinsured provident fund. All pension commitments were determined by the salary amount and the length of service at the company.

For the Chief Executive Officer Mr Vilanek, the following arrangement has applied since 1 January 2019:

- On reaching the age of 60, Mr Vilanek shall receive an annual retirement pension amounting to 2.7 percent of their last annual fixed salary for each service year commenced on the Executive Board of the company, to a maximum of 35 percent of the last annual fixed salary (maximum pension).
- Surviving dependant pension for the spouse or life companion and orphan’s pension for any children until the end of their schooling or vocational training, terminating at the latest when they reach the age of 25 years, to a maximum total amount of the guaranteed pension or the value of pension entitlements accrued at the time of Mr Vilanek’s death.

For the Executive Board member Mr Esch, the following arrangement has applied since 1 January 2020:

- On reaching the age of 60, Mr Esch shall receive an annual retirement pension amounting to 2.5 percent of his last annual fixed salary for each service year commenced on the Executive Board of the company or its legal predecessor freenet.de AG, but no more than 225 thousand euros per annum (maximum pension).
- Surviving dependant pension for the spouse or life companion and orphan’s pension for any children until the end of their schooling or vocational training, terminating at the latest when they reach the age of 27 years, to a maximum total amount of the guaranteed pension or the value of pension entitlements accrued at the time of Mr Esch’s death.

For the former Executive Board member Mr Preisig, the following arrangement applies:

- On reaching the age of 60, Mr Preisig shall receive an annual retirement pension amounting to 2.5 percent of their last annual fixed salary for each service year commenced on the Executive Board freenet AG or the former debitel AG. This means that the annual retirement pension is expected to amount to 32.5 percent of the most recent annual fixed salary (172 thousand euros).
- Surviving dependant pension for the spouse or life companion and orphan’s pension for any children until the end of schooling or vocational training, terminating at the latest when they reach the age of 27 years, to a maximum total amount of the guaranteed pension.
- On reaching the age of 60, Mr Preisig shall receive a retirement pension from the debitel pension fund. Based on an awarded monthly retirement pension of 9,333 euros, this is taken into account on a pro rata basis in accordance with the actual length of service. All claims of Mr Preisig, his spouse or a life companion with rights as beneficiary, and any surviving dependants from the debitel pension fund shall be offset against the aforementioned claims arising from the service agreement with freenet AG.

Messrs Arnold, v. Platen and Fromme were each granted defined contribution benefits, with the pension benefits being reinsured by a life insurance policy. An amount of 8,333 euros are paid monthly into a provident fund for each Executive Board member in line with the company's commitment. The pension benefit amount is calculated according to the provident fund benefit schedule and depends on the actuarial factors applied to the contributions.

### 3. PERFORMANCE-RELATED REMUNERATION

The performance-related remuneration of Executive Board members is linked to performance and constitutes a significant portion of the Executive Board member's total remuneration.

Performance-related remuneration comprises a short-term and a long-term instrument: the short-term variable remuneration (STIP) and the long-term variable remuneration (LTIP). The ultimate amount of each instrument depends on the achievement of certain targets. If the targets are not met, this remuneration is not paid. If they are significantly exceeded, the target achievement and therefore the remuneration resulting from the STIP are each capped. The performance criteria and target parameters of the STIP are derived from the company's strategic goals and operational management, and therefore serve to further the company's performance. The starting point for the LTIP is the specific targets to be achieved for the STIP. However, in the long run the LTIP is based on the company's share price performance and achievement of an EBT target and therefore serves as an incentive for the long-term, sustainable performance of the company.

In cases of exceptional performance or successes for the company, the Supervisory Board can decide at its own discretion whether to award any additional bonuses (special bonus) also retrospectively. However, the sum of these bonuses must not exceed 50 percent of base remuneration (fixed salary) for the relevant financial year.

#### 3.1 Short-term variable remuneration (STIP)

Short-term variable remuneration (STIP) consists of an annual performance-related cash bonus that depends on the achievement of various targets for the relevant financial year. The amount accrued upon 100 percent target achievement is specifically laid down when the Executive Board service agreements is signed and applies to all of the years covered by the Executive Board service agreements ("expected variable remuneration" or "target remuneration").

The Supervisory Board stipulates the specific performance criteria and, in the event there are several strategic targets, their weighting prior to the beginning of each financial year for that financial year, taking into account the company's planning. This is intended to guarantee implementation of strategic and operational requirements materially important to the long-term performance of the company.

A target achievement scale corridor is set for each performance criterion and ranges from a quantitatively defined minimum to a quantitatively defined maximum level. Between the minimum and maximum levels, another figure is quantified to represent 100 percent target achievement ("target"). This target is assigned to the expected variable STIP remuneration laid down in the Executive Board service agreement. If the minimum level is not achieved, the variable remuneration for the relevant performance criterion is 0 percent of the expected variable remuneration. If the maximum level is achieved or exceeded, the variable remuneration for the relevant performance criterion is 150 percent of the expected variable remuneration (cap on variable remuneration). If the target achievement falls between the minimum and maximum, then the variable remuneration is determined on a straight-line basis between minimum and target as well as between target and maximum respectively. It may be stipulated that certain changes in the fundamentals for the individual performance criteria occurring during the financial year are not taken into account or lead to adjustments, e.g. that the acquisition of a significant company is not taken into account in the current financial year when calculating the company earnings.

The Supervisory Board determines the degree of achievement of each of the defined targets following approval of the consolidated financial statements for the previous financial year. Taking into account the weighting of the individual performance criteria and the actual target achievement, the aforementioned methodology is then applied to determine the STIP payout amount for the previous financial year. The current approach stipulates that a partial amount of 70 percent of the relevant STIP payout amount for 100 percent target achievement is paid during the year as an advance payment. After determining the actual target achievement, the advance payment is set off against the final remuneration earned from the STIP; the difference must be repaid if it exceeds this amount.

### 3.2 Long-term variable remuneration (LTIP)

The LTIP described below enables the participating members of the Executive Board to share in the sustainable, long-term business success of the company and functions as a special long-term incentive. Due to the different times at which Executive Board members were first or newly appointed, they participate in various LTIP programmes (see note 1). The details are outlined below.

All LTIP programmes grant Executive Board members share-based remuneration in the form of virtual shares annually over a multi-year assessment period depending on actual STIP target achievement. A payout from the virtual shares is not possible until the end of a multi-year performance period, and therefore after expiration of the corresponding holding period, if the further payout conditions are fulfilled. The amount of the cash payout is calculated depending on the share price at that time, taking into account dividend payments made in the meanwhile and achievement of an earnings target (EBITDA or EBT). If the programme's earnings target is not met, the remuneration from the LTIP is zero. The company believes that this system brings the interests of shareholders, the company and the Executive Board into alignment.

LTIP Programme 1, which had been granted to members of the Executive Board in 2011, was terminated in 2015 when paid out to the beneficiaries. As at 31 December 2021, Programme 2, which was issued in 2014, was also terminated due to payout – the last payout to Mr Esch took place in financial year 2021.

When the respective service agreements were extended (with Mr Vilanek from 1 April 2019, and with Mr Esch from 1 March 2020) and the respective first-time appointment to the Executive Board made (for both Mr v. Platen and Mr Fromme with effect from 1 June 2018; for Mr Arnold with effect from 1 January 2019), supplemental agreements to the service agreements were entered into with the aforementioned members of the Executive Board that granted new LTIP benefits (hereinafter referred to as “Programme 3”). No payments have yet been made under Programme 3.

When the respective service agreements of Mr v. Platen and Mr Fromme, which originally had a term of three years, were extended with effect from 1 June 2021, supplemental agreements to the service agreements were entered into with the aforementioned members of the Executive Board that granted new LTIP benefits (hereinafter referred to as “Programme 4”). No payments have yet been made under Programme 4 either.

## PROGRAMME 2

In 2014, agreements concerning the service agreements that grant new LTIP benefits (hereinafter referred to as “Programme 2”) were entered into with the members of the Executive Board at the time.

