

Declaration pursuant to Section 161 AktG regarding compliance with the recommendations of the German Corporate Governance Code

1&1 Aktiengesellschaft

Declaration of the Management Board and Supervisory Board of 1&1 AG Regarding the Recommendations of the “Government Commission on the German Corporate Governance Code” Pursuant to Section 161 Stock Corporation Act [*Aktiengesetz; AktG*]

The Management Board and Supervisory Board of 1&1 Aktiengesellschaft declare that 1&1 Aktiengesellschaft has complied with the recommendations of the German Corporate Governance Code (“Code”) as last revised on 28 April 2022, which became effective upon publication in the Federal Gazette on 27 June 2022, on which the last Declaration of Conformity of 5 December 2022 was based, with the there declared exceptions and will continue in future to comply with the recommendations, with the following exceptions:

Clauses D.4 Formation of a nomination committees

The Supervisory Board does not form any other committees in addition to the Audit and Risk Committee, but performs all other tasks as a whole. The Supervisory Board considers this to be appropriate, as efficient plenary discussions and an intensive exchange of opinions are possible even with a six-member Supervisory Board. Accordingly, the Supervisory Board sees no need to establish a Nomination Committee.

Clauses G.1 to G.5 Remuneration of the Management Board — remuneration system

Taking into account the Act Implementing the Second Shareholders' Rights Directive (“ARUG II”) and the new German Corporate Governance Code (“DCGK”), the Supervisory Board developed and agreed changes to the compensation system for members of the Executive Board.

With the recommendation to the Annual General Meeting in May 2021, the compensation system became the basis for employment contracts with Executive Board members concluded in the future. The remuneration system developed takes into account the recommendations in G.1 up to and including G.5 of the Code without any restrictions. Existing employment contracts with Executive Board members remain unaffected by this, which is why the deviation from the recommendations in G.1 up to and including G.5 of the Code is explained.

Clause G.10 Remuneration of the Management Board — long-term variable remuneration

According to G.10 of the Code, the variable remuneration components granted to members of the Management Board should be granted primarily as shares of company stock or granted on the basis of company stock. Moreover, any such grants to board members should be subject to a blackout period of four years. Share-based remuneration is awarded in the form of the Stock Appreciation Rights (SARs) programme as a long-term remuneration programme for the Management Board. The term of this programme totals six years. Within this period of six years, a Management Board member can redeem a portion (25 percent) of the vested SARs at certain points in time — at the earliest, however, after two years. This means that a Management Board member can obtain a part of the long-term variable remuneration after only two years. After 5 years, full exercising of all SARs is possible for the first time.

The Supervisory Board is of the opinion that this system of long-term remuneration has proven its value and sees no reason to postpone any further the possibility of obtaining remuneration earned under the programme. The Supervisory Board believes that the linking of the programme to the 1&1 AG share price and the opportunity for Management Board members to redeem their shares to satisfy the claims from the programme secure reasonable participation of Management Board members in the risks and opportunities of the company 1&1 AG. Since the programme has been designed with a term of six years and the awarded SARs are vested proportionately over this term and at the earliest after two years, the Supervisory Board is of the opinion that the programme achieves an optimal commitment effect and incentive control in the interest of 1&1 AG and does not require any changes.

Clause G.11 Remuneration of the Management Board — withholding/clawback of variable remuneration

According to G.11 of the Code, the Supervisory Board should have the possibility to withhold or claw back variable remuneration in justified cases. The current employment contracts of the Management Board members do not contain such provisions. A claw-back clause for the reclaim of variable compensation has been included in the new compensation system and will be taken into account in future employment contracts to be concluded with Executive Board members.

Clause G.13 Remuneration of the Management Board — benefits upon termination of contract

According to G.13 of the Code, payments to a Management Board member in the event of premature termination of Management Board activities should not exceed the value of two years' remuneration and should not remunerate the member for a period longer than the remaining term of the employment contract. If and when there is a post-contractual non-competition clause, any such severance payment should also be offset against the waiting period compensation. The employment contracts for Management Board members do not currently provide such an offset option.

However, there are plans to incorporate this option into the remuneration system and into newly concluded employment contracts of the Management Board members (and any related termination agreements).

Montabaur, 18 December 2023

For the Supervisory Board

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