In addition to the annual STIP target agreement, a five-year target agreement was concluded in which EBITDA in financial years 2014 to 2018 (for Mr Vilanek) and EBITDA in financial years 2015 to 2019 (for Mr Preisig and Mr Esch) was designated as the target parameter. A basic amount was specified in each beneficiary’s service agreements for this remuneration instrument; this basic amount was entered in a virtual account for the Executive Board member in question as a positive or negative amount as described below and in accordance with target achievement in each financial year, and paid out in annual instalments depending on future performance provided that account shows a credit balance. Basic amounts totalling 1,050 thousand euros per financial year were specified as target remuneration for the beneficiaries, of which 550 thousand euros for Mr Vilanek, 300 thousand euros for Mr Preisig and 200 thousand euros for Mr Esch.

If the Group EBITDA target is achieved in a financial year, 100 percent of the basic amount was credited to the virtual account as the basic amount multiplier. If the Group EBITDA defined for 120 percent target achievement was reached, 200 percent of the basic amount was credited to the virtual account. If target achievement was between 100 and 120 percent, linear interpolation was used. Even if the 120 percent target is exceeded, no more than 200 percent of the basic amount is credited to the virtual account. If the target achievement for the defined Group EBITDA was between the fixed 90 percent target and 100 percent, a percentage of the basic amount which is reduced on a linear basis was credited to the virtual account; if only 90 percent of the target was achieved, nothing was credited to the virtual account for the financial year in question. If Group EBITDA failed to meet the 90 percent target, a negative amount of up to 200 percent of the basic amount (if Group EBITDA is 80 percent of the target or less) was debited to the virtual account.

The amount shown on the virtual account (referred to as the “allotment amount” as the product of the basic amount and the respective basic amount multiplier described above) was converted into virtual shares. This calculation was based on a reference share price, i.e. the average Xetra closing price on the 20 stock exchange trading days after the day on which the consolidated financial statements for the relevant financial year are published.

In the event of payouts from Programme 2, the balance of virtual shares was converted into cash on the basis of the average Xetra closing price on the 20 stock exchange trading days following the date of publication of the consolidated financial statements for the relevant financial year. The increase in the share price was taken into account only up to a price of 50 euros (cap). With the exception of the final payout at the completion of the programme, a payout of 25 percent of the balance of virtual shares was possible for each financial year. Irrespective of that, the gross payout amount was restricted additionally as follows: the maximum gross amount to be paid out per financial year corresponded to 500 percent of the number of virtual shares in the respective sub-account, multiplied by the applicable share price on which the calculation of the allotment amount when the respective post was made in the sub-account was based and multiplied by 25 percent for the cap on the annual payout described above.

For the purpose of conversion into virtual shares, dividend payments, as well as circumstances for which dilution protection provisions were applicable in the case of marketable financial instruments dependent on the share value, must be included in the calculations.



The development of the number of virtual shares in Programme 2 in the previous year (2020) and in financial year 2021 is shown in the following overview:

Programme 2	Number of virtual shares 01.01.2021	Addition	Disposal by payout	Number of virtual shares 31.12.2021
Stephan Esch	88,718	0	88,718	0
	<b>88,718</b>	<b>0</b>	<b>88,718</b>	<b>0</b>

Programme 2	Number of virtual shares 01.01.2020	Addition	Disposal by payout	Number of virtual shares 31.12.2020
Joachim Preisig	30,691	0	30,691	0
Stephan Esch	64,549	24,169	0	88,718
	<b>95,240</b>	<b>24,169</b>	<b>30,691</b>	<b>88,718</b>

Details of the specific payments made under Programme 2 for Mr Esch (in 2021) and Mr Preisig (in 2020) can be found in notes 4 and 7.

### PROGRAMME 3

Under Programme 3, a target agreement in line with the term of the respective service agreements covering five years (in relation to Mr Vilanek and Mr Esch) and three years (in relation to Mr Arnold, Mr v. Platen and Mr Fromme) was entered into, in addition to the annual target agreement, designating as the target parameter the target achievement from the respective annual variable remuneration for financial years 2019 to 2023 (for Mr Vilanek), financial years 2020 to 2024 (for Mr Esch), financial years 2019 to 2021 (for Mr Arnold) and financial years 2018 (prorated as of the date of appointment to the Executive Board, i.e. from 1 June 2018) to 2021 (prorated until the end of the service agreement's term on 31 May 2021) (for Mr v. Platen and Mr Fromme).

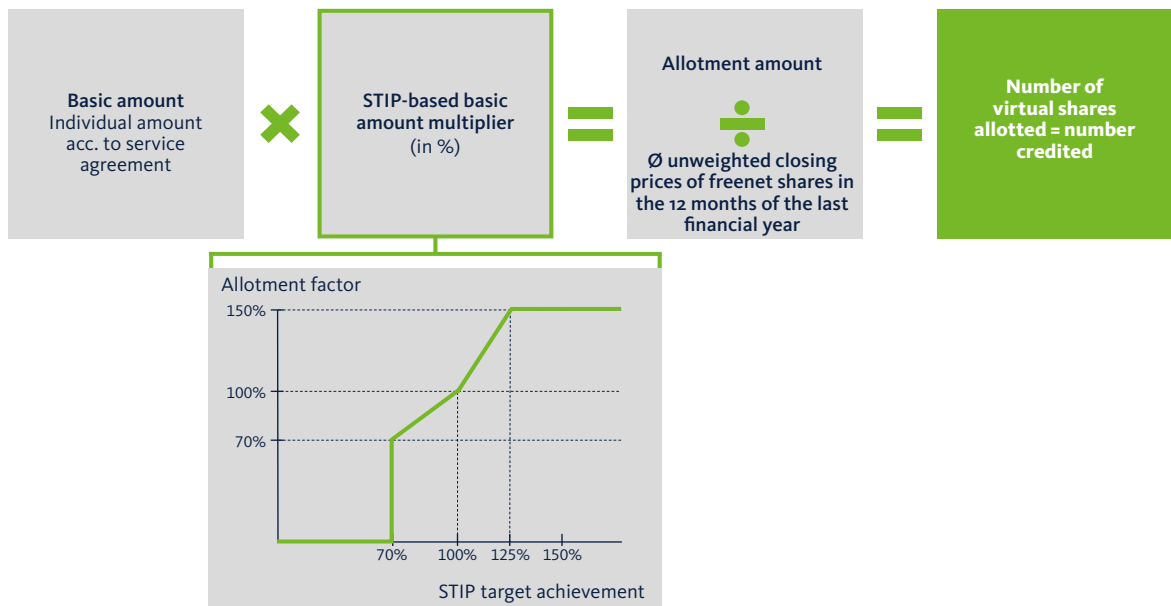
A basic amount was specified as the target remuneration in each beneficiary's service agreement for Programme 3; this basic amount is entered in a virtual account for the respective Executive Board member as a positive amount as described below and in accordance with target achievement in each financial year, and paid out after the further terms of payout described in more detail in the text below are met, depending on future performance. Basic amounts totalling 1,650 thousand euros (of which 650 thousand euros for Mr Vilanek and 250 thousand euros in each case for Messrs Esch, Arnold, v. Platen and Fromme) were specified as target remuneration for the beneficiaries for each full financial year.

If the level of target achievement of the annual variable target agreement (STIP) for a financial year is 100 percent, 100 percent (as the basic amount multiplier) of the basic amount is credited to the virtual LTIP account. At most (if the level of target achievement is 125 percent or above), 150 percent of the basic amount is credited to the virtual account. If the level of target achievement is less than 70 percent, no virtual shares are credited for the financial year in question. If target achievement is between 70 and 125 percent, linear interpolation is used, in each case to the 100 percent value.

The amount shown on the virtual account (referred to as the “allotment amount” for the target period as the product of the basic amount and the aforementioned basic amount multiplier) is divided by the reference share price to convert it into the virtual shares credited. The reference share price is the average Xetra closing price for all stock exchange trading days in the twelve months of the relevant target period, i.e., the previous financial year. In any event, the credited number is limited in each case to 100,000 virtual shares annually (for Mr Vilanek) and to 40,000 annually (for Messrs Esch, Arnold, v. Platen and Fromme).

The explanations above are again summarised in the following figure:

### Posting of virtual shares



In the case of all payouts from the programme, a beneficiary is entitled to payouts from the LTIP only after adhering to the holding periods and exercise dates, if and to the extent that a certain long-term EBT target is achieved. The applicable reference value for this is Group EBT for financial year 2022 for all Executive Board members except for Mr Esch who are beneficiaries of Programme 3, and Group EBT for financial year 2023 for Mr Esch. If the Group EBT target is achieved precisely, the number of virtual shares credited to the account over several years as described above remains unchanged. If the EBT target is exceeded or missed, the number of virtual shares credited is doubled at most if

target achievement is 105 percent of more or, in the worst-case scenario, set to zero if target achievement is 90 percent or less. In each case, a value is linearly interpolated between the aforementioned levels of achievement of the EBT target. The Executive Board member may request that the payout resulting from this be disbursed at the earliest when achievement of the EBT target (for all Executive Board members except for Mr Esch) is determined at the beginning of 2023 (and for Mr Esch at the beginning of 2024), but not before the end of the holding period for the number entered.



About the holding period: Basically, the number entered must be held by the Executive Board member for three years as of 1 January of the year in which the virtual shares are entered in the virtual LTIP account. If the service agreement is not extended at the end of the regular service agreement term, the holding period for Messrs Vilanek, Esch and Arnold instead ends at the latest 18 months after the penultimate target period during the service agreement term (i.e. six months after the end of the regular service agreement term) and for Messrs v. Platen and Fromme at the latest 18 months after the last full target period during the service agreement term (i.e. 13 months after the end of the regular service agreement term).

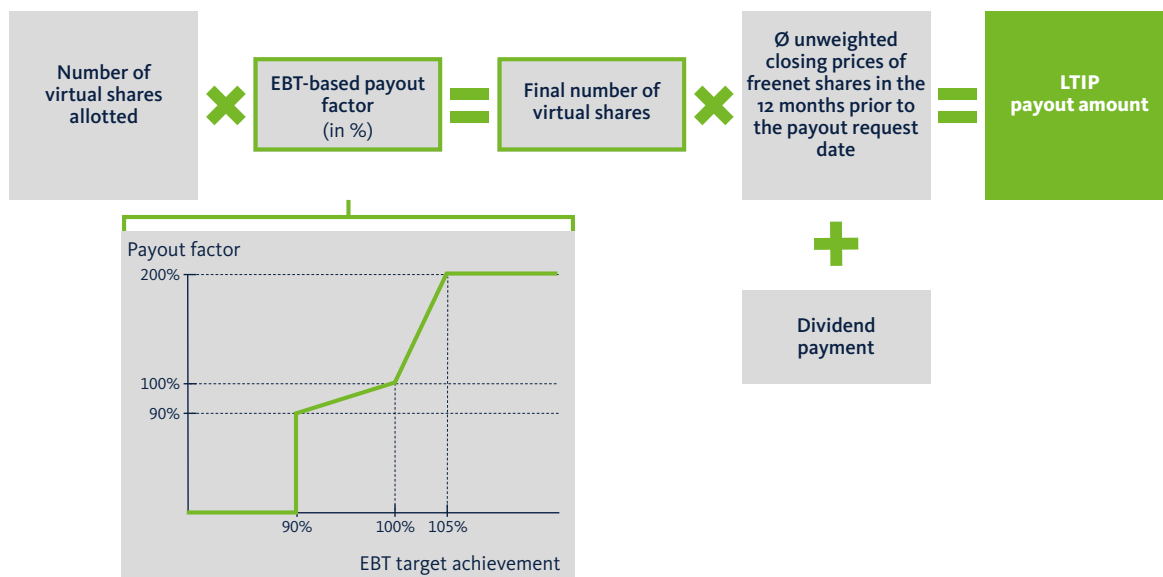
About the exercise period: At the end of the holding period, but no earlier than after achievement of the EBT target is determined, the Executive Board member is entitled during a period of two years to request that the payout amount be disbursed. The payout may also be requested in partial amounts. If no payout is requested or if a payout is not requested within the specified period, the virtual shares concerned expire.

The maximum amount payable in each case is the number of virtual shares payable as calculated in accordance with the aforementioned principles, multiplied by the payout multiplier, plus the dividend. The payout multiplier is the

average of the Xetra closing prices on all trading days during the twelve months before the date on which the payout is requested. The Executive Board member can therefore continue to benefit from the share price increase during the exercise period by not exercising virtual shares, but also bears the risk of a loss in value during this period. Irrespective of share price performance, the payout multiplier is in each case capped at 50 euros. The dividend is the sum total of the amounts of the gross dividend per share distributed in the period between the beginning of the holding period for the number entered and the date on which the payout is requested, multiplied by the number of virtual shares payable. When calculating this dividend, however, an amount of 20 euros per virtual share payable may not be exceeded (dividend cap). The last financial year of the service agreement in which Messrs Vilanek and Esch are beneficiaries of Programme 3 (2023 for Mr Vilanek, 2024 for Mr Esch) comes after the year in which the EBT target must be met (2022 for Mr Vilanek, 2023 for Mr Esch). For this last financial year, the crediting of virtual shares depends on achievement of the EBT target. A payout is only possible for this last financial year if the EBT in this last financial year exceeds the EBT of the previous year (the year of the EBT target) by at least 1.5 percent.

The conditions for payout are again summarised in the following figure:

**Payout of Virtual Shares**



In the event of early termination of the employment relationship, separate provisions apply (which are presented in note 8).

Standard market anti-dilution provisions apply, i.e. in the event of a share split, a share consolidation or a capital increase from retained earnings where new shares are issued, for example, the number of virtual shares in the LTIP virtual account is adjusted accordingly.

The development of the number of virtual shares in Programme 3 in the previous year (2020) and in financial year 2021 is shown in the following overview:

Programme 3	Number of virtual shares	Addition	Disposal by payout	Number of virtual shares
	01.01.2021			31.12.2021
Christoph Vilanek	44,479	55,682	0	100,161
Ingo Arnold	17,107	21,416	0	38,523
Stephan Esch	0	21,416	0	21,416
Rickmann v. Platen	27,442	21,416	0	48,858
Antonius Fromme	27,442	21,416	0	48,858
	<b>116,470</b>	<b>141,346</b>	<b>0</b>	<b>257,816</b>

Programme 3	Number of virtual shares	Addition	Disposal by payout	Number of virtual shares
	01.01.2020			31.12.2020
Christoph Vilanek	0	44,479	0	44,479
Ingo Arnold	0	17,107	0	17,107
Rickmann v. Platen	10,335	17,107	0	27,442
Antonius Fromme	10,335	17,107	0	27,442
	<b>20,670</b>	<b>95,800</b>	<b>0</b>	<b>116,470</b>

The shares added in 2021 are for financial year 2020 and in 2020 are for financial year 2019. At the time this report was prepared, virtual shares had not yet been added to the LTIP virtual account for financial year 2021. For financial year 2021, 46,763 virtual shares are expected to be added for Mr

Vilanek, 17,986 virtual shares each are expected to be added for Messrs Arnold and Esch, and 7,494 virtual shares each are expected to be added for Messrs v. Platen and Fromme (for the partial financial year up to 31 May 2021).

#### PROGRAMME 4

In Programme 4, a target agreement was signed with Messrs v. Platen and Fromme (also in addition to the annual target agreement) for a five-year term corresponding to the term of the new service agreements. This target agreement defines the target achievement for the annual variable remuneration of financial years 2021 (pro-rated from the new Executive Board appointment, from 1 June 2021 onward) to 2026 (pro-rated up to 31 May 2026) based on target parameters.

Basic amounts totalling 290 thousand euros in each case were specified as the target remuneration for the beneficiaries for each full financial year.

The basic principles and terms of exercise for Programme 4 generally correspond to those of Programme 3 as outlined above. In contrast to Programme 3, the holding period of three years was increased to four years. Limits on the annual number of shares to be credited, a dividend cap and a maximum payout factor are not specified – instead, the total payout amount from Programme 4 (in relation to the term of the service agreement, not individual payout years) is limited to 400 percent of the basic amount for Programme 4 (for each full calendar year of the service agreement; the pro-rated basic amount for partial calendar years).

The reference value applicable to the EBT target is Group EBT for financial year 2025.

The last partial financial year 2026 of the service agreement covered by Programme 4 follows the year of the EBT target (2025). For this last partial financial year, the crediting of virtual shares depends on achievement of the EBT target. A payout is only possible for this last financial year if the EBT for 2026 exceeds the EBT for 2025 by at least 1.5 percent.

As of the date of this report, no virtual shares have been credited for Programme 4. For partial financial year 2021 (from 1 June 2021 onward), 12,170 virtual shares are expected to be added for Messrs v. Platen and Fromme.

#### 4. REMUNERATION OF CURRENT EXECUTIVE BOARD MEMBERS IN FINANCIAL YEARS 2021 AND 2020

The following table illustrates the remuneration granted and owed to current Executive Board members in financial

years 2021 and 2020 as defined in section 162 (1) AktG. The information in the table and how it was determined is explained in detail following the table and supplemented in note 5 with additional information on retirement benefits.

Current members of the Executive Board 2021 remuneration in EUR thousand	Christoph Vilanek	rel. share in %	Ingo Arnold	rel. share in %	Stephan Esch	rel. share in %	Rickmann v. Platen	rel. share in %	Antonius Fromme	rel. share in %	Total	Share of total in %
Fixed salary	1,000	54.9	500	59.0	500	16.2	500	56.9	500	57.1	3,000	39.9
Fringe benefits	15	0.8	11	1.3	18	0.6	12	1.4	8	0.9	64	0.9
<b>Total non-performance-related remuneration</b>	<b>1,015</b>	<b>55.7</b>	<b>511</b>	<b>60.3</b>	<b>518</b>	<b>16.8</b>	<b>512</b>	<b>58.2</b>	<b>508</b>	<b>58.1</b>	<b>3,064</b>	<b>40.8</b>
Short-term variable remuneration (STIP)	806	44.3	336	39.7	336	10.9	367	41.8	367	41.9	2,212	29.5
Short-term variable remuneration (special bonus)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Long-term variable remuneration (LTIP)												
LTIP Programme 2	0	0.0	0	0.0	2,236	72.4	0	0.0	0	0.0	2,236	29.8
LTIP Programme 3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
LTIP Programme 4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total performance-related remuneration</b>	<b>806</b>	<b>44.3</b>	<b>336</b>	<b>39.7</b>	<b>2,572</b>	<b>83.2</b>	<b>367</b>	<b>41.8</b>	<b>367</b>	<b>41.9</b>	<b>4,448</b>	<b>59.2</b>
<b>Total remuneration</b>	<b>1,821</b>	<b>100.0</b>	<b>847</b>	<b>100.0</b>	<b>3,090</b>	<b>100.0</b>	<b>879</b>	<b>100.0</b>	<b>875</b>	<b>100.0</b>	<b>7,512</b>	<b>100.0</b>

Current members of the Executive Board 2020 remuneration in EUR thousand	Christoph Vilanek	rel. share in %	Ingo Arnold	rel. share in %	Stephan Esch	rel. share in %	Rickmann v. Platen	rel. share in %	Antonius Fromme	rel. share in %	Total	Share of total in %
Fixed salary	1,000	36.3	500	37.9	500	60.8	500	61.0	500	61.2	3,000	45.9
Fringe benefits	15	0.5	11	0.8	15	1.8	12	1.5	9	1.1	62	0.9
<b>Total non-performance-related remuneration</b>	<b>1,015</b>	<b>36.9</b>	<b>511</b>	<b>38.7</b>	<b>515</b>	<b>62.6</b>	<b>512</b>	<b>62.4</b>	<b>509</b>	<b>62.3</b>	<b>3,062</b>	<b>46.9</b>
Short-term variable remuneration (STIP)	739	26.8	308	23.4	308	37.4	308	37.6	308	37.7	1,971	30.2
Short-term variable remuneration (special bonus)	1,000	36.3	500	37.9	0	0.0	0	0.0	0	0.0	1,500	23.0
Long-term variable remuneration (LTIP)												
LTIP Programme 2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
LTIP Programme 3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total performance-related remuneration</b>	<b>1,739</b>	<b>63.1</b>	<b>808</b>	<b>61.3</b>	<b>308</b>	<b>37.4</b>	<b>308</b>	<b>37.6</b>	<b>308</b>	<b>37.7</b>	<b>3,471</b>	<b>53.1</b>
<b>Total remuneration</b>	<b>2,754</b>	<b>100.0</b>	<b>1,319</b>	<b>100.0</b>	<b>823</b>	<b>100.0</b>	<b>820</b>	<b>100.0</b>	<b>817</b>	<b>100.0</b>	<b>6,533</b>	<b>100.0</b>

### Fixed salary and fringe benefits

The fixed salary granted to current Executive Board members in the 2021 reporting period amounted to a total of 3,000 thousand euros (previous year: 3,000 thousand euros). Fringe benefits of 64 thousand euros (previous year: 62 thousand euros) were granted.

### Short-term variable remuneration:

#### STIP and special bonus

The short-term variable remuneration granted under the short-term incentive programme (STIP) amounted to 2,212 thousand euros (previous year: 1,971 thousand euros). On the one hand, this includes prepayments granted in the

current 2021 financial year (previous year: 2020) for the current financial year. On the other hand, it includes the amounts accrued for the current financial year and not yet paid in the current financial year, which will be paid out in the following year after approval by the Supervisory Board. The company has decided to consider the year of granting for the STIP, which is calculated for a one-year period in each case, to be the financial year in which the service underlying the remuneration is rendered in full (for an overview of payments received, see the table further below).

The following is an overview of the calculation of the STIP for 2021 and 2020 (performance criteria, actual figures, target achievement, target weighting, etc.):

Short-term variable remuneration (STIP), 2021	Actual figure	Figure, 50% target achievement	Figure, 100% target achievement	Figure, 150% target achievement	Target achievement in %	Weighting of target in %	Target achievement in %, weighted
<b>Performance criterion</b>							
Group EBITDA (in € million)	447.3	400.0	420.0	440.0	150.0	40.0	60.0
Contract customers (postpaid, freenet FUNK/freenet Flex, TV) (in '000s)	8,785.0	8,500.0	8,800.0	9,100.0	97.5	30.0	29.3
Revenue from Digital Lifestyle, waipu.tv, freenet FUNK, freenet Flex (in € million)	276.6	220.0	240.0	270.0	150.0	30.0	45.0
							<b>134.3</b>

Short-term variable remuneration (STIP), 2020	Actual figure	Figure, 50% target achievement	Figure, 100% target achievement	Figure, 150% target achievement	Target achievement in %	Weighting of target in %	Target achievement in %, weighted
<b>Performance criterion</b>							
Group EBITDA (in € million)	425.9	400.0	415.0	435.0	127.2	40.0	50.9
Subscribers, excl. app-based customers (in '000s)	8,553	8,300.0	8,500.0	8,700.0	113.3	30.0	34.0
Revenue from Digital Lifestyle, DVBT2 B2C and waipu.tv (in € million)	273.4	250.0	265.0	280.0	127.9	30.0	38.4
							<b>123.2</b>

In calculating the STIP, the same performance criteria were applied for all Executive Board members. The application of the performance criteria met resulted in the following STIP remuneration granted for 2021 and 2020:

Short-term variable remuneration (STIP) Target remuneration and remuneration granted per Management Board member in € '000s	2021 STIP (100%)	2021 STIP (134.3%)	2020 STIP (100%)	2020 STIP (123.2%)
Christoph Vilanek	600	806	600	739
Ingo Arnold	250	336	250	308
Stephan Esch	250	336	250	308
Rickmann v. Platen	273	367	250	308
Antonius Fromme	273	367	250	308
	<b>1,646</b>	<b>2,212</b>	<b>1,600</b>	<b>1,971</b>

A breakdown of STIP remuneration granted by year of payment is presented in the following overview:

Short-term variable remuneration (STIP) Remuneration granted per Management Board member by year of payment in € '000s	Paid in 2021 for 2021	Payable in 2022 for 2021	2021 Total	Paid in 2020 for 2020	Paid in 2021 for 2020	2020 Total
Christoph Vilanek	420	386	806	420	319	739
Ingo Arnold	175	161	336	175	133	308
Stephan Esch	175	161	336	175	133	308
Rickmann v. Platen	191	176	367	175	133	308
Antonius Fromme	191	176	367	175	133	308
	<b>1,152</b>	<b>1,059</b>	<b>2,212</b>	<b>1,120</b>	<b>851</b>	<b>1,971</b>

In the prior year (2020), short-term variable remuneration included special bonuses amounting to 1,500 thousand euros – 1,000 thousand euros thereof were for Mr Vilanek and 500 thousand euros for Mr Arnold. These special bonuses were granted by the Supervisory Board on 19 October 2020 in view of the exceptional performance of Mr Vilanek and Mr Arnold. On the one hand, these were for prevention of the takeover of UPC Schweiz GmbH by Sunrise Communications Group AG in 2019 (500 thousand euros were for Mr Vilanek, 250 thousand euros for Mr Arnold), and on the other hand, for the sale of the stake in Sunrise Communications Group AG to Liberty Global plc. for around 1.1 billion euros in 2020 (500 thousand euros for Mr Vilanek, 250 thousand euros for Mr Arnold). The amount of 750 thousand euros for the exceptional performance in 2019 were paid out in 2020.

The other amount of 750 thousand euros for the exceptional performance in 2020 were paid out in 2021. The year of granting for the special bonuses is also deemed to be the financial year in which the service giving rise to the remuneration is rendered in full. However, since the special bonuses were decided by the Supervisory Board in October 2020, the partial amount attributable to 2019 according to this standard could not be recognised (subsequently) for 2019 and is therefore also reported in 2020.

#### Long-term variable remuneration: LTIP

The company reports LTIP remuneration as granted when the work is performed in full and all other conditions precedent and subsequent for exercise are met (e.g. EBT target achievement, holding terms, declarations for exercise, calculation of the share price relevant for payout). The granting date is therefore generally in the payout year.

In 2021, cash payments from LTIP Programme 2 amounting to 2,236 thousand euros were made to Mr Esch, which brought Programme 2 to an end. No payouts to active Executive Board members were made from Programme 2 in 2020. No payouts whatsoever have been made yet from LTIP Programmes 3 and 4 because exercise is not yet possible. The LTIP remuneration in 2021 therefore totalled 2,236 thousand euros in contrast to 0 euros for the previous year.

The following is an overview of the performance criteria applied to determine the payout amount for Mr Esch in financial year 2021:

LTIP Programme 2: Payout amount for Mr Esch	for 2015	for 2016	for 2017	for 2018	for 2019	Total
Basic amount (€ '000s)	200.0	200.0	200.0	200.0	200.0	
EBITDA figure (without Sunrise) for 120% target achievement (€ million)	368.0	373.0	381.0	385.0	385.0	
Actual EBITDA figure (without Sunrise) (€ million)	370.0	402.1	409.1	441.2	426.8	
Actual target achievement (in %)	120.0	120.0	120.0	120.0	120.0	
Basic amount multiplier (in %)	200.0	200.0	200.0	200.0	200.0	
Allotment amount (€ '000s)	400.0	400.0	400.0	400.0	400.0	
Relevant share price at allotment (in €)	27.22	29.53	25.24	19.55	16.55	
Number virtual shares credited to the account	14,695	13,546	15,848	20,460	24,169	
Relevant share price at payout (in €)	22.38	22.38	22.38	22.38	22.38	
Dividend amount per virtual share at payout (in €)	6.49	4.94	3.34	1.69	0.04	
Payout amount per virtual share (in €)	28.87	27.32	25.72	24.07	22.42	
<b>Payout amount (€ '000s)</b>	<b>424</b>	<b>370</b>	<b>408</b>	<b>492</b>	<b>542</b>	<b>2,236</b>

## 5. RETIREMENT BENEFITS FOR CURRENT EXECUTIVE BOARD MEMBERS IN FINANCIAL YEARS 2021 AND 2020

Regarding retirement benefits, a total of 1,690 thousand euros (previous year: 1,701 thousand euros) was paid into the provident fund for active Executive Board members in 2021. Mr Vilanek accounted for 960 thousand euros (previous year: 964 thousand euros) of this amount, Mr Arnold for 100 thousand euros (previous year: 100 thousand euros), Mr Esch for 430 thousand euros (previous year: 437 thousand euros), Mr v. Platen for 100 thousand euros (previous year: 100 thousand euros), and Mr Fromme for 100 thousand euros (previous year: 100 thousand euros). These payments into the provident fund do not have to be reported as remuneration within the meaning of section 162 AktG, because in the case of these commitments, the Executive Board members have no direct legal claim in respect of the provident fund or reinsurer, but rather in respect of freenet AG.

The pension expense according to IAS 19 (current and past service cost) amounted to 900 thousand euros in financial year 2021 compared with 1,216 thousand euros in the previous year. In 2021, Mr Vilanek accounted for 382 thousand euros (previous year: 569 thousand euros) of this amount, Mr Esch for 218 thousand euros (previous year: 347 thousand euros), Mr Arnold for 100 thousand euros (previous year: 100 thousand euros), Mr v. Platen for 100 thousand euros (previous year: EUR 100) and Mr Fromme for 100 thousand euros (previous year: EUR 100). Pension payments have not yet been made to the active Executive Board members. As of 31 December 2021, the present value of the funded obligation for Mr Vilanek amounted to 7,247 thousand euros (previous year: 7,458 thousand euros) and for Mr Esch to 6,446 thousand euros (previous year: 6,469 thousand euros). Due to the nature of the selected commitment, there is no present value for funded obligations for Messrs Arnold, v. Platen and Fromme. As at 31 December 2021, the pension provision for Mr Vilanek amounted to 2,223 thousand euros (previous year: 3,435 thousand euros) and for Mr Esch to 3,292 thousand euros (previous year: 3,788 thousand euros).

## 6. COMPLIANCE WITH MAXIMUM REMUNERATION FOR CURRENT EXECUTIVE BOARD MEMBERS

The remuneration of currently serving Executive Board members is limited in various ways. On the one hand, caps have been laid down for variable fringe benefits and individual performance-based instruments which in some cases comprise individual limits. On the other hand, the Executive Board service agreements for Messrs v. Platen and Fromme entering into force on 1 June 2021 specify various caps on remuneration that limit the total amount of remuneration

that can be granted in a particular financial year in accordance with the requirements of section 87a AktG.

The total value of their fringe benefits is not permitted to exceed a total of 5 percent of their annual salary per financial year (comprising fixed salary, STIP at 100 percent target achievement and the annual basic amount LTIP at 100 percent target achievement).

Regarding the performance-based STIP remuneration instrument, the upper limit is 150 percent of the target amount in each case. All Executive Board members were granted 134.3 percent of the target amount for 2021 and 123.2 percent of the target amount for 2020. Mr Vilanek was granted an STIP payout amounting to 806 thousand euros for 2021 and 739 thousand euros for 2020 out of the maximum possible 900 thousand euros in each case. The STIP remuneration for Messrs Arnold and Esch amounted to 336 thousand euros each for 2021 and 308 thousand euros each for 2020 out of the maximum possible 375 thousand euros for each of those two financial years. Messrs v. Platen and Fromme were each granted 367 thousand euros for 2021 and 308 thousand euros for 2020 out of the maximum possible 410 thousand euros for 2021 and 375 thousand euros for 2020.

In addition to the STIP, a special bonus of no more than 50 percent of the fixed salary is possible for extraordinary achievements. This is paid out for the financial year in which the exceptional performance occurred on which the special bonus is based. The special bonus granted for the prior year (2020) amounted to 1,000 thousand euros for Mr Vilanek and 500 thousand euros for Mr Arnold (see note 4 for an explanation of the disclosure for 2020). In each case, 50% of these amounts were paid for extraordinary achievements in 2019 and 2020, which means the maximum remuneration was not exceeded.

Virtual shares were credited under the LTIP programme in financial years 2021 (for work accomplished in 2020) and 2020 (for work accomplished in 2019). In financial year 2021, 55,682 virtual shares from Programme 3 were credited for Mr Vilanek (previous year: 44,479 virtual shares) out of a maximum possible 100,000 virtual shares per financial year. In financial year 2021, 21,416 virtual shares from Programme 3 each were credited for Messrs Arnold, v. Platen and Fromme (previous year: 17,107 virtual shares) out of a maximum possible 40,000 virtual shares per financial year. For Mr Esch the number of virtual shares credited for Programme 3 in financial year 2021 amounted to 21,416 out of a maximum possible 40,000. In the prior year 2020, Mr Esch was granted 24,169 virtual shares from Programme 2. In calculating Mr Esch's payout amount of 2,236 thousand euros



from Programme 2 in 2021, the relevant caps for the share price and maximum gross amount per financial year were not exceeded.

In the Executive Board service agreements for Messrs v. Platen and Fromme each beginning 1 June 2021, the maximum amount of total benefits (fixed salary, fringe benefits, any special bonus, STIP, LTIP, retirement benefit contributions) for a full financial year was set at 4,000 thousand euros each. Since the calculation of this maximum amount for financial year 2021 is required to include the prorated LTIP amounts, the amount of which is not determined until payout in some years, no further disclosures can currently be made in this regard; in terms of the provisions of Programme 4, however, a contractual agreement was made to reduce payout claims from the LTIP if this is necessary to comply with the maximum remuneration for the relevant financial year.

#### **7. REMUNERATION AND RETIREMENT BENEFITS FOR FORMER EXECUTIVE BOARD MEMBERS FOR FINANCIAL YEARS 2021 AND 2020**

Cash payments of 559 thousand euros were made to Mr Preisig as variable remuneration in the previous year (2020) to terminate his LTIP Programme 2.

No pension payments arising from the pension commitments have been made to former Executive Board members to date. As at 31 December 2021 the defined benefit obligation (DBO) for Mr Preisig amounted to 5,943 thousand euros (previous year: 6,204 thousand euros). In 2021, 373 thousand euros (2020: 373 thousand euros) were paid into the provident fund for Mr Preisig. The DBO for other former Executive Board members whose service was more than 10 years ago amounted to 11,725 thousand euros as at 31 December 2021 (individual amounts: 5,435 thousand euros, 4,792 thousand euros and 1,498 thousand euros) and to 12,437 thousand euros as at 31 December 2020 (individual amounts: 5,756 thousand euros, 5,090 thousand euros and 1,591 thousand euros). As at 31 December 2021, the pension provision for Mr Preisig amounted to 1,363 thousand euros (previous year: 2,047 thousand euros) and for other former Executive Board members whose service was more than 10 years ago to 4,447 thousand euros (previous year: 5,755 thousand euros).

In 2021, 399 thousand euros (individual amounts: 175 thousand euros, 167 thousand euros and 57 thousand euros) were paid into the pension plan for the retirement benefits of these former Executive Board members. In 2020, this amount was 399 thousand euros (individual amounts: 175 thousand euros, 167 thousand euros and 57 thousand euros).

However, the payments into the provident fund for Mr Preisig and the former Executive Board members whose service was more than 10 years ago do not have to be reported as remuneration within the meaning of section 162 AktG, because in the case of these commitments, the Executive Board members have no direct legal claim in respect of the provident fund or reinsurer, but rather in respect of freenet AG.

#### **8. REMUNERATION ARRANGEMENTS IN THE EVENT OF SCHEDULED OR EARLY TERMINATION OF EMPLOYMENT**

In the event employment is ended as scheduled, i.e. when the term of office ends and the service agreement expires, fixed remuneration and fringe benefit payments also end. Likewise the STIP is only calculated proportionately for the period up to the end of employment and is paid out after the assessment criteria are determined, which may be after the scheduled end of employment.

The performance periods for Programmes 3 and 4 of the LTIP are calculated such that they only run during the term of office and the applicable service agreements. This means that no further remuneration can be earned from the LTIP following the scheduled end of the term of office or service agreement. Regardless of this, the value of the credited virtual shares may still change depending on the share price during the holding period and up to the payout date. In addition, the holding periods and payout dates may fall after the scheduled end of employment. Therefore, the payout may occur after the scheduled end of employment (see note 3.2 for details).

In the event of early termination of employment, the following commitments have been made:

In the event that the term of office ends early due to revocation and subsequent termination of the service agreement, the member of the Executive Board will receive a settlement, except in cases of termination for good cause pursuant to section 626 of the German Civil Code (Bürgerliches Gesetzbuch – BGB). The amount of the settlement is one-twelfth of the annual fixed salary and short-term variable remuneration (STIP) at 100% target achievement applicable to the financial year prior to termination for every full month the service agreement would have run to the end of its scheduled term but did not due to the termination. The maximum is 24 twelfths. The same is true in the event the service agreement is cancelled prior to expiration if a new appointment with a new service agreement does not follow, or it is cancelled to avoid termination for good cause.

Multi-year target agreements were concluded with the active Executive Board members for the purpose of granting long-term variable remuneration (LTIP), see note 3.2 “Long-term variable remuneration (LTIP)”, Programmes 3 and 4. If the service agreement ends prematurely due to termination, cancellation or otherwise, or his appointment to the position is revoked, the Executive Board member is entitled to payout of the LTIP virtual account at the time of termination, provided it shows a positive balance. In this case, the number of virtual shares in the LTIP virtual account is increased by the number of virtual shares resulting from the achievement of the target agreement (STIP) for the current financial year, prorated up to the date of termination of the service agreement or (if earlier) revocation of the appointment. However, such an addition is made only if

(i) the termination of the service agreement on the part of the company is not for good cause pursuant to section 626 BGB, or that the revocation of his appointment to the position is not connected to the termination of the service agreement on the part of the company, for which there is good cause under section 626 BGB,

(ii) the service agreement is terminated by the member of the Executive Board,

(iii) the service agreement terminates prematurely due to permanent incapacity to serve, or due to the death of the member of the Executive Board, or

(iv) the service agreement is terminated prematurely by mutual consent, provided that the cancellation is not made in order to avoid a termination of the service agreement by the company, for which an important reason pursuant to section 626 BGB exists.

## 9. OTHER DISCLOSURES PURSUANT TO SECTION 162 AKTG

### Equivalence to the applicable Executive Board remuneration system

The disclosures in the table in note 5 “Remuneration of active Executive Board members for financial years 2021 and 2020” are without exception equivalent to the applicable 2021, 2018 or 2014 Executive Board remuneration systems, in particular in terms of compliance with the stipulated caps and maximum remuneration. There were no deviations from the Executive Board remuneration system. Especially in the 2021 remuneration system and with regard to STIP and LTIP, the individual variable remuneration instruments serve to further the sustainable, long-term performance of the company already outlined elsewhere in this remuneration report.

### Comparative presentation

The following disclosures provide a comparative view of annual changes in Executive Board remuneration, the development of the company's results of operations and the average remuneration of employees (expressed as FTEs):

	2021	Δ 2021– 2020	2020	Δ 2020– 2019	2019	Δ 2019– 2018	2018	Δ 2018– 2017	2017
<b>Executive Board members in office as at 31.12.2021</b>									
Remuneration, Christoph Vilanek (€ '000s)	1,821	- 33.9%	2,754	- 61.3%	7,124	432.8%	1,337	- 5.0%	1,408
Remuneration, Ingo Arnold (€ '000s)	847	- 35.8%	1,319	+65.5%	797				
Remuneration, Stephan Esch (€ '000s)	3,090	275.4%	823	+13.8%	723	0.1%	723	- 6.2%	770
Remuneration, Rickmann v. Platen (€ '000s)	879	7.2%	820	+2.9%	797	71.4%	465		
Remuneration, Antonius Fromme (€ '000s)	875	7.1%	817	+2.7%	796	71.6%	464		
<b>Former Executive Board members</b>									
Remuneration, Joachim Preisig (€ '000s)			559	- 75.2%	2,256	125.2%	1,002	- 27.8%	1,387
<b>Total remuneration of current and former Executive Board members</b>	<b>7,512</b>	<b>5.9%</b>	<b>7,092</b>	<b>- 43.2%</b>	<b>12,493</b>	<b>213.0%</b>	<b>3,991</b>	<b>12.0%</b>	<b>3,565</b>
<b>Earnings KPIs</b>									
Group EBITDA (€ million)	447.3	5.0%	425.9	- 0.2%	426.8	- 3.3%	441.3	+8.2%	408.0
Net income of freenet AG acc. to HGB (€ million)	102.1	- 79.3%	493.6	336.4%	113.1	- 78.4%	523.1	272.6%	140.4
<b>Average remuneration of the workforce</b>									
Remuneration of the entire workforce (€ million)	209.7		221.5		228.0		215.1		219.5
Average number of employees (FTEs)	3,162		3,336		3,583		3,533		3,562
Remuneration of the workforce (avg. per FTE in € '000s)	66.3	- 0.1%	66.4	+4.3%	63.6	+4.5%	60.9	- 1.2%	61.6

All of the Group's employees were included. A simplified procedure was applied to the average number of employees whereby the average was determined from the number of employees on 31 March, 30 June, 30 September and 31 December of a financial year (expressed as FTEs).

Mr Vilanek's remuneration in 2019 includes a payout from his LTIP Programme 2 in the amount of 5,421 thousand euros. In financial year 2020, a special bonus of 1,000 thousand euros was granted to Mr Vilanek and of 500 thousand euros to Mr Arnold; see note 4 for information on why this item was fully recognised in 2020 instead of 50% in each case in 2019 and 2020. Mr Esch's remuneration in 2021 includes a payout from his LTIP Programme 2 in the amount of 2,236 thousand euros. When disclosing the remuneration

for Messrs v. Platen and Fromme in financial year 2018 (and the percentage comparison with 2019), it should be noted that their Executive Board service did not begin until 1 June 2018 and therefore the remuneration only has to be reported in the table from this date.

### Shares and stock options

No shares or stock options have been awarded as remuneration to the currently serving members of the Executive Board or former members of the Executive Board. Regarding the virtual shares awarded, refer to section 3.2 on long-term variable remuneration (LTIP).

### Other disclosures pursuant to section 162 AktG

There was no clawback of variable remuneration instruments in the reporting period.

Benefits were neither awarded nor granted to any Executive Board member by a third party for their Executive Board activity in the reporting period.

The 2021 remuneration system that was presented for approval to the 2021 Annual General Meeting has only been applied to date to current Executive Board remuneration when the new service agreements were signed with Messrs v. Platen and Fromme starting in June 2021. It will not be applied to the other current Executive Board contracts, since the 2021 Annual General Meeting did not approve the 2021 remuneration system and a revised remuneration system will be presented for approval to the 2022 Annual General Meeting.

## C. SUPERVISORY BOARD DISCLOSURES

### 1. REMUNERATION STRUCTURE UP TO 31 DECEMBER 2020

In accordance with the Articles of Association, the remuneration of the Supervisory Board applicable until 31 December 2020 consisted of three instruments:

- Base remuneration
- Attendance fees
- Performance-related remuneration

The Supervisory Board's members received from the company fixed base remuneration of 30,000 euros for each full financial year of their Supervisory Board membership.

The chairperson of the Supervisory Board received double this amount, the vice chairperson one-and-a-half times this amount.

In addition, every Supervisory Board member received an attendance fee of 1,000 euros for each Supervisory Board meeting that he/she attends. Supervisory Board members who were members of a Supervisory Board committee – with the exception of the committee constituted in accordance with section 27 (3) of the German Co-determination Act (Mitbestimmungsgesetz) – received an additional attendance fee of 1,000 euros for each meeting of the respective committee that they attend. The committee chairperson received double this amount.

After the end of each financial year, the Supervisory Board's members also received variable, performance-related remuneration in the amount of 500 euros for each 0.01 euros dividend in excess of 0.10 euros per no-par-value share in the company which was distributed to shareholders for the financial year ended. The amount of the remuneration was limited to the amount owed as base remuneration. The chairperson of the Supervisory Board received double this amount, the vice chairperson one-and-a-half times this amount.

Members of the Supervisory Board were also reimbursed for their necessary expenses.

### 2. REMUNERATION STRUCTURE AS OF 1 JANUARY 2021

The main change compared with the remuneration arrangements in effect until 31 December 2020 is that only fixed remuneration instruments are now paid. The dividend-related and therefore variable remuneration instrument has been abolished. In the company's opinion, moving to exclusively fixed and more activity-based Supervisory Board remuneration enables it to take account of the Supervisory Board's independent advisory and control function to an even greater extent and reinforces the independence of Supervisory Board members. As a result, it makes a contribution to the sustained performance of the company.

The remuneration of the Supervisory Board approved by the 2021 Annual General Meeting, stipulated in the Articles of Association and applicable as of 1 January 2021 consists of three instruments:

- Base remuneration
- Attendance fees
- Remuneration depending on membership and chairpersonship of Supervisory Board committees

The Supervisory Board's members receive from the company fixed base remuneration of 50,000 euros for each full financial year of their Supervisory Board membership.

The chairperson of the Supervisory Board receives double this amount, the vice chairperson one-and-a-half times this amount.

In addition, every Supervisory Board member receives an attendance fee of 1,000 euros for each Supervisory Board or committee meeting that he/she attends. Several meetings on one day are only remunerated once.

Members of the audit committee receive additional annual remuneration of 15,000 euros each for being members of this committee. Members of other committees – with the exception of the mediation committee – receive additional remuneration of 10,000 euros per committee for being members of these committees. The chairperson of each committee receives double this amount. Remuneration for chairpersonship and membership of the committees only applies if the committees meet to fulfil their duties at least once during the financial year in question.

Members of the Supervisory Board are also reimbursed for their necessary expenses.

### 3. REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD FOR FINANCIAL YEARS 2021 AND 2020

Individualised figures for financial years 2021 and 2020 are shown in the following tables.

Remuneration for financial year 2021 in € '000s	Total remuneration		Attendance fees		Committee remuneration		Exceeding maximum remuneration		Total	rel. share in %
	rel. share in %	rel. share in %	rel. share in %	rel. share in %	rel. share in %	rel. share in %	rel. share in %			
<b>Active members</b>										
Prof. Dr. Helmut Thoma	100.0	62.5	9.0	5.6	60.0	37.5	-9.0	-5.6	160.0	100.0
Knut Mackeprang <sup>1</sup>	75.0	72.8	8.0	7.8	20.0	19.4	0.0	0.0	103.0	100.0
Claudia Anderleit <sup>1</sup>	50.0	74.6	7.0	10.4	10.0	14.9	0.0	0.0	67.0	100.0
Thorsten Kraemer	50.0	76.9	5.0	7.7	10.0	15.4	0.0	0.0	65.0	100.0
Marc Tüngler	50.0	58.8	10.0	11.8	25.0	29.4	0.0	0.0	85.0	100.0
Robert Weidinger	50.0	56.2	9.0	10.1	30.0	33.7	0.0	0.0	89.0	100.0
Sabine Christiansen	50.0	64.1	8.0	10.3	20.0	25.6	0.0	0.0	78.0	100.0
Thomas Reimann <sup>1</sup>	50.0	67.6	9.0	12.2	15.0	20.3	0.0	0.0	74.0	100.0
Fränzi Kühne	50.0	92.6	4.0	7.4	0.0	0.0	0.0	0.0	54.0	100.0
Theo-Benneke Bretsch <sup>1</sup>	50.0	92.6	4.0	7.4	0.0	0.0	0.0	0.0	54.0	100.0
Bente Brandt <sup>1</sup>	50.0	67.6	9.0	12.2	15.0	20.3	0.0	0.0	74.0	100.0
Gerhard Huck <sup>1</sup>	50.0	76.9	5.0	7.7	10.0	15.4	0.0	0.0	65.0	100.0
<b>Total</b>	<b>675.0</b>	<b>69.7</b>	<b>87.0</b>	<b>9.0</b>	<b>215.0</b>	<b>22.2</b>	<b>-9.0</b>	<b>-0.9</b>	<b>968.0</b>	<b>100.0</b>

<sup>1</sup> Employee representative in accordance with section 7 (1) clause 1 no. 1 Co-determination Act (Mitbestimmungsgesetz – MitbestG) of 4 May 1976.

Remuneration for financial year 2020 in € '000s	Total remunera- tion	rel. share in %	Atten- dance fees	rel. share in %	Perfor- mance- related remunera- tion	rel. share in %	Total	rel. share in %
<b>Active members</b>								
Prof. Dr. Helmut Thoma	60.0	45.5	12.0	9.1	60.0	45.5	132.0	100.0
Knut Mackeprang <sup>1</sup>	45.0	46.9	6.0	6.3	45.0	46.9	96.0	100.0
Claudia Anderleit <sup>1</sup>	30.0	46.2	5.0	7.7	30.0	46.2	65.0	100.0
Thorsten Kraemer	30.0	46.2	5.0	7.7	30.0	46.2	65.0	100.0
Marc Tüngler	30.0	43.5	9.0	13.0	30.0	43.5	69.0	100.0
Robert Weidinger	30.0	41.7	12.0	16.7	30.0	41.7	72.0	100.0
Sabine Christiansen	30.0	46.2	5.0	7.7	30.0	46.2	65.0	100.0
Thomas Reimann <sup>1</sup>	30.0	44.1	8.0	11.8	30.0	44.1	68.0	100.0
Fränzi Kühne	30.0	46.9	4.0	6.3	30.0	46.9	64.0	100.0
Theo-Benneke Bretsch <sup>1</sup>	30.0	46.9	4.0	6.3	30.0	46.9	64.0	100.0
Bente Brandt <sup>1</sup>	30.0	44.1	8.0	11.8	30.0	44.1	68.0	100.0
Gerhard Huck <sup>1</sup>	30.0	46.2	5.0	7.7	30.0	46.2	65.0	100.0
<b>Total</b>	<b>405.0</b>	<b>45.4</b>	<b>83.0</b>	<b>9.3</b>	<b>405.0</b>	<b>45.4</b>	<b>893.0</b>	<b>100.0</b>

<sup>1</sup> Employee representative in accordance with section 7 (1) clause 1 no. 1 Co-determination Act (Mitbestimmungsgesetz – MitbestG) of 4 May 1976.

#### 4. MAXIMUM REMUNERATION

The remuneration arrangement applicable from 1 January 2021 onward stipulates that the total remuneration of a Supervisory Board member may not exceed 160 thousand euros per year (maximum remuneration).

The Supervisory Board remuneration for the 2021 financial year presented in note 3 falls within the maximum remuneration permitted, as it does not exceed the annual cap of 160 thousand euros. Compliance with the cap of 160 thousand euros, which was mathematically exceeded by Prof. Dr. Thoma, was achieved by reducing his payout to the maximum remuneration permitted in accordance with the provision in the articles of association.

#### 5. OTHER DISCLOSURES PURSUANT TO SECTION 162 AKTG

The information in the table in note 4 “Remuneration of the members of the Supervisory Board for financial years 2021 and 2020” corresponds without exception to the applicable remuneration system as presented in note 1 “Remuneration structure up to 31 December 2020” and note 2 “Remuneration structure as of 1 January 2021”. In the reporting period, no deviations occurred from the applicable remuneration systems for the Supervisory Board.

The following disclosures provide a comparative view of annual changes in Supervisory Board remuneration, the development of the company's results of operations and the average remuneration of employees (expressed as FTEs):

	2021	Δ 2021– 2020	2020	Δ 2020– 2019	2019	Δ 2019– 2018	2018	Δ 2018– 2017	2017
<b>Supervisory Board members in office as at 31.12.2021</b>									
Remuneration, Prof. Dr. Helmut Thoma (€ '000s)	160	+21.2%	132	+83.3%	72	-50.0%	144	+42.6%	101
Remuneration, Knut Mackeprang (€ '000s)	103	+7.3%	96	+88.2%	51	-50.0%	102	+8.5%	94
Remuneration, Claudia Anderleit (€ '000s)	67	+3.1%	65	+85.7%	35	-48.5%	68	+4.6%	65
Remuneration, Thorsten Kraemer (€ '000s)	65	0.0%	65	+85.7%	35	-48.5%	68	+4.6%	65
Remuneration, Marc Tüngler (€ '000s)	85	+23.2%	69	+86.5%	37	-46.4%	69	+3.0%	67
Remuneration, Robert Weidinger (€ '000s)	89	+23.6%	72	+67.4%	43	-41.9%	74	+4.2%	71
Remuneration, Sabine Christiansen (€ '000s)	78	+20.0%	65	+85.7%	35	-47.8%	67	+4.7%	64
Remuneration, Thomas Reimann (€ '000s)	74	+8.8%	68	+78.9%	38	-43.3%	67	+39.6%	48
Remuneration, Fränzi Kühne (€ '000s)	54	-15.6%	64	+88.2%	34	-46.9%	64	+68.4%	38
Remuneration, Theo Benneke-Bretsch (€ '000s)	54	-15.6%	64	+88.2%	34	-15.0%	40		
Remuneration, Bente Brandt (€ '000s)	74	+8.8%	68	+78.9%	38	-11.6%	43		
Remuneration, Gerhard Huck (€ '000s)	65	0.0%	65	+85.7%	35	-16.7%	42		
<b>Former Supervisory Board members</b>									
Remuneration, Ronny Minak (€ '000s)							26	-61.8%	68
Remuneration, Michael Stephan (€ '000s)							26	-61.8%	68
Remuneration, Gesine Thomas (€ '000s)							25	-60.9%	64
Remuneration, Dr. Hartmut Schenk (€ '000s)									53
Remuneration, Birgit Geffke (€ '000s)									17
<b>Total remuneration of current and former Supervisory Board members</b>	<b>968</b>	<b>+8.4%</b>	<b>893</b>	<b>+83.4%</b>	<b>487</b>	<b>-47.4%</b>	<b>925</b>	<b>+4.8%</b>	<b>883</b>
<b>Earnings KPIs</b>									
Group EBITDA (€ million)	447.3	+5.0%	425.9	-0.2%	426.8	-3.3%	441.3	+8.2%	408.0
Net income of freenet AG acc. to HGB (€ million)	102.1	-79.3%	493.6	336.4%	113.1	-78.4%	523.1	272.6%	140.4
<b>Average remuneration of the workforce</b>									
Remuneration of the entire workforce (€ million)	209.7		221.5		228.0		215.1		219.5
Average number of employees (FTEs)	3,162		3,336		3,583		3,533		3,562
Remuneration of the workforce (avg. per FTE in € '000s)	66.3	-0.1%	66.4	+4.3%	63.6	+4.5%	60.9	-1.2%	61.6

See our statement on Executive Board remuneration under section B, note 9 for information on the calculation of the average number of employees and of employee remuneration.

No shares or stock options have been awarded as remuneration to the currently serving members of the Supervisory Board or former members of the Supervisory Board.

There was no clawback of any variable remuneration instrument in the reporting period.

Benefits were neither awarded nor granted to any Supervisory Board member by a third party for their Supervisory Board activity in the reporting period